A HISTORY OF THE LABOR MOVEMENT

IN THE OIL INDUSTRY

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IN THE OIL INDUSTRY

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CHAPTER I

INTRODUCTION

Purpose of the Study

This is a study of the labor movement in the oil industry from an historical approach. Through this study we shall attempt to answer the following questions: Why has labor in the oil industry been slower to organize than it has in other industries? What are the peculiarities of the oil industry which make its workers more difficult to organize than workers in other industries? Is there a need for organization in the oil industry? In general what have been the working conditions in the industry? Why have previous organizing attempts failed? What are the trends and possibilities of labor organization in the oil industry for the near future? It is hoped that some light may be thrown on these and many other questions during the process of this study.

Scope of Study

This study shall include the oil industry and all related, or allied industries, such as the gas and carbon black industries. Only the United States will be considered in the study.

Justification of the Study

Many volumes have been written on the various phases of the oil industry and about the various labor movements and labor problems, but never has there been a volume written on the subject of labor in the oil industry. Studies have been made and books written about labor in al-
most all major industries: steel, coal, automobile, textile, agriculture and others. If these studies can be justified, then it seems that this one certainly can be, since the oil industry is one of the largest and one of the most important industries in the world today. It is doubtful that anyone would deny that oil is one of the most vital materials of war—or even peace, in an industrial society.

Also, at the present time, a strong attempt is being made to organize labor in the oil industry over the entire United States. Therefore, this is indeed a very opportune time for such a study, and the topic is a very interesting one.

Sources

Information and material for this study have been gathered from a wide variety of sources. Since no parallel study has been made by anyone else, so far as the writer is aware, the information must of necessity come from many different sources, since only bits of information can be found at each source.

Very little material on the subject has been found in books. In no book have there been found more than one or two paragraphs on the subject, and those paragraphs were very vague and general in their discussions. One exception is a book by Ruth Allen which contains one whole chapter on the subject of the "Oil Workers' Union in Texas." This has been a very helpful source, despite the fact that much of the material in that chapter had already been obtained by the writer from other sources before he discovered the chapter in the book by Allen.

A great amount of the information was obtained through personal interviews with officials of the Oil Workers International Union, and with workers in the oil industry.
Scores of letters have been written to the many individuals, agencies and organizations, that the writer considered as the most likely persons or organizations, or sometimes agencies, to possess information concerning labor organization or labor problems in the oil industry. Many letters and such material have been received answering these many letters of inquiry. This has been the most valuable source of information and material.

Convention proceedings and similar material have been supplied the writer by the Oil Workers International Union and by the American Federation of Labor. These sources have been invaluable.

Periodicals and newspapers have supplied some current and some historical material, but the information in these sources have been very scarce, and that available has been of a very general nature.

A rich source of information has been found in the official publications and materials of the Oil Workers International Union—the International Oil Worker, the California Oil Worker, and the "Oil Workers Edition" of the CIO News.

The official organs of the oil companies have also been a valuable source. The Oil Weekly, its progenitor, the Gulf Coast Oil News, and various publications of the American Petroleum Institute have been used.

Government publications have been used extensively.

Much information has been obtained through personal observation and experience on the part of the writer.
CHAPTER II

FIRST ORGANIZATIONAL ATTEMPTS

IN THE OIL INDUSTRY

Period from 1898 to 1905

Events leading to the first organizational activity. — There seemed little need for labor organization in the oil industry before the decade of the 1890's. Until that time field organization was still small-scale enough to allow personal relations between the "boss" and the lowest paid employee. Apparently, oil was cheap and wages were low at this time. Most workers in the oil fields were from near-by farms and could live at home as cheaply as ever. So, if they could make two dollars a day, more than they were accustomed to, and still live under the same conditions, they would be well satisfied with their jobs.

The oil industry grew rapidly, however, and the close personal relationship between the employee and employer was destined soon to disappear. The Standard Oil Company, which began in 1872 under the name of the "South Improvement Company," had secured a virtual monopoly of the oil industry at the very beginning. "By 1874 it had its system of rebates from the railways well under way. Since then it has had a monopoly, having absorbed or destroyed virtually all attempts at competition."1

1Encyclopedia of Social Reform, 1908, p. 848.
With this monopolistic condition and the rapid expansion of the industry came a vastly different relationship between the employee and the employer.

Officials were removed to offices in large cities a great distance from the producing end of the operations, and mammoth companies began to dominate the scene. The worker no longer knew his employer personally. Policies were determined by financial and economic experts in the far away company headquarters. To these experts, workers were often not human beings, but were mere production units like any other factor of production. The immediate supervisors of the workers knew the men personally and were their friends. They knew their problems but could do nothing toward solving them since their orders were sent from headquarters and their only job was to enforce them.

It seems that the result of this absentee ownership and the indirect impersonal administration and control, was unbearable working conditions, longer hours and lower wages for the workers. The workers became dissatisfied and began to resent their treatment at the hands of these employers who gave their orders by mail instead of doing it in a "person-to-person" manner. So the workers decided to do something about the situation.

The first organizational activities.—Individually the laborers could do little. If a particular individual should raise his voice in protest of the employer's methods, without the active support of his comrades, he was very apt to be disposed of very quickly, and with no compensating results from his action; but collectively, the workers might be able to demonstrate their power and force the employer to pay some attention to their problems.
So, sometime during the latter part of the 1890's (the exact date is not known) the workers asked the American Federation of Labor to send some organizers into the oil fields. The organizers were sent and several local unions were organized and chartered by the American Federation of Labor.

Information concerning the early union activities in the oil industry is scarce, since the details were not recorded.

However, according to George Meany, "the records of the American Federation of Labor show that a National charter was granted to the Oil Field and Gas Well Workers' Union on December 29, 1892." There were four hundred (400) members of the union at that time.

During the 1890's there was a total of twenty-four thousand six-hundred (24,600) employees in the entire oil industry of the United States. There were fifty-three (53) women and all the rest were males. Thus, we see that a very small percentage of the total number of the oil workers belonged to the union.

The number of union members or union sympathizers may have been much greater than is indicated by this number (400), since it was arrived at by basing it on the dues-paying members of the National Union. Many of the workers probably belonged to local unions not affiliated with the National union. Others, perhaps, were unable to pay their dues; while

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2 Letter from George Meany, Secretary-Treasurer, American Federation of Labor, February 20, 1892.


still others who were sympathetic to the union were afraid to join because of strong employer and public opposition to labor unions at that time. Union men could be fired by the employer for no other reason than his union affiliation. It therefore took much courage to join a union in those days.

The union was probably instrumental in obtaining wage increases for the workers. By 1902 the average wage for oil field workers had reached the magnificent sum of three dollars per day. This wage rate prevailed until 1906.

Membership in the union grew to a total of five hundred (500) by 1901. It dropped to three hundred (300) in 1902; rose again to four hundred (400) in 1903 and remained there until 1906. The sudden drop in membership in 1902 was probably due to the rise in wages and the obtaining of better working conditions. This often dulls the keenness for organization and collective action when employees have no clear understanding of the social basis for organization.

First labor dispute.——The first labor trouble in the oil industry, so far as the records show, occurred in the spring of 1906. By this time the oil companies were making huge profits. The Standard Oil monopoly was well established, "controlling 22,000,000 barrels of oil out of a total product of 26,000,000 barrels." An investigation by the Federal Government of the Standard Oil Company, revealed that during the twenty-five year period from 1882 to

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5 Proceedings, op. cit., p. 45.
6 Encyclopedia of Social Reform, 1908, p. 348.
1906 "the dividend rate on the capital stock, which was $14,289,301 in excess of the actual value of the property in 1882, increased from 5.25 per cent to 48 per cent, the ten year average from 1896 to 1906 being 40 per cent. Total net earnings as related to capital stock rose from 17 to 87 per cent. The average from 1900 to 1906 was 66 per cent. A large portion of the net earnings was reinvested in extensions, enlargements and other improvements incidental to normal growth of the industry subsequent to the establishment of a monopoly. The annual mean of assets advanced from $60,516,000 in 1882 to $337,506,000 in 1906."\(^7\)

Oil was selling in 1906 for 14 cents a barrel.\(^8\) Only a few years before the selling price for the same kind of oil was three cents a barrel, as mentioned above.

If we consider the fact that man-hour output had probably increased tremendously in the past ten years, from 1895 to 1905, plus the consideration of the enormous increases in the profits of the oil companies, as indicated above, it would seem that labor should be compensated for its contribution by substantial wage increases and better working conditions. But this was not the case.

Instead of offering an increase in wages, as labor's share in the increased profits and increased production, the oil companies sought to still further increase their already unbelievably huge profits by decreasing wages, as shown below.

\(^7\)Ibid., p. 445.

\(^8\)Ruth Allen, *Chapters In the History of Organized Labor in Texas*, p. 221.
In Texas, the J. M. Guffey Petroleum Company, the progenitor of the present Gulf Oil Corporation, issued orders to cut wages of employees to $2.50 a day. This aroused widespread resentment on the part of the workers, and they asked the American Federation of Labor to send organizers into the Midcontinent and Gulf Coast fields. Under these conditions, the workers were very receptive to the union and within a short time this section was highly organized. Through the union, the workers attempted to negotiate with the companies. The companies refused to bargain with them under any circumstances. So, failing in these attempts to negotiate with the companies, the union called a strike. It lasted for ten days and finally ended when the companies agreed to restore wages to their former level.9

The interests of the workers in the union seem to have gone no further than to the restoration of wages to their former levels. No attempt was made to raise wages, shorten hours, or to change working conditions in any way. The workers lost interest in the union and discontinued the payment of dues. The result was disintegration of the unions. The records of the American Federation of Labor show that the Oil Field and Gas Well Workers' Union was officially disbanded in 1906.10

The Period from 1906 to 1918

The 1907 strike—In 1907 the oil workers were again faced with a wage cut. Remembering the success of the union in recovering the lost wages in 1906, they again turned to the organization for protection.

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9Ibid., p. 222.
10Meaney, op. cit., p. 1.
Quoting Ruth Allen,

Organization again appeared at Spindle Top, Sour Lake, Batson, and Saratoga. Demands to the employers, which included recognition of the union, were refused and a strike followed. After ten days the employers allowed all requests save that for the right to collective bargaining and the workers returned to their jobs. Consequently, upon the failure of the union to secure recognition, the unions soon vanished, and after the ensuing decade of rapid expansion in the industry laborers were still without protection. 11

The workers in the oil industry, it seems, had no interest in unions except in times of distress. The unions never failed to come to the successful rescue of the workers whenever they called for help, but once the immediate injustice had been righted and the old status quo restored, the laborers were through with the union. They had no desire to develop an organization strong enough to actually improve their working conditions. They could see no need for paying dues to a union unless they were in immediate distress and needed strong assistance.

This attitude on the part of the workers may be accredited to the fact that the oil-field workers at this time were predominately rural and thereby possessed of an extremely individualistic philosophy. These workers had previously had little or no knowledge of labor organization and were not trained in cooperation and organization in any aspects of life.

Unionism becomes sick.—After the strike of 1907 unionism in the oil industry became almost wholly extinct. As pointed out above, the National organization was disbanded in 1906, and after the one flare-up of unions in 1907, very little union activity was noted for about a decade.

However, unionism in the oil industry did not completely disappear

11Allen, op. cit., p. 222.
during this time. Records of the American Federation of Labor show that local unions continued to exist. Further evidence of this fact is found in an article written by Harvey C. Fremming, an ex-president of the Oil Workers International Union. He points out that the local unions in California and the Gulf States continued the fight throughout the decade from 1906 to 1916 and were finally successful in organizing the National movement.

