

# **Summing up the Kaiser strike and lockout 1998-2000**

**Union Leaders Fear a Self-Directed Rank and