It must be pointed out, however, that even though some local unions continued intact during this period, actually, no progress was made. There is no record of the number of workers belonging to these local unions, but apparently the number in these unions was small.

This was a period of tremendous expansion in the oil industry. The automobile and other gasoline and oil consuming machinery were extensively developed during this period, thus creating a great demand for the products of oil. To meet these increasing demands, new oil fields were discovered and developed. Output and employment each increased about fifty per cent between 1907 and 1915. Profits in the oil industry were gigantic, but the laborers' wages and working conditions were not materially improved.

"Wages for roustabouts were about $2.33 per day, and twelve hours was the standard work-day for oil workers throughout the world."
Convalescence of unionism in oil industry.—By 1916 the workers were suffering greatly from a decrease in real wages due to the rising cost of living and stable wages.

Under war conditions the price of oil had risen to three dollars a barrel, as compared with three cents a barrel in 1902.\(^{16}\) Wages were still three dollars per day as they were in 1902. Thus we see that since the beginning of the Century the price of oil had increased a hundred fold while wages had not changed in terms of dollars but had actually decreased in purchasing power.

This situation caused extreme dissatisfaction on the part of the workers. The companies were soon aware of the workers' dissatisfaction and of the public resentment toward the oil companies. The public was especially antagonistic toward the Standard Oil Company, because of its profiteering during the war by selling to the warring nations, and also because of the Ludlow, Colorado, "massacre," in which the company's strike breakers murdered and injured dozens of workers who were on strike at the Rockefeller-owned mines.\(^{17}\)

In order to cover their "sins" the Standard Oil Company inaugurated a change of policy toward their workers, by establishing the eight-hour day and many other benefits for the workers.\(^{18}\) However, instead of raising wages, the companies offered a bonus plan for the workers.\(^{19}\)

\(^{16}\) Allen, op. cit., p. 222.
\(^{17}\) Daniel, op. cit., p. 7.
\(^{18}\) Ibid.
\(^{19}\) Allen, op. cit., p. 222.
But the workers did not consider this a satisfactory equivalent for higher pay, so they turned again to organization for protection.

At this time much of the drilling in California was being done by contractors for the companies. So, when the companies inaugurated the eight-hour day, the contractors began to experiment with three eight-hour shifts instead of the conventional two twelve-hour shifts and found that the increase in speed and efficiency more than paid for the extra shift. Therefore, the eight-hour day was adopted by contractors all over California. Some of the companies still maintained the twelve-hour work-day, however, and when drilling contractors working for them began working their men only eight hours a day, other employees of the company became somewhat dissatisfied with the twelve-hour work-day that they were still forced to work.\(^20\)

The major companies, confronted with this situation, delivered an ultimatum to the contractors that there would be no more drilling contracts unless they returned to a twelve-hour basis, so that is precisely what they did commencing April 1, 1917.\(^21\)

The immediate reaction to this action by the contractors was that, simultaneously, three groups of workers in California, one at Coalinga, one at Taft, and another at Bakersfield, met for the avowed purpose of organizing into a union. A convention was held at Bakersfield in July, 1917, which was attended by delegates of seven local unions. From this convention came two objectives—first, an eight-hour day; and second, a minimum wage of four dollars a day for common labor.\(^22\)


\(^{21}\)Ibid.

\(^{22}\)Daniel, op. cit., p. 7.
At the same time the oil workers in Texas were organizing into a union in reaction to the bonus plan, proposed by the companies, instead of wage increases. "In 1917, representatives of seventeen locals met at Houston to consider methods of improving working conditions in the oil industry."\(^{23}\)

In California and in Texas, it was decided by the workers that the operators would be asked to meet with their representatives for joint consideration of the problems. The operators refused to meet with the representatives, so, on November 1, 1917, the Texas workers took action and voted overwhelmingly to strike.\(^{24}\) The California workers continued attempts at negotiation.

The 1917 Gulf Coast strike.—Approximately ten thousand employees in seventeen oil fields walked out. The contest lasted for three months and finally ended in almost complete failure for the strikers. Many troops were sent to patrol the oil fields by Hobby, then Governor of Texas, as a result of rumors of I.W.W. activities and German spy operations. Unemployed farmers from West Texas acted as strikebreakers, and as a result the strike was broken up completely.\(^{25}\)

This failure was a bitter blow to the young organization in Texas. Federal Government representatives were sent to the oil fields both in Texas and California to act as mediators in the disputes between the workers and the employees. At first the employees and Government representatives were unable to obtain conferences with the employers, but finally they succeeded in doing so. Peace was established for the time-being, in California, where the workers were to be paid four dollars a day, and an eight-hour day was to be inaugurated. A Federal Oil Board

\(^{23}\)Allen, op. cit., p. 222.  \(^{24}\)Ibid., p. 223.  \(^{25}\)Ibid., p. 223.
was set up to enforce the regulations and to adjust the other matters between the employers and employees in the oil industry. The board consisted of one representative of labor, one of management, and a Federal District Judge, who was to be Chairman. 26

After this the organization suffered, because after winning the eight-hour day and the minimum wage they were inclined to sleep on the job, and as a result the union was greatly weakened. The Federal Board soon lost its power, because the Chairman was so busy with other duties that the board never functioned and could not enforce the rules set up. 27

Here again the experience of 1905 and 1907 was repeated, to the great disappointment of the union, and the result in all three instances was loss for the workers.

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26 Ibid., p. 227.
27 Ibid., p. 228.
CHAPTER III

OIL FIELD, GAS WELL AND REFINERY WORKERS OF AMERICA

Period from 1918 to 1921

Growth and Development of the Union

Second National Charter.—Prior to the failure of the big strike, the oil workers had asked the American Federation of Labor for a National charter. "The World War stimulus to the industry and the favorable organizing activities of that period had revived unionism among the workers in the oil fields."¹ "On July 2, 1918, the National charter was issued under the name of International Association of Oil Field, Gas Well and Refinery Workers of America, representing the American Federation of Labor local unions in the industry."²

The union had been badly crippled by the failure of the strike in 1917. This was indicated by the decline in membership during the year immediately following the strike. According to the records of the American Federation of Labor, "at the time the National charter was granted, the organization had 4500 members."³ That was less than half the number who actually took part in the strike in the Gulf Coast fields less than a year earlier. Nevertheless, the organization was issued a


² Letter from George Meany, Secretary-Treasurer, American Federation of Labor, February 20, 1942.

³ Ibid.
National charter and survived, regardless of the many difficulties confronting it.

Walter J. Yarrow.---It is very likely that the union would not have survived had it not been for the strong leadership of one individual, Walter J. Yarrow. He was responsible for organizing the oil workers in 1917. He was the person largely responsible for obtaining the eight-hour day instead of the traditional twelve-hour day for the oil workers in California, and also a substantial wage increase. He did this by taking advantage of the government machinery available for use in just such cases. All of this he did without a strike. When the union entered the American Federation of Labor as a new international, Yarrow remained the "master mind," with the modest title of advisor. Yarrow was very progressive—conservatives called him a radical. He was never elected to the presidency of the union because the conservatives refused to seat him. Until 1921 he succeeded in renewing the agreements covering wages and conditions and each year the men gained something.  

The new organization held its own for the first year, showing a membership in 1919 of 4,500, 5 or exactly the same number that it had when it received its charter the year before. But Yarrow and his associates were not asleep. It took much effort by the leaders to even maintain the membership. After a year of stability, however, the membership literally sky-rocketed, reaching the figure of 20,000 in 1920.  

4George P. West, "A 100-Per-Cent American Strike," Nation, October 19, 1921.
5Proceedings of the 1921 Convention of the American Federation of Labor, p. 32.
6Ibid., p. 32.
This tremendous growth may be accredited to the genius of Walter Yarrow, whose untiring efforts figured in every move the union made. The California oil fields were almost entirely organized and by 1921 the union had a membership of 24,800. 7 "Standard Oil Company alone stayed out, but managed it by giving their men, "voluntarily," everything the union demanded."8

First convention of the new union.—The first convention of the new union was called by Grant G. Jacobs, temporary president, and Thomas L. Colburn, secretary. The convention was held at El Paso, Texas, November 25, 1918. Twenty-one local unions were represented at the first convention. Only five of them were in Texas, the other sixteen being in California, Louisiana and Oklahoma. 9

From California, the delegates who attended the El Paso convention brought with them the conflict which lasted throughout the early years of the international, and was the major contributing factor in its failure to become an effective unit. 10

W.J. Yarrow, chairman of the California state council and active worker in the organization, resigned under pressure before the El Paso meeting. Yarrow appears to have been a symbol around which centered a struggle between two groups, one favoring drastic and sudden methods of operation and the other accepting the recognized methods of business unions. The employing group was greatly relieved when the union repudiated Yarrow. 11 Yarrow, however, continued to be the leader even though he had no official title.

7 Ibid., p. 32. 8 George P. West, op. cit., p. 445.


10 International Oil Worker, June, 1919.

11 The Oil Weekly, December 14, 1918.
R.S. Evans of Saratoga, Texas was elected secretary-treasurer.

Fort Worth, Texas, was selected as the location for the international offices because of its position with oil fields on each side of it.12

New organizing campaign.—As has been said, the union's membership dropped almost sixty per cent in one year, following the strike in 1917. This weakened the organization very much, and with such a small membership it could not very well act effectively in the industry as a whole. The obvious thing to do was to revive unionism among the workers by an intensive and extensive organizing campaign. So, at the convention in 1918, an organizing drive was planned, and W. C. Wilson of San Francisco was put in charge.

The locals of the 1917 strike area were soon restored. Then a very strenuous organizing drive was carried on in the Burk Burnett and Ranger fields which were "boom" areas at the time. From all indications the campaigns were very successful. As pointed out above, the records of the American Federation of Labor show that membership in the International Association of Oil Field, Gas Well and Refinery Workers of America increased from 4,500 in 1918 to 24,500 in 1921.

"Within six months after the organizing drive began there were eighteen locals in seventeen towns in Texas and by November, 1919, twenty-four of the ninety-eight locals in the international were in that state."13 The organizing campaign was abandoned in 1921 due to strife within the union at the second convention which finally led to a

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12 Allen, op. cit., p. 229.
13 Ibid., p. 230.
split-up and disintegration of the union.

**Living conditions of oil workers.**—In order to thoroughly understand the purpose of a labor movement in any particular industry, it is necessary to know something of the living and working conditions of the laborers and their families who work in that industry.

Living conditions in the oil "boom" towns of the early days, and today, is common knowledge. Persons not so very old remember the conditions quite well; we younger ones have heard over and over again the experiences of our older brothers and our parents. We know that several people slept in the same bed each day by sleeping in it by shifts. Many beds never got cool. People lined up in front of privies and waited their turn, often willing to pay for a place nearer the door. Some men made their living with a sled and a mule, pulling people across the sloppy streets of these oil towns.

Many companies built shabby temporary camps and almost forced their employees to rent one of their shacks and live in their camp. Living conditions in these camps were deplorable. An article in the Literary Digest of October 22, 1921, gives a true description of the situation.

Sanitary conditions in the average oil camp or in a "boom" oil town are so imperfect as practically to invite the visitation of a costly fire or epidemic. Such communities usually have no water supply, or a wholly inadequate one. Garbage and decaying vegetable matter, tin cans, old rags and scrap paper lie in heaps about temporary structures or are strewn over vacant lots. Flies swarm and the atmosphere reeks with offensive odors. 14

The situation became so bad that C. P. Bowie, Petroleum Engineer, United States Bureau of Mines, was sent to investigate the living conditions in the oil camps. Some of his statements were quoted in the

14 *Literary Digest, October 22, 1921, "Oil Camps."*
article cited, above. Briefly, he concluded:

... The neglect of those in authority to meet these responsibilities brings hardship and misery to a class of migratory workers who may be especially susceptible to the influence of social unrest.

The employer is also a sufferer. He meets a material loss through the "soldiering" of discontented workers, of laborers. Experience has shown that insanitary conditions may decrease the working efficiency of men 25 per cent.\textsuperscript{15}

Considering these conditions under which the oil workers lived, it certainly appears as if they deserve something much better than they had. These conditions definitely indicate a crying need for labor organization, since organization and collective action is the laborers only effective weapon in the fight for his rights, and for better conditions.

Wages and hours in the oil industry.--We have already seen that the twelve-hour day, and often a fourteen-hour day, was the common work day for oil workers. Wages had been relatively static throughout the history of the oil industry—usually about $3.00 for a twelve-hour day of work. The only exceptions were in the highly organized districts.

The United States Bureau of Labor Statistics conducted a study of wages and hours in the oil industry in 1920. According to the findings of this study, 74 per cent of all employees engaged in the drilling and operation of wells worked seven days per week, the remaining 26 per cent being six-day workers; 34 per cent of all pipe-line employees worked seven days and 66 per cent six days per week; 23 per cent of all employees at refineries were seven-day workers and 77 per cent six-day workers, while only an inconsequential few worked only five days per week. Hours worked per week in production averaged about 78.6; in pipe line transportation about 82.5; in refining near 60.\textsuperscript{16}

\textsuperscript{15} Ibid. \textsuperscript{16} United States Bureau of Labor Statistics, Bulletin 297, \textit{Wages and Hours In The Petroleum Industry}, 1921, p. 3.
The average wage in the whole industry was not calculated, but from the study of the hourly earnings of different positions it appears that the average wage in the entire industry was slightly above sixty (60) cents per hour. This figure is for skilled workers only, however. Common laborers and "roustabouts" received only about fifty (50) cents per hour. This figure is deplorable, according to the United States Bureau of Labor Statistics.\textsuperscript{17}

There were actually individual cases where a worker rarely saw his children awake for six months at a time because of the hours he worked, even though he lived in the same house with them. For example, in one case the worker went to work at noon and got off at midnight, so, when he got up the next day they were gone to school. This worker worked twelve hours a day for three hundred sixty-five (365) days a year.\textsuperscript{18}

The San Joaquin Valley Strike of 1921.—These living and working conditions, and the poor wages and hours of the oil workers were not taken lightly by the new international union. In the early post-war period the union made every effort to organize the oil workers, and at least, to maintain the gains that had recently been made by the union, such as better working conditions, shorter hours and higher wages.

In 1921 the operators began to cut wages, lay-off some workers, and work the rest longer hours each day. These conditions were weekly accepted almost everywhere except in California where the oil workers were highly organized. Here the workers were under the masterful leadership of Walter Yarrow, the Scotch-American who had been largely

\textsuperscript{17} Ibid., p. 5.

\textsuperscript{18} Personal interview with O.A. Knight, President, Oil Workers International Union, February 19, 1942.
responsible for organizing the workers in 1917, and had been their
guide ever since. The union had been successful, through Yarrow's leader-
ship, in gaining the eight-hour day and a substantial wage increase for
the California Oil workers. Each year a conference was held between the
representatives of the union and a committee representing the operators.
These groups decided upon the policies the companies were to follow for
the next year, as concerned wages and hours.

In 1921 the operators committee refused to meet with the repre-
sentatives of the union. They also arbitrarily announced that the twelve-
hour day was to be restored and wages were to be reduced to the 1917 level.
That would mean $2.00 a day decrease in wages to most workers. The
operators also refused to agree to government underwriting of wages
and working conditions. The operators used the depression as an excuse
for their actions.

After several proposals by the workers for bargaining or mediation,
and after as many refusals by the companies, the workers decided to strike.

So, in October, 1921, one of the most sensational strikes in
history was begun. It was a new experience for the men and for their
leader, Walter Yarrow, none of whom had ever participated in a strike
before. Some 8,000 workers participated in this strike which involved
one entire county and parts of others. The territory involved was so
extensive that "pickets, by necessity, used automobiles and motorcycles." 20

The story of the strike could be told no better than it is told

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19 E.E. Daniel, "Oil Workers Enjoying Benefits," California Oil
Worker, 20th Anniversary Number, 1936, p. 8.

20 Personal Interview with G.A. Knight, President, Oil Workers
International Union, February 19, 1942.
by George P. West in an article in Nation magazine at the time the strike was in progress.

At the lower end of the San Joaquin Valley in California, 8,000 oil workers are enjoying their first strike. Oil production is stopped in the second largest field in the country, and the State is marveling at the perfect organization of wage earners who have taken over the economic and political control of whole districts, towns, and even a county.

No, it isn't sovietism or the dictatorship of the proletariat. Rather than that it is a strike a la George M. Cohan, with American Legion trimmings. For these na"ive oil workers are taking patriotism seriously. Service buttons and American flags and deputy sheriff's badges are their insignia, and their sole demand is that the absentee owners of the wells submit to the underwriting of wages and conditions (about which there is no dispute) by the Federal Government. They don't even ask union recognition and have accepted a wage reduction of $1.00 a day.

State authorities, shouters for law and order, and the employers themselves are flabbergasted. It is a situation worthy of Bernard Shaw. Here is one whole county and part of another absolutely in the control of organized wage-earners, with 500 of them deputized as peace officers and patrolling the highways in armed squads called "law and order patrols," with instructions to stop every suspicious automobile, arrest every bootlegger, and turn back every gunman and strike-breaker. The striker patrols wear American Legion buttons and deputy constable's badges. The county and town officials and the merchants praise their patriotism and their efficiency. The few farmers in the district contribute to their commissariat and refuse water to the few forlorn gunmen who break through the cordon.

As I write, the operators announce that they have abandoned their attacks and attempts to bring in guards and scabs. They realize that the appearance of any large number of these professional ruffians would mean miniature warfare in the oil fields.

What makes the problem so hard is that no striker has been considerate enough so much as to throw a brick. The oil workers are not a "lawless element." They are admittedly the custodians of law and order.21

The strike was continued too long and the workers lost much of their spirit. It was almost impossible to win the strike since there was so much unemployment, and no law forbade the employer to fire union men and hire non-union workers. It was not a complete failure, however.

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since many of the better working conditions gained by the union in that particular section of the country were maintained throughout the next decade.

Policies of the Union

The oil workers have always been a peaceable group. It was their policy to settle disputes by conference or mediation wherever possible, and when it did become necessary to go on strike never did the oil workers cause a disturbance or exercise violence of any nature.

They used the agency of the government wherever possible. When the Federal Board became ineffective as an agency of adjustment for the employees and employers in the oil industry, in its place an adjuster, agreeable to both workers and operators was named. Without recourse to a strike or even a major dispute the workers made many advances after 1919. "And by 1921 the base wage for common labor [in California oil fields] had been increased to $6.00 per day. A general classification had been made of the industry and both workmen and operators, not to mention the oil field communities, had all benefited immeasurably."22

Industrial Unionism.—It was the policy of the union to exclude no oil worker from its membership. Thus, it was an industrial union from the very first. As such, it met much stiff opposition even from its sister unions. Many unions opposed the granting of the charter to the oil workers because of its policy of industrial organization, and also because they feared a loss of membership in their own ranks. Many

jurisdictional disputes occurred between the oil workers and other unions. The oil workers' stand on the question of industrial unions was clearly indicated by orders given to the union's delegates who were sent to the American Federation of Labor's National Convention in 1919. Their instructions were, as follows:

First—Proceed at once to get in touch with delegates of all industrial unions affiliated with the American Federation of Labor and procure their support in opposing the jurisdictional claims of any other unions to workers in the oil industry;

Second—Work for the adoption of a policy which has for its purpose the organizing of all basic industries as a unit.23

With a policy like this the new union had little support. Not only did the employers, the newspapers, other local unions and officials oppose them, but it was always the established policy of the mother union, the American Federation of Labor, to organize only skilled workers and organize them into craft unions, only. The presidents of the American Federation of Labor, Samuel Gompers and, later, William Green, were openly and actively opposed to industrial unionism.

The oil workers' union even organized the Negroes, a feat rarely accomplished by any union—even until this day. Two locals in Texas, one in Beaumont and one in Port Arthur, were composed entirely of Negroes.

At the second international convention, which met in Fort Worth, Texas, in May, 1920, a policy was decided upon which took into account the poor wages and working conditions of the Negroes. A differential of dues of $1.00 per month was set for Negro workers. This was also expected to be an advantage in organizing the Negroes. This differential was to be maintained until such time as the Negroes secured the same

23 International Oil Worker, June, 1919, p. 1.
working conditions and wages as the whites. 24

The parent body, the American Federation of Labor, has also always opposed the organization of Negro workers, partly because of race prejudice and partly because the Negroes are, as a whole, unskilled and low-paid workers. The organizing of Negro workers is industrial unionism to the fullest extent.

Another policy of the oil workers' union, which only progressive industrial unions follow, was support of social security and workmen's compensation laws. They agitated for "revision of the Texas Workmen's Compensation Law so that benefits would be paid from the time of injury." 25 The American Federation of Labor has opposed social security laws.

So it seems that the young and progressive oil workers' union could expect little support from the parent union, which was old and conservative in its policies.

The Union Decline

The period from 1916 to 1921 was a period of almost unbelievable growth for the union which showed an increase in membership from 4,500 to 24,800 as indicated above. But by 1921 the union was becoming shaky, and it appeared as if it would completely disintegrate. By 1922, the union had, for all practical purposes, disappeared, existing almost in name only. Membership had dropped from 24,800 to about 6,000. 26 All organizing campaigns had been given up during 1921.

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25 Ibid., p. 271.
26 Ibid., p. 248.
So, in the latter part of 1921, another era came to an end in the history of the oil workers' labor movement. For the third time unionism had flared up among the oil workers, and for the third time it had as quickly died out. Other major industries had been organized and had stayed organized. The question is "Why did organization in the oil industry fail?"

**Why Organization in the Oil Industry Failed**

Several factors contributed to the ruination of the oil workers' union. No single event was responsible for the union's disintegration, though any one of many of the contributing factors could have weakened it severely. All of these forces occurring about the same time, produced the inevitable result. Other labor movements have been broken up by events and tactics similar to those employed in breaking up the movement in the oil industry.

It is advisable, I believe to study briefly the different factors responsible for the disintegration of the oil workers' union.

**Strife within the union.**—In 1920 at the second convention, the quarrels among the California delegations broke out openly. This was, we might say, the quarrel between the liberal group and the conservative group which had been going on ever since the beginning of the union. However, at this convention the struggle reached a bitter climax. The entire membership seemed to be divided into two camps.

When the time came to elect officers, one group supported R.H. Stickle for president and J.L. Coulter for secretary-treasurer. The opposing group supported Hope and Jacobs. On the first ballot Stickle and Coulter claimed to be elected. An objection was raised by the opposing group
and the decision was reconsidered. The reconsidered decision gave the
election to Jacobs and Hope. Both groups claimed the offices, so
Stickle and Coulter set up offices in Bakersfield, California, while
Jacobs and Hope occupied the offices in Fort Worth, Texas. The American
Federation of Labor executive committee refused to recognize any officers
in Bakersfield, California, while Jacobs and Hope occupied the offices
in Fort Worth, so another election was proposed. The election was held
at Denver, Colorado and was presided over by representatives of the
American Federation of Labor. Stickle and Coulter were declared elected.27

Of course the organization could not be unaffected by such bitter
internal strife. The wound could not be healed over night. This caused
many locals and many individuals to become discouraged and inactive. The
organization almost completely disintegrated in Texas immediately follow-
ing this internal struggle. Organization campaigns were given up, es-
pecially in Texas and surrounding states.

"A house divided against itself cannot stand," is a statement well
illustrated in this case.

Strike failures.—The failure of the Gulf Coast strike of 1917 was
seriously disappointing to workers taking their first lesson in organ-
ization. Many people were not in sympathy with the strike because of the
anti-union newspaper and employer propaganda which circulated throughout
the country, and when the strike was broken up and was admittedly a fail-
ure, these people were convinced that their convictions were right be-
cause the strike failed. It seems reasonable to assume that this was
impressed upon the minds of the workers and dulled their formerly keen
interest in unionism.
The strike in the San Joaquin Valley in California was likewise a new experience for the workers involved. Quite a different situation existed at the time of this strike from that existing at the time of the one in 1917. The war was over, so the war hysteria and allusions to sabotage were not present. The public was wholeheartedly sympathetic to this later strike. But it lasted too long, and the workers' spirits were starved out of them, and when the strike finally ended with no sensational success they were very disappointed and became discouraged with the union. Many quit paying their dues and were dropped from the union. The companies shipped many more of them into other fields, thus breaking up the concentration of organized workers.

Peon-labor competition.—Cheap labor was greatly responsible for the failure of the union, not only directly, but also indirectly through its contribution to the failure of the strikes which were partly responsible for the failure of the union.

The employers often shipped unemployed migratory workers and farm laborers into the oil fields to compete with the oil workers for wages. These workers were willing to work for wages far below those paid to the regular oil workers. These migrants and unemployed afforded a never ending stream of strike-breakers and low-wage scale competitors. Labor organization, and improvement of working conditions was certainly difficult under these circumstances.

Mexican labor, often illegally brought into the country, was the main reservoir for cheap labor in the oil fields as it was in many other industries.

The need for unskilled labor during wartime led the Secretary of Labor to ask for amendments to the immigration laws in order to permit
more Mexicans to enter the country. After the war was over most of the
Mexicans remained.

So, it seems safe to conclude that the Mexican peon labor and the
unemployed whites contributed much to the breaking down of unionism in
the oil industry.

Employer anti-union tactics.—In addition to the open opposition to
unionism, such as threats of firing workers if they join a union, news-
paper propaganda, and other methods commonly used by employers, the oil
companies adopted another much more effective policy, which is still their
strongest anti-union weapon today; that was, the practice of raising
wages, voluntarily, higher than the union demands, or without relation
to union demands. This was done almost every time the union became
strong enough to demand better conditions in a given area. An example
An example of this is the case in which the strong Houston locals, in
the spring of 1920, decided to ask the Gulf Coast operators for wage
increases. "The operators immediately announced through the newspapers
that they were voluntarily giving their employees a 40 per cent increase
in wages." To the "rank and file" of the workers the motive for organ-
ization was gone, so they discontinued the payment of dues, and ceased the
attending of meetings. As a result, the union in Texas became almost
extinct.

In addition to this and the other common methods, the employers in
the oil industry invented still another weapon during this early period
of organization in the oil industry—the "company union." Its facilities

28The Oil Weekly, December 14, 1918.

29Allen, op. cit., p. 231.
were not fully exploited during this period, however.

Migratory character of the oil field occupations.—The fact that many oil field workers moved from place to place, for instance, from one "boom town" to another, in order to follow their occupations, made organization difficult, in the first place. But even if they are once organized they are likely to move away from the organized locality very soon, and as a result, lose interest in organization. These workers hesitate to pay their hard-earned money to join a union when they realize that their stay in the community where the union is located is for only a short period of time.

Weakness of the American Federation of Labor as a central organization.—It has previously been indicated that the oil workers' union was an industrial union, and as such not in keeping with policies of the American Federation of Labor. This fact alone meant that the oil workers would get little support from the central organization.

Let it be said here that the labor movement in the oil industry was not the only one that suffered during the post war period. The whole general labor movement was demoralized and almost completely disappeared. The depression, unemployment, and some of the other factors mentioned above were partly the cause of the general collapse of the labor movement, but the inadequate, outmoded policies of the American Federation of Labor were strong contributing factors.

The American Federation of Labor had neither the philosophy nor the power needed to hold its own through bad times, and for all those fine gestures of pugnacity it could only talk and wait. It would have done well, however, if it had talked about its troubles and tried to do some-
thing about them rather than waste words of invective on the dangers of foreign agitators and the sin of the soviet government of Russia.

"The spleen it displays when it approaches these subjects reveals its own lack of a constructive, hopeful program."30

The American Federation of Labor as a centralized organizing mechanism had fallen into disuse for this purpose several decades ago, and as it grew older it lost, with its youth, its energy and initiative. Organizers lost interest in campaigns for extending membership and became mediators between international and local unions. It was not interested in extending membership, but only in holding what it had. After the war, the movement fell back on defensive measures and into moods of dismay and dispair. 31

The American Federation of Labor misread the trends in industry which saw an introduction of much new machinery, more division of labor, more women and Negro workers and more unskilled workers in industry.

"The American Federation of Labor neglected to adapt their machinery of organization to the task of admitting and holding in membership a highly industrialized working population."32 It continued to use the methods used in organizing the craftsmen in the nineteenth century.

Period from 1921 to 1933

The post-war strikes, unemployment and many other forces disrupted the labor movement in the oil regions of the Middle West and the Gulf States, but the California organization continued intact and succeeded in improving conditions materially, to some extent.33

31 J.B.S. Hardman, American Labor Dynamics In Light of Post-War Developments, p. 40.
32 Ibid., p. 41.
This union was not strong and was not active in furthering organization, but it was successful in maintaining some of the gains it had made during the early post-war period. For instance, a study by the Bureau of Labor Statistics in 1929 indicated little change in the normal work week in the oil industry (since 1920) save in California, where a basic eight-hour day had been adopted and maintained. 34

Considering the movement as a whole, however, for all practical purposes it was dead. Only one local in Texas kept its charter. The official paper of the union, the International Oil Worker, ceased publication in 1924. The offices of the international were given up and all business that was transacted and all records that were kept were done in the home of the secretary-treasurer, J.L. Coulter, in Fort Worth, Texas. 35

No organizing campaign was undertaken from 1921 until 1929, at which time, according to the records of the Texas State Federation of Labor, it was decided that because of the unorganized conditions of the Midcontinent field where the twelve-hour day and seven-day week were still common, the superior conditions in California were being threatened. Therefore, in order to relieve this condition an organizational drive was undertaken in the Midcontinent field. Three labor organizers from the American Federation of Labor assisted in the campaign which netted twelve locals in Texas and Oklahoma. 36

Apparently this organizing attempt lasted only a short time, because membership decreased consistently for the next few years until in 1933 it reached an all-time low of only three hundred (300).

35 Allen, op. cit., p. 234.
36 Ibid.
The details of the total membership of the organization for each year during this period are shown in the following table.

TABLE 1
MEMBERSHIP IN OIL WORKERS' UNION
FOR YEARS 1921 TO 1933*

<table>
<thead>
<tr>
<th>Year</th>
<th>Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>1921</td>
<td>24,800</td>
</tr>
<tr>
<td>1922</td>
<td>6,100</td>
</tr>
<tr>
<td>1923</td>
<td>2,500</td>
</tr>
<tr>
<td>1924</td>
<td>2,200</td>
</tr>
<tr>
<td>1925</td>
<td>1,200</td>
</tr>
<tr>
<td>1926</td>
<td>700</td>
</tr>
<tr>
<td>1927</td>
<td>1,000</td>
</tr>
<tr>
<td>1928</td>
<td>1,000</td>
</tr>
<tr>
<td>1929</td>
<td>1,600</td>
</tr>
<tr>
<td>1930</td>
<td>1,100</td>
</tr>
<tr>
<td>1931</td>
<td>900</td>
</tr>
<tr>
<td>1932</td>
<td>400</td>
</tr>
<tr>
<td>1933</td>
<td>300</td>
</tr>
</tbody>
</table>

*Source: American Federation of Labor Convention proceedings.

So, we see that the union declined steadily from 1921 to 1926, then was revived slightly until 1929 and then dropped to almost nothing, but nevertheless, maintained its charter with the American Federation of Labor.

In order to understand more fully the problems confronting the workers in the oil industry it is necessary to examine more closely their wages, hours and working conditions for this period.

Wages, hours, and working conditions changed very little in the oil industry from 1920 until 1933, except in California where the hours were shorter and wages better. A study made by the United States Bureau of Labor Statistics in 1929 revealed that forty-six percent of the entire labor force in the oil industry worked more than fifty-four hours per
week, and all worked more than forty-five. A similar study in 1931 indicated an average full time work-week of sixty hours per week for employees in filling stations. The averages are probably better than in 1920 because of the better conditions in California. Wages continued to be slowly declining until they reached about the same level as in 1920, and the work-day was still twelve hours for many workers.

As for industrial accidents in the oil industry, suffice it to say here that the oil industry has always been one of the most hazardous in terms of frequency and severity of accidents, as we shall see in a later chapter.

According to figures compiled by the American Petroleum Institute, the employers' spokesman, employment in the oil industry decreased 49.2 per cent in drilling and production; 41 per cent in pipe lines; and 28 per cent in refining, between 1929 and 1933.

So, we see that working conditions for the oil industry were bad, and the union was not strong enough to force the employers to make adjustments.

38 Ibid.
CHAPTER IV

OIL WORKERS AND THE NEW DEAL

For some reason the oil workers have never been able to progress far in their attempts at organization without the support of the government. It was only with the assistance of the Federal Oil Board, and later the adjuster, that the union was able to fully develop in the early post-war period (1916-1921). It seems that the oil workers are unable to gain enough strength to enforce their demands without the government's blessing.

In addition to the other reasons already given, this condition is probably due to the unique structure of the oil industry. The industry is divided into four different operating divisions: production, refining, distribution, and marketing. These different major divisions of the oil industry make organization very difficult. The highly-paid worker in a refinery often cannot realize his relationship to the low-paid filling-station worker and his problems. Workers in the four divisions are not closely enough associated to see their common interests and to recognize the necessity of organized collective activity. Each sees only his own immediate problem and cannot associate it with problems of workers in other divisions.

This natural situation plus the demoralizing force of the strong employer opposition to unions in the oil industry has always kept the union in a somewhat cramped position. A little protection and encouragement from the government, however, always breathes life into
the union and spirit and confidence into the workers, and so long as such a condition is maintained, the union thrives.

No such protection or encouragement was offered during the 1920's and the result was very little union activity in the oil industry. Then with the coming of the depression the union completely folded up, reporting only three hundred members in 1933. It seemed that only a miracle could save the union.

**The National Industrial Recovery Act**

In 1933, the miracle so long awaited by the oil workers, occurred. Franklin D. Roosevelt had been elected President of the United States and had been formulating a program of action which would bring the country out of depression and economic chaos, and thus relieve the suffering of the citizenry. In 1933 the National Industrial Recovery Act was passed. This act had much direct effect on organized labor - especially in the oil industry.

**Broad Purpose of the Act**

The broad general purpose of the Act was to restore prosperity. This was to be done by decreasing the number of the unemployed and increasing the incomes of those who are at work in order that more goods might be bought. This was to be accomplished by limiting hours and setting minimum wages. These, in turn, would be effectuated by the cooperative effort of labor and business. The "rights" of organized labor were to be recognized in order that collective bargaining might actually be carried on. Business would soon be revived, and labor
would benefit by the revival, and as labor prospered business would prosper also, and so went the theory behind the program.

General Provisions of the Act

The National Industrial Recovery Act permitted the President to set up whatever administrative machinery he deemed necessary. It was to be a cooperative between employers and workers, with the government a coordinating, advisory agency to see to it that the rules of the game were carried out for the best interest of society as a whole.

The partnership was to be worked out through "codes of fair competition" for each industry. Final responsibility for carrying out the provisions of the codes rested with the industries. After a code was drawn up, presented at public hearing, accepted by the National Recovery Administrator, and signed by the President it became law for that industry. Some codes provided for industrial relations boards to deal with labor questions. There were labor representatives on very few of the code authorities. They were appointed by the President or

Labor Provisions of the Act

The labor provisions of the codes were of two sorts. The first were measures to affect directly the workers' standard of living and conditions of work; the second dealt with the right of labor to bargain collectively. The most important of the provisions affecting labor were in Section 7a of the N. I. R. A.

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Section 7, (a).—Section 7 (a) provided that

every code of fair competition, agreement, and license approved, prescribed or issued under this title shall contain the following conditions: (1) that employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection; (2) that no employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing or assisting a labor organization of his own choosing; and (3) that employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment approved or prescribed by the President.

Influence of the National Industrial Recovery Act on the Labor Movement

Influence on labor movement in general.—Organized labor interpreted the provision of the Act to mean that trade unions were to have a new legal status, and that efforts to organize the unorganized industries could now go on without being hampered by the usual opposition from employers, such as discharge for union activity, yellow-dog contracts, and so forth. So, acting on this assumption the unions immediately staged a terrific organizing campaign. New unions were organized and old ones were strengthened. During the summer of 1933 the American Federation of Labor was able to increase its membership greatly and reported at its convention in the fall that membership had almost reached the level attained just after the War. Other unions also added to their membership.

2Section 7, (a) of the National Industrial Recovery Act.

3Stein, op. cit., p. 15.
Influence on labor movement in the oil industry.—The National Industrial Recovery Act seemed to be what the oil workers were waiting for. As soon as the National Recovery Act was passed, the union began to come to life. "The NRA acted as an elixir on the union." 4

At the 1934 convention a vigorous membership drive was launched which produced for the first time in the oil industry a nation-wide organization of workers. Decisions of the Petroleum Labor Policy Board, which was set up by the Oil Code, strengthened the possibilities of organization. Several of the early decisions stated the rights of workers to be represented by persons of their own choice. Others ordered companies to cease activities for organizing company unions. And still others ordered employers to stop interfering with the right of workers to organize and bargain collectively.

These decisions gave the workers and the union still further encouragement and the union began to grow at a phenomenal rate. Within one year after the NRA was passed, membership in the oil workers union grew from three hundred (300) to twelve thousand five hundred (12,500). The number of locals, at the end of 1934, was 176.

4Neh Stolberg, Story of the CIO, p. 64.
7Proceedings of the 1936 Convention of the American Federation of Labor, p. 45.
The Petroleum Code Under the NIRA

Representatives of the international union were sent to Washington in 1933 to fight for the recognition of the labor interests in the formation of an equitable code for the Oil Industry. Due to the lack of cooperation of all oil workers, the international’s representatives were weak contenders in the struggle for cooperative power equal with that of management. Some of the so-called representatives of labor were members of company unions, and of course, as such, were merely tools of the employers. "Since less than 100,000 of the approximately one million oil workers in the oil industry were allied with the International Association of Oil Field, Gas Well and Refinery Workers of America, the president of the international and official spokesman of the labor group, Mr. H. C. Fremming, had weak authority."

There were four groups represented at the conference. Each was opposed to the others. The four groups were the laborers, the major oil companies, the majority of independents, and the minority independents. An alliance of labor with one of these groups might have resulted in more success.

The "Chicago Code" which formed the basis of the agreement adopted was frankly representative of management of the majority independents and assumed that workers share in industrial self-government would come with the right to bargain with management as to the terms or conditions affecting labor. Fremming refused to accept

9 Ruth Allen, Chapters in the History of Organized Labor in Texas, p. 45.

10 Ibid., p. 54.
this conclusion as representing the spirit of the Recovery Act and proceeded to make a counter proposal that a "joint standing committee" equally representative of employers and employees be set up. This proposal was rejected and the Petroleum Labor Policy Board was set up instead. Fremming was appointed a member but refused to serve because one of labor's representatives on the board was a company union man. No compromise could be reached so an impartial board of public representatives was set up.\(^{11}\)

Many decisions of the Labor Policy Board were encouraging to labor, as was mentioned above.

Much emphasis was placed upon shorter hours of work, higher wages, and collective bargaining, for workers in the oil industry. Much was accomplished for labor along these lines and some of the unions' leaders believe that the Code for the Oil Industry was one of the best codes adopted under the National Recovery Act. One union spokesman makes the following statement: "Much credit is due our representatives in the establishment of what was considered one of the best codes that was adopted for any industry."\(^{12}\)

Until this time fifty hours and sixty hours a week was common among oil workers. At the first conference with the employers, according to W. C. Fremming, "We set our stake for thirty hours for a week's work, finally accepting the compromise of thirty-six hours

\(^{11}\) Ibid., p. 55.

\(^{12}\) J. C. Coulter, Secretary of Long Beach Local 123, California Oil Worker, Twentieth Anniversary Number (1938), p. 17.
which was four hours better than the work week set for any other indus-


ty at that time." "Although the operators suggested a forty-

hour week and a thirty cents hourly wage for common labor, we were

able to secure the thirty-six hour week in the petroleum industry

with the basic wage for common labor of forty-eight cents and fifty-

cents per hour."

The following table will show in more detail, the changes in

hours worked per week by workers in the four main divisions of the

oil industry.

**TABLE 2**

**CHANGES IN AVERAGE HOURS WORKED PER WEEK IN THE PETROLEUM

INDUSTRY AND PER CENT OF CHANGE FROM 1929 TO 1934**

<table>
<thead>
<tr>
<th>Division</th>
<th>Hours Per Week</th>
<th>Per Cent of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1929</td>
<td>1934</td>
</tr>
<tr>
<td>Production</td>
<td>51.0</td>
<td>34.0</td>
</tr>
<tr>
<td>Pipe Lines</td>
<td>50.0</td>
<td>35.0</td>
</tr>
<tr>
<td>Refining</td>
<td>49.0</td>
<td>35.0</td>
</tr>
<tr>
<td>Marketing</td>
<td>60.0</td>
<td>48.0</td>
</tr>
</tbody>
</table>


This table indicates the effect that the Petroleum Code's


thirty-six hour week policy had upon the average work-week in the industry. Only the marketing division maintained a longer work-week than the prescribed thirty-six hours, and the marketing division was not included in that provision. For this division, a forty-eight hour work-week was provided, and as we see, the provision was effective.

This maximum hours provision caused a substantial increase in employment in the oil industry. About forty per cent of those working in the oil industry in 1929 were unemployed in 1933. But with the establishment of the Petroleum Code many were reabsorbed by the industry within one year, as may be seen from the following table.

TABLE 3
INDEX NUMBERS SHOWING EMPLOYEES REASORBED IN
PETROLEUM INDUSTRY WITH 1929 AS THE BASE

<table>
<thead>
<tr>
<th>Division</th>
<th>Index Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1929</td>
</tr>
<tr>
<td>Production</td>
<td>100</td>
</tr>
<tr>
<td>Pipe Lines</td>
<td>100</td>
</tr>
<tr>
<td>Refineries</td>
<td>100</td>
</tr>
</tbody>
</table>


These figures certainly indicate that the theory that a shorter work-week is a cure for unemployment, is not entirely an invalid theory. Considering the figures in Table 2 and Table 3 one sees
that an approximately thirty per cent decrease in the number of hours worked per week, resulted in a twenty-two per cent increase in the number of workers employed in the industry.

During this same period the union succeeded in signing its first agreement with a major oil company. A contract with the Sinclair Company provided for many advantages for the workers. Some of the provisions were as follows: establishment of security and standardization in job tenure; seniority rights as to promotion and lay-offs; provisions for physical examination by a doctor of the employee's choice; setting of a maximum of forty hours' work per week with a thirty-six hour standard; a week's annual paid vacation; and a provision for the check-off of union dues when requested by the worker. Recognition of the union as sole bargaining agent of workers under the company was not secured, however.

One thing that the oil workers did not accomplish under the provisions of the National Industrial Recovery Act and the "Oil Code" was the elimination of company unions. To the contrary, company unions in the oil industry thrived more during the NRA period than at any other time in history. Company unionism has always been one of the oil companies' strongest anti-union weapons. Every time a movement is started to organize the oil workers into a labor union, the oil companies immediately begin promoting company unions in an

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effort to keep their employees out of organizations over which the company has no control. Such practices were prevalent during the N.R.A. period.

The Schechter Decision

The Schechter Case was a case brought by the Schechter Brothers' Poultry Company, contesting the constitutionality of the entire National Industrial Recovery Act. The case was finally carried to the United States Supreme Court, and there the National Industrial Recovery Act was declared unconstitutional.

When this government support was removed, the labor movement in the oil industry immediately came to a standstill. The decline was almost as phenomenal as the growth had been when the National Industrial Recovery Act was passed. By the time the 1936 convention of oil workers at Tulsa, Oklahoma, was held only seventy-five locals were affiliated with the union.16

The National Labor Relations Act

Important Provisions of the N. I. R. A.

Section 7.—Section seven of the Act gave the employees the right to "self-organization, to form, join, or assist labor organization, to bargain collectively through representatives of their own choosing, and to engage in concerted activities, for the purpose of collective bargaining or other mutual aid or protection."17

16Allen, op. cit., p. 237.
17Labor Research Association, Labor Fact Book IV, p. 44.
Section 8.—Section eight of the National Labor Relations Act prohibits an employer from engaging in "unfair labor practices" such as, interfering with the right of the employee to form or join a union of his own choice; dominating or interfering in the formation or administration of any union, or otherwise contributing to it; discouraging membership in any union by discrimination as to hire or tenure of jobs; or refusing to bargain collectively with elected representatives of the workers. This section further states that a "closed-shop" agreement between an employer and a union is not illegal.

Section 9.—Section nine provides that the workers' representatives are to be elected on the basis of the "majority of the employees in a unit appropriate for collective bargaining, and that they are to be the exclusive representatives of all employees in the bargaining unit."

The National Labor Relations Act seemed to be merely a restatement of the provisions affecting labor, of the National Industrial Recovery Act. However, this time, they were more specific and, therefore, more effective.

Effect on oil workers' union.—Under aegis of this stronger legal support the oil workers' organizing drive was very soon resumed in a more vigorous campaign than before.

\[18\] Ibid., p. 45. \[19\] Ibid., p. 45.
National Labor Relations Board

To enforce the provisions of the National Labor Relations Act, the National Labor Relations Board was set up.

The Board was to have authority to hear cases involving "unfair labor practices," discrimination cases, and so forth. Also, the Board was to determine which union should represent the workers at any particular plant, or company, by holding an election when such a question arose. The Board's authority was conclusive as to findings of facts, if supported by evidence, in any case under its jurisdiction.20

The National Labor Relations Board has proved to be a strong ally to the oil workers in attempts to weaken the power of company unions which are prevalent in the oil industry.

However, when the National Labor Relations Board was first established, it seems that the organizers in the oil fields diverted their attention to presenting cases before the Board, and away from the job of organization. The union could not bear it and by necessity many organizers were taken out of the field.

The Fair Labor Standards Act

The Fair Labor Standards Act (Wage and Hour Law) was another piece of "New Deal" legislation which was very important to the

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20National Labor Relations Board v. Jones and Laughlin Steel Corporation, 301 U. S. 1.
workers in this country. It provided for minimum wages and maximum hours for all employees engaged in interstate commerce, with certain specified exceptions.

To the oil workers, however, this legislation was not particularly important since their standards in most instances were already higher than those prescribed by this law.

It did affect conditions in the oil industry indirectly, we may assume. Since lower paid workers' wages were raised, it was a matter of expediency for the oil companies to raise their wages sufficiently to maintain the former ratio.

We may safely conclude that the New Deal has been, first, a savior, and next, a stimulant to the labor movement in the oil industry.
CHAPTER V

OIL WORKERS INTERNATIONAL UNION

Origin of the Oil Workers International Union

Why It Originated

It has already been observed that an organization of oil workers on a large scale must of necessity be organized on an industrial basis, due to the peculiar structure of the oil industry, and its system of mass production. In any given plant, or locality of production, there is likely to be no more than three or four workers of one particular skill. Therefore, it is not feasible to organize these workers on a craft basis, since three, or even a dozen men would have little power in an attempt to force recognition and bargaining rights from the company. On the other hand, if all of the workers in the plant band together in one organization they are in a position to exercise, through their concerted activities, a strength that will not go unnoticed in that particular plant or area of production. Furthermore, if each plant is organized and then all join their strength into one large district union and these district unions join into a national or international industry-wide organization, where each for all and all for each is the theory and practice, then the workers can exercise unlimited strength. Such an arrangement is called an "industrial union."
Industrial unions are especially advantageous in mass production industries and in industries where companies are nation-wide companies, or in situations where monopolistic control exists to any degree. All three of these conditions prevail in the oil industry.

The Oil Field, Gas Well and Refinery Workers union recognized this condition in the oil industry when the union first came into existence, and attempted to organize on an industrial basis. But due to continued opposition from craft unions affiliated with the American Federation of Labor, plus an unsympathetic attitude on the part of the parent union itself, and of course the powerful opposition of employers, the union was forced to follow, to a great extent, the craft system of organization. Consequently, little success was recognized by the union. This has been discussed in a previous chapter.

Even though the "New Deal" encouraged and stimulated the union, and the result was a rather vigorous organizing campaign, many of the agreements secured by the union were not extremely effective because of the craft-union basis of organization. Perhaps an example will illustrate this point.

In the early part of 1935 an agreement was concluded covering the members of fourteen trade unions employed at the Wood River, Illinois plant of the Shell Petroleum Corporation. The different crafts covered were asbestos workers, blacksmiths, boiler-makers, bricklayers, building and common laborers, carpenters, electrical workers, machinists, operating engineers, painters, plumbers,
steamfitters, railway carmen, sheetmetal workers, teamsters and
chauffeurs. In this agreement craft autonomy was provided for each
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group.

If all of these workers had been organized into one union and had
used their collective strength, this agreement would have been very ef-
fective, no doubt. But instead of one powerful union there were four-
teen weak ineffective ones, each with its own individual autonomy.

So, operating under the craft union system the oil workers' union
was obviously ineffective so far as its results were concerned. Of
course it was not totally ineffective, but under the "craft system,"
its results were negligible, considering them in terms of the possi-
bilities under the "industrial plan" of organization.

The union's leaders were conscious of the inadequacies of the
organization in its existing form and were striving diligently to
revolutionize the system of organization.

How the Oil Workers International Union Originated

In 1935 the fight between the proponent of industrial unionism
and craft unionists broke out openly at the annual convention of the
American Federation of Labor. No compromise could be reached between
the two groups, so some of the industrial unions withdrew from the
American Federation of Labor. Others were expelled. These unions
banded together into a nucleus which called itself the Committee for

1 "Collective Agreements in the Oil Industry," Monthly Labor
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Industrial Organization (CIO).

Remembering its history under the American Federation of Labor, the International Association of Oil Field, Gas Well, and Refinery Workers of America gladly joined the CIO as a charter member. It changed its name to one less awkward, and one symbolizing its acceptance of industrial unionism - the Oil Workers' International Union. "Headquarters for the union at the time of its secession from the American Federation of Labor were located in Washington, D.C."

Early Progress of the Union

At the time of secession from the American Federation of Labor, the organization was on the decline, due to the exodus of the National Industrial Recovery Act. When the union seceded its membership was 42,800. Although the new status of the union gave it renewed energy, it took a few months for it to overcome the tendency to decline. By early 1936 the membership had dropped, slightly, to 40,500, but by the end of that year the union had recuperated, somewhat, and membership had grown to 53,000. The National Labor Relations Act which had recently been passed, also figured

2Stolberg, op. cit., p. 13. 3Ibid., p. 27.

4Letter from George Meany, Secretary-Treasurer, American Federation of Labor, February 20, 1942.

5Ibid.


prominently in the revival of the union, since it gave the workers a legal right to organize and bargain collectively without interference from the employer and also made company unions, which were very prevalent in the oil industry, illegal.

State industrial union councils. This Committee for Industrial Organization, as a tactic of organizational activity, established industrial union councils in different states. Some of these councils, especially the one in Houston, Texas, were concerned largely with the oil industry.

Under this stimulus progress was rapid. By February, 1937, the union boasted a membership of 75,000. Several contracts were secured in 1937, one of which was a nation-wide contract with the Consolidated Oil Company of the Sinclair group. At that time it had agreements with six Cities Service plants, two Standard Oil subsidiaries, seven Texaco plants, three Pure Oil plants and a number of independents. All were signed locally, but contained provisions similar to those of the Sinclair contract, which was nation-wide.

The Sinclair agreement provided for an elaborate system of seniority; wage rates based on detailed job classification, with extra pay for certain circumstances, such as over time, emergency

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9 Stolberg, op. cit., p. 63.
10 Ibid., p. 64.
calls to work outside regular hours, and others; a maximum work-week of forty hours; one week's vacation with pay after one year's service, and two weeks' vacation with pay after two years of service. Strikes and lockouts were prohibited, and a system was provided for settling grievances. No preference was provided for the employment of union men. Neither was there a provision for the check-off of union dues, except when the individual employee requested that his union dues be deducted in this manner.

The Sinclair agreement was somewhat shaky but none the less nation-wide, which was significant.

**Petroleum Workers Organizing Committee.--**To give the Oil Workers International Union a push, since it was felt that even more positive measures than the state industrial councils were desirable, the Committee for Industrial Organization established the Petroleum Workers Organizing Committee, composed of Philip Murray, C. P. Howard, and H. C. Fremming, who was president of the Oil Workers International Union at that time.

This committee greatly stimulated the growth of the union. Twenty-one organizers were sent into the field by the C. I. O. By 1933 the union claimed to have 100,000 members. Of course it could not immediately "crack" on a national scale the giant corporations

12 Stolberg, *op. cit.*, p. 64.
in the industry, but its progress was considerable.

About this time the National Labor Relations Board was established and the organizers became engrossed in presenting cases before it. The expense was so great that the CIO was unable to bear it and was forced to withdraw most of its organizers. By June, 1938, only two organizers were left in the field.

Although organization was slowed up somewhat by the organizers intensive recourse to the National Labor Relations Board, some of the results of such action indicated that their time was well spent. Through such action many company unions were dissolved, many illegally discharged oil workers re-employed, and many companies were forced to bargain collectively. For instance, in April, 1937, the Louisville Refining Company locked out a number of their employees because of their union activities, and refused to reinstate them, or to bargain with the union concerning the matter. The National Labor Relations Board heard the case and ordered the workers reinstated with full pay for lost time, and ordered the company to bargain with the union committee. The company carried the case to the Supreme Court of the United States which declined to review the case. After two and one-half years, the workers were reinstated to their former jobs with full pay for lost time, and a collective bargaining agreement with the company.

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14 Allen, op. cit., p. 237.
This case is indicative of the protection given organized workers by the National Labor Relations Act, and is representative of other cases presented to the Board.

The Petroleum Workers Organizing Committee, though active for only about six months, cannot be called a complete failure. It just did not continue in active existence long enough and was financially too weak from the beginning.

The Need for a Union

In any discussion of labor union activity the question of whether or not there is a need for the union immediately arises. The employer group in the oil industry consistently argue that because of relatively high wages in the industry, there is no need for labor organization. This reasoning assumes, of course, that the only purpose of a labor union is to obtain higher wages for workers. The employers, therefore, do not consider labor organization in the oil industry a problem worthy of note.

In answer to inquiries made by the writer regarding information concerning labor disputes and labor organizations in the petroleum industry, E. W. Esmay replied: "As far as I know, there has been published very little about labor disputes and organization in the oil industry, probably because this has not been a serious problem either from the standpoint of the employee or the employer, in industry."

The only significance of this statement is that it illustrates the attitude the employers take toward the organizational activities in the oil industry. They attempt to make the problem insignificant by merely (publicly) treating it as if it were insignificant.

On the other hand, laborers could see many needs for organization in the oil industry before the unions came. By mere observation, without resort to statistics, one who has been around oil fields can recall many imperfect working and living conditions among the workers.

Company homes.—At almost every plant connected with the oil industry in the South the employer maintains a camp, composed of a group of identical houses, or shacks, in which the workers at that particular plant live. The worker has absolutely nothing to say about the amount of rent he pays, the condition of the house, the location, or anything else. If the employer decides for him to move to some other house, or to another plant, the worker quietly and obediently gathers his "belongings," if any, and moves. Most of the houses, especially in the older camps, were in an extremely deteriorated, "run-down" condition, a few years ago. There seems to be little democracy under these conditions. Some people thought that a union was needed to cope with that situation.

Political freedom.—During the period when the Oil Workers International Union was making its first drives and had not yet reached the Texas Panhandle, workers in many companies were told by company officials for whom they should vote. For fear of losing their jobs

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Personal observation.
most of the workers did vote as directed. The writer was present at one company camp where workers were directed as to how they should vote for a particular state office, in 1938, and only one worker in the camp was so bold as to vote contrary to the company's direction. Some would say that a union was needed to cope with situations such as this.

Wages.—According to statistics gathered from many sources, wages in the petroleum industry have been relatively high since the early 1930's. These statistics, however, are compiled by considering chiefly wage rates for skilled workers in the larger, better paid plants in the industry. In many individual cases, especially in the South, wages were still very low, even as few years ago as 1940.

The writer recalls instances where wages were forty-five cents an hour, and there was so much unemployment in the industry at the time that hundreds of workers (the writer among them) were crowding the doors of the company offices seeking employment at any wage.

It is true that wages for workers in refineries, and in production, were high in 1937, but these high average rates did not take into consideration the low wages paid employees in the marketing division of the industry. In 1937 nearly three fourths of the industry's personnel was in the marketing division, namely, service stations. Approximately fifteen per cent of the employees were engaged in drilling and production; slightly more than ten per cent in refining; and the rest in transportation.

So, we see that these high wages, heard so much about, were going to only one fourth of the employees in the industries.

Even if wages in the oil industry had been the highest in the whole country, perhaps they should have been even higher since the oil workers' living and working conditions were everything but favorable, and considering the fact that the oil industry is one of the most hazardous industries in terms of industrial accidents, as will be shown below.

The average annual wage per worker in the petroleum industry in 1937 was $1,273, according to figures compiled by the Chase National Bank in a study of the petroleum industry. According to the United States Bureau of Labor Statistics, approximately two thousand dollars a year is required for a minimum health and decency standard of living for a family of five, which is considered the average family.

Accidents in petroleum industry.—In a statistical study of claims for workmen's compensation in Texas for the year 1937, made by Ruth L. Barton, it was found that the most hazardous employment in Texas, both in proportion of accidents to workers and in severity of injury was in the oil industry.

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19 Joseph E. Pogue, Economics of the Petroleum Industry, p. 55.


The percentage which claims in the oil industry form of all claims was nearly six times the percentage which workers in this group formed of all workers in the industries involved.

"This is indeed a high ratio, indicating the high degree of risk to which those engaged in the oil industry are exposed."

Out of a total of 1,000 cases studied (chosen at random), 247 claims were from those engaged in production and transportation of oil. This certainly lists oil as the most dangerous industry in point of number of claims against it - nearly one fourth of the total claims brought against a single branch of one industry.

Through a union the workers certainly should be able to gain safer working conditions.

Industry's ability to pay higher wages.—Improvements in refining processes have made it possible to recover approximately twice as much gasoline from crude oil as was the case in 1920. The consumption of gasoline has more than doubled since 1925. Production of crude oil had increased from 220,000,000 barrels in 1911, to 1, 214,000,000 barrels in 1938.

Of the seventeen largest corporations in terms of their total assets on December 31, 1929, nine were oil companies.

Profits and production have continually increased. Man-hour

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22 Ibid., p. 27.  
23 Ibid.  
24 Temporary National Economic Committee, Monograph Number 39, Control of the Petroleum Industry by Major Oil Companies, p. 2.  
25 Ibid., Preface.
output has increased at a phenomenal rate. But still only six percent of the industry income goes to labor, as compared with from forty to sixty percent in other major industries. This proportion of wages may be compared with an average annual cash dividend of 5.2 per cent per year on investments paid to stockholders as their share in the profits of the industry.\textsuperscript{26}

The Oil Workers International Union has as one of its aims, to secure for workers their equitable share in the increased production per man and the huge profits made by the industry.\textsuperscript{27}

Many more needs for a union can be listed, but the above will suffice as examples. But now let us return to the story of the union.

\underline{Recent History of the Oil Workers International Union}

The Southwest being the most needful of organization and slowly becoming the center of the oil producing areas in the United States, the union concentrated its efforts largely in that region. In 1938 the headquarters of the union were returned to the center of action at Fort Worth, Texas.\textsuperscript{28}

Due to the withdrawal of most of the C.I.O. support, provided by the Petroleum Workers' Organizing Committee, the Oil Workers International Union showed a marked decline in 1938. In addition to this factor, however, there occurred, during 1937 and 1938, a series of strikes which drained the treasury of the union and made large scale organizational activity almost impossible. By May, 1938, membership

\textsuperscript{26}Fogge, op. cit., p. 56
\textsuperscript{27}Oil Workers International Union, \textit{Bill of Rights}.
\textsuperscript{28}Allen, op. cit., p. 237.
had declined to approximately 30,000, and expenditures were constantly increasing due to the strikes by members of the union.29

**Strikes**

*Mid-Continent strike.*—The strike against the Mid-Continent Petroleum Corporation in Oklahoma was undoubtedly one of the most outstanding strikes ever conducted in the Southwest.

The strike began on December 22, 1938, after the Oil Workers' Union had tried for two months to negotiate with the company on the question of amendments to a agreement already held.30

The company immediately procured the assistance of the local authorities, and hired several professional gunmen with prison records, as strike-breakers. Much intimidation of strikers took place. Tear gas bombs were used to intensify the strike-breakers' attacks, and some of the strikers died on the picket lines. But the strikers continued intact and held the lines. So, the militia was called in by the company officials, who exercise tremendous political control over both local and State authorities. Over four hundred strikers were arrested and indicted by a jury composed entirely of industrial leaders in the community. Two hundred and forty-seven strikers were discharged by the company, but were unable to draw unemployment compensation because of the companies' influence on the local officials of the Unemployment Compensation Commission office.31

In September, 1940, the Mid-Continent strike was still unsettled but hearings on the case, before the National Labor Relations Board,

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29 *Proceedings of Tenth National Convention, Oil Workers International Union, 1939, p. 17.*


were being held.\textsuperscript{32}

\textit{Other strikes}—Other less important strikes were called by the Oil Workers' Union during the latter months of 1938 and during the first part of 1939.

A strike against the Pure Oil Company at Muskogee was won, and considerable back pay was obtained for the workers. Another Pure Oil strike at Toledo, Ohio, was won and a signed agreement between the company and the union was successfully secured.\textsuperscript{33}

Another strike was conducted against the Gulf Refining Company at Toledo, Ohio, and was won by the union. A signed agreement was made.\textsuperscript{34}

\textbf{Organizational Activities}

During the year 1938 a rather strong effort at organization was made in the Sabine district in Texas but met disappointing results when an election was lost at a large Gulf Refining Company plant at Port Arthur. Three small companies were organized, but organization work in this territory was soon completely stopped due to an anti-labor campaign, and further problems in connection with the Mid-Continent strike.\textsuperscript{35}

By June, 1939, membership had declined to approximately twenty-eight thousand.\textsuperscript{36}

During the first month of the Mid-Continent strike, the union spent upwards of twenty-five thousand dollars, almost half of its

\textsuperscript{32}Proceeding of 11th National Convention of the Oil Workers International Union, p. 4.
\textsuperscript{33}Proceedings of 10th Convention, op. cit., p. 4.
\textsuperscript{34}Ibid., p. 4.  \textsuperscript{35}Ibid., p. 3.  \textsuperscript{36}Ibid., p. 17.
entire bank balance. Therefore, a slowing of organizational activities was inevitable.

This lull in organization continued throughout 1939 and most of 1940. The records show that by 1940 membership had fallen off to 19,873. This was by far the lowest figure since 1934.

The Mid-Continent strike was finally terminated in 1940. Also, in 1940, at the annual convention of the organization, a new president was elected. He was O.A. Knight, who had been a very effective organizer in the California area. He was a comparatively young man, vigorous, and intelligent. His energetic leadership stimulated the organization into activity.

Although the Mid-Continent strike was terminated and new leadership for the union obtained, the problems of the organization were not solved. The strike had been very expensive and such emergency expenditures could not be immediately replaced. It seems no money was available to pay for a sufficient number of organizers. Those who were employed were engaged largely with negotiations, service assignments, and National Labor Relations Board cases.

By July 31, 1941, thirty-nine Labor Board cases were handled through the National Labor Relations Board, for that year. One hundred fifteen thousand dollars was won for workers involved, for discrimination, unfair discharges, and so forth, through these cases. So, we can see

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37 Ibid., p. 17.
38 Eleventh Convention, op. cit., p. 25.
39 Ibid.
40 Proceedings of the Twelfth Annual Convention of the Oil Workers' International Union, p. 11.
that the year had been really a successful one for the oil workers, even if no gains in membership had been made.

However, though greatly handicapped by existing circumstances, some organizational activity was undertaken, and the result was that twenty new local unions were chartered, and the total membership of the international organization rose to approximately twenty-five thousand by September, 1941.

Oil Workers Organizing Campaign

Realizing that the Oil Workers' International Union had little chance of organizing the powerful corporations in the oil industry, the leaders of the union began to look around for some plan which would make them powerful enough to meet this tough resistance.

Two plans were given consideration. One was a suggestion that the Oil Workers' Union become a part of the United Mine Workers Union, and thus obtain benefits from a well established financially strong union with years of experience in organization. The other plan was the securing of the assistance of the Congress of Industrial Organization in a nation-wide campaign to organize the entire oil industry.

CIO assistance.—Early in November, 1941, the latter of the plans (above) was adopted when an agreement was reached between Philip Murray, president of the Congress of Industrial Organization, and O.A. Knight, president of the Oil Workers' International Union.
The organizing drive was to be directed by the CIO, and Edwin S. Smith, a former member of the National Labor Relations Board, was appointed as National director of the Campaign. Two hundred thousand dollars was to be raised by the Oil Workers International Union by assessments from members at the rate of fifty cents per month and the Congress of Industrial Organization was to furnish any additional necessary finances, plus scores of labor organizers. 45

The organizing drive was soon begun and has been continued intensively since that time. The concentration points of the campaign are in the South and the West, but organization is not limited to these regions and much progress is being made in other sections of the country.

The chief weakness of the Oil Workers' Organizing campaign is the lack of a sufficient number of organizers, despite the assistance of the CIO. Workers in many localities are literally begging the Union to send an organizer to their communities, and the Union is unable to do so. This situation is being met partially by using volunteer organizers. Workers who are talented and who wish to assist in organization often volunteer their services as organizers in their particular localities. They are often very effective.

Progress.—Much progress has been made in the current organizing drive, notwithstanding the fact that the oil workers are confronted with some of the most clever opposition available in the country. The exact extent of the progress made, as regards the number of new members is not known, except to the unions officials, who wish to keep this information confidential for the present, for reasons of expediency in organization.

45 Ibid.
However, it is known that more agreements with companies, and more jurisdictional elections have been won by the oil workers' union than can be enumerated.

Some of the more important victories may be mentioned.

In Port Arthur, Texas, the Oil Workers' International Union won an election on January 16, 1942, at a large Texas Company refinery where three thousand workers were employed. The vote was three for the union to one against it. In the same vicinity, organization of a large Gulf Company refinery is confident of victory in an election to be held soon. There are four thousand employees in that plant. 46

In Rodeo, California, an agreement was signed for a labor-management-government "Production Committee." The agreement defines the committee's function as that of investigating ways and means of increasing production of the Oleum refinery of the Union Oil Company for the most successful prosecution of the war. 47 This is possibly the first such committee ever to be set up in the United States. Labor, management and government will be represented on the committee.

In June, 1942, a national agreement with the Sinclair Oil Company was signed which covered 9,000 employees, and provided for exclusive bargaining rights for all operations in field, pipe line and refineries and contained maintenance of membership, severance pay and check-off clauses. 48 Other contracts between the union and oil companies have been signed in every part of the country, and many more are pending.

48 Ibid., June 8, 1942.
elections by the National Labor Relations Board.

In the latter part of June, 1942, the Oil Workers’ International Union held 254 contracts with Oil Companies all over the United States, and new ones were being signed each day. 49

Union Opposition

Anti-labor campaign.—The labor movement was temporarily slowed down in the spring of 1942 when a vicious anti-labor campaign was undertaken by newspapers in Oklahoma and Texas. Many mass meetings were held throughout the South and the main topic of discussion was "abolition of the forty-hour week," and incidentally, the stifling of the labor movement. Representatives of the Standard Oil Company, the "devil adversary" of the Oil Workers’ International Union, were prominent speakers at most of these meetings. Workers were refused the right to speak at the meetings, even though they and their representatives made attempts to do so at several of the so-called "Victory," or "Win-the-War" meetings. The Oil Workers’ International Union was explicitly attacked at some of these meetings. 50

This campaign forced the union to divert some of its attention from organization to the defending of itself against attack.

Police beatings of labor organizers.—At Port Arthur, Texas, the Chief of Police has consistently been antagonistic toward labor union men. Several union members have been severely beaten by the chief and his assistants. One organizer was beaten and then retained in jail for

49 Personal interview with E.C. Conarty, Secretary-Treasurer, Oil Workers’ International Union, June, 1942.

eighteen hours without any charge against him and was refused the
privilege of notifying anyone of his whereabouts. At the time he was
arrested and beaten, he was engaged in talking to Negro workers about
the Oil Workers' International Union. The Chief of Police is at present
under investigation by the Federal Bureau of Investigation on several
charges of suppression of civil liberties, and others. 51

Company unions.--The oil companies have always made great use of
corporate unions as a method of combating real labor unions. These com-
pany unions are usually organized, sponsored and controlled by the com-
panies, and therefore offer no genuine plan of representation for the
workers, and consequently, no genuine protection for them.

When the National Labor Relations Act made company unions illegal,
so-called independent unions and "employee representation plans" sprang
up in their stead. These unions are essentially the same as the old
company unions except in name, the only real difference being that under
the company union system the employer openly takes part in the control
of the union, while under the other system, he does the same thing ex-
cept indirectly or "underhandedly." These company-controlled unions
have been the chief competitors of the Oil Workers' International Union.
It has been necessary for the National Labor Relations Board to issue
many "cease and desist" orders to oil companies, ordering them to cease
organizing and promoting company unions. The Standard Oil Companies
and the Phillips Petroleum Corporation have been the most frequent
sponsors of these unions.

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52 Convention Proceedings, op. cit.
51 News Broadcast, April 13, 1942.
The appeal made for this kind of union is that the workers have a union and representation without the interference of outsiders.

The unions would answer this argument by saying that the workers who are organized under this type of union, really have no representation at all except representation by the company, and have no collective-bargaining strength whatsoever.

According to a special study by the United States Bureau of Labor Statistics, of company unions, about eighty per cent of such unions originate with the management and when the employees did take the first step, the next was to obtain the permission of the management. Membership is, in all cases, limited to the plant or to the company, and the company either furnished all, or at least part, of the finances for operating the union. In most cases no meeting for employees only were allowed. Companies discriminated in employment and lay-off in favor of those supporting the company unions, against those who favored real trade unions.53

These findings indicate the ineffectiveness of company unions as genuine bargaining agencies representing the workers. Nevertheless, their existence makes organization among the workers very difficult, because those who have had no experience with genuine labor unions often do not realize the advantage of organization. Incidentally, company unions have been prevalent in the oil industry since 1913, as previously mentioned.

Wage raises irrelevant to union demands.—A technique frequently

used by oil companies as a method of discouraging trade unionism among the workers is to raise wages above union demands or to raise them irrelevant to union demands. This is one of the most effective methods of slowing down a organizational campaign, since it removes the immediate motive for organization in many cases.

When a labor union begins an organizational drive in a certain area and it seems likely to reach a given company, the company immediately gives its workers a bonus or a raise in wages—usually above those in organized plants near by. This makes the workers more satisfied with the company and with their working conditions, and so, removes the immediate desire for organization.

In the present organizing campaign Oil Workers' International Union, this tactic has been met several times. For instance, the Gulf Oil Corporation refinery at Port Arthur gave a bonus to its workers in February, 1942, just at the time that the organizing drive was getting well under-way in that section. Also, the writer knows of similar instances in the Texas Panhandle, where several carbon black companies have given wage increases just as the union began to make head-way in the oil and related industries in that area.

We have already seen that this method of combating labor organization was used as far back as 1905, and possibly before that date.

Other anti-union tactics.—In addition to the above mentioned anti-union techniques, the oil companies also employ the many methods commonly used by all anti-union groups. Of course, it should be understood that some employers are not anti-labor employers. Some prefer that their em-

54CIO News, op. cit., February 16, 1942.
employees be organized because of the increased efficiency that comes with organization and high morale. Here, however, we are speaking of those who oppose unionism.

Discrimination against union members both in employment and promotion is the common practice of most employers in the oil industry, it seems. Many of the companies also distribute literature prepared for the purpose of promoting a friendly feeling toward the company and its policies, among the workers and an antagonistic attitude toward labor unions. And of course the newspaper as an anti-labor tool has been fully utilized by the oil companies.

The opposition confronted by the Oil Workers' International Union has definitely been the most efficient available. It has also been very intense and constant.

Benefits Procured through the Union

Benefits to workers.—Many of the benefits to the workers which are procured through organization have already been mentioned, but it may be advisable to summarize by listing generally those benefits most commonly reversioning to the oil workers as a result of organizing into a labor union.

In almost every agreement to which the Oil Workers' International Union is a party, provision is made for a system of seniority which usually provides that promotions shall be made by selecting the employee in the next lower-wage bracket who has the most seniority, if he is quali-

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55 Information found in articles of various agreements between Oil Workers' International Union and oil companies, and also from observations.

Note: Copies of these agreements may be found at the headquarters of the Oil Workers International Union, Fort Worth, Texas.
fied to assume the responsibilities of the more advanced position. Therefore, promotions are made by consideration of both length of service and merit, or ability. No fairer system could be asked for, it seems.

In the event that it is necessary to lay-off a part of the labor force, the newest employee is the first to be laid off, and the one with the greatest amount of seniority is the last. Exceptions are made, of course, when certain qualifications or skills possessed by the worker with less seniority make his services more necessary than the worker with the longer service record. Incidentally, the seniority lists, or service records, are usually prepared exclusively by the workers and their representatives. Three different seniority lists are usually prepared—one covering the length of service with the company, another for the particular plant and still another for the department in which the worker is employed.

In addition to the seniority provisions, almost all of the agreements provide for a system of wage or salary schedules, and in nearly every case wage increases are provided for. Wage schedules usually provide for wage increases for each position each year until it reaches a given amount, and then remains at that maximum indefinitely.

A maximum work-week of forty hours and a standard of thirty-six is always provided, except in rare cases.

Strikes and lock-outs are always prohibited in the major agreements, and provision is made for the handling of grievances and the settlement of disputes by arbitration. Machinery is set up specifically for this purpose.
In all agreements examined by the writer, provisions were made for vacations with pay. Usually the provision is that when an employee has worked one year for the company, he is entitled to one week's vacation with pay, and after two years of continuous employment with the company he is entitled to two weeks' vacation with full pay.

Where company houses are provided for the workers, it is usually agreed to in the union contract, that the employer will maintain the houses in such a manner as to assure comfortable and healthful living quarters for the workers and their families. The writer has observed company houses, provided for the workers by the employer, that were apparently not decent or even protection from the weather. Others, however, are quite comfortable and perhaps better than the worker could obtain for the same price if he were free to choose his own living quarters.

Safer working conditions always result from labor organization when provision is made for frequent inspection and repair of all equipment which might become dangerous to the physical well-being of the worker. Where labor is organized, safety campaigns are frequently sponsored by the union and the results are often phenomenal. For instance, the Long Beach Local of the Oil Workers International Union, sponsored a drive for safety devices in the oil industry in 1926 when approximately five oil field workers per day were being killed. The result of this drive was a ninety per cent decrease in deaths and almost an equal decrease in accidents of a less serious nature.56

Of course, all agreements signed by the Oil Workers' International Union, contain provisions for collective bargaining between the workers and the employer, or between their respective representatives. Collective bargaining, as we have previously noted, is not only an ethical and social right of the workers, but since the passage of the National Labor Relations Act, is also allowed as a legal right. Collective bargaining seems to be the only democratic method of determining labor policy, since through this agency the workers are represented by agents of their own choosing—or else represent themselves—who have a voice in the determination of policies which affect labor.

To workers, the provision for seniority rules is the most attractive of all provisions, since it promises to give them security in their jobs. Many workers join the union chiefly because of this hope of gaining security. This fact indicates that the average oil worker feels that he is relatively insecure in his job under ordinary circumstances.

**Benefits to the employer.**—When organization come to a plant or company it is not only the workers in that plant who benefit, but also the company. When the workers are organized—and this is common knowledge—they become much more efficient at their jobs because of the high morale that organization promotes among them. They work much faster and much more efficiently when in a pleasant environment and have a cooperative state of mind, or spirit. This condition is due to the absence of nervous strain, which is common among dissatisfied, ill-treated workers. The employer certainly benefits from this increased efficiency and consequent increased production.

In addition to these incidental benefits recurring to the employer as a result of organization among the workers, still more positive
benefits come when machinery is provided for the specific purpose of considering employee contributions to ideas regarding methods of increasing production, by eliminating unnecessary operations and lost motion. Shop committees sometimes exist as integral parts of genuine union machinery, and in such cases they are invaluable in making minor adjustments in protecting the interests of the workers and the property of the employer, and in establishing some relation between the labor movement and the problems of production. The employer is probably the chief benefactor in this case and in many other instances of union-labor contributions.

Benefits to the community.—It is an obvious fact that if laborers and employees in a given community gain something through labor organization, the community as a whole stands to gain, also. With increased production, increased wages, better working and living conditions, and good morale, comes a better, cleaner, healthier, and more wholesome community. Business is bound to increase when higher wages and profits bring more purchasing power to the community. These benefits soon spread throughout the community and the result is a higher standard of living for all.

Common sense proves the authenticity of these statements and the reasoning behind them but nevertheless, the public is probably, in general, unsympathetic to organized labor. Why? It is difficult to say, unless it is a product of their education. If it is a product of their education, then it seems very reasonable to assume that their education has been faulty—apparently tainted with the corruption of special interests who influence not only the newspapers and other agencies of public relations, but also the textbooks and the teachers in our school.
CHAPTER VI

CONCLUSIONS

It may be concluded from the foregoing facts that organization
of labor in the oil industry has been a slow and difficult task because
of many factors. Most of these factors have been rather thoroughly dis-
cussed in the text of this thesis and therefore need only be mentioned
here in way of summary.

A contributing factor of predominant importance, which is deterrent
to organization of labor in the oil industry, is that the oil industry is
not concentrated in one geographical section of the country, but on the
contrary, reaches in some manner almost every community. This means that
workers in the oil industry are so scattered that organization of all of
them is all but impossible. It is doubtful that any other industry has
so many fronts which a program of organization must face. These many
fronts—both areal and operational—are almost insurmountable obstacles
for the unions.

Inter-union and intra-union conflicts have greatly weakened the oil
workers' unions of the past, as has already been discussed. Specifically,
there has been a continuous fight between the craft unions and the in-
dustrial type unions in the oil industry. The intra-union strife has
consisted chiefly of political struggles among different groups within
the oil workers' union.

One of the most important factors which causes organization to be
so difficult in the oil industry, is the very intelligent opposition
which the unions face. The oil companies use an anti-union technique rarely used in other industries, and it is one of the most effective ever used, it seems. That technique is the practice of raising wages without relation to union demands, and the result is often the loss of an immediate motive for organization on the part of the workers. This tactic has been discussed in a foregoing chapter.

Another important factor in the failure of labor in the oil industry to organize, is the heritage of the workers themselves. Most of the workers are still recruited from the farms and ranches, as they were fifty years ago. These workers do not think in terms of industrial labor problems so much as they do in terms of the problems of farmers and ranchers. They often know nothing at all about the facts concerning labor unions. They are usually very individualistic and not receptive to organization.

It seems that it might be necessary to inaugurate some unique plans for the organizing of workers in the oil industry, since no other industry—which has been organized—has presented similar organizational problems.

One handicap to organization has been the lack of good organizers for work among the oil workers. This problem has been partially solved through the use of volunteer organizers taken from the ranks of the workers in each locality, but there is still a great need for more professional organizers.

This scarcity may possibly be due to the method of recruitment and training of the organizers. The writer can see no irrefutable argument against the training of labor organizers in a manner similar
to that used in the training of lawyers and other professional men. It seems practical to assume that a labor organizer should be trained in public speaking, dramatics, psychology, government, economics and law, since these are the areas within which his many problems are encountered. He should be trained specifically in the techniques of organization and contract negotiation. This training could be accomplished through case study, which should be done both academically and by field work—experience.

Such a suggestion is almost certain to bring forth a hearty laugh from most labor union leaders, who are unusually distrustful of the idea that active workers may be trained in a systematic fashion, even before they are turned loose on the field of complicated and challenging social relations. They believe that labor leaders are "born, not made."

The trend for labor organization in the oil industry is upward, at present. The long term trend has been somewhat constant, but due to government protection of organizations of workers, and the tremendous organizing drive in the oil industry which is being sponsored jointly by the Congress of Industrial Organization and the Oil Workers' International Union, the trend is now toward more organization in the industry. We may expect the extent of organization in the industry to be greater than it has ever been before, but it is doubtful that the industry will be thoroughly organized with the next few years due to the many obstacles which have been mentioned. However, the union's destiny depends largely upon its preparation for the post-war period, which may possibly be unfavorable to organizational activity. It is hoped that the union's experiences of the last post-war period are not repeated.
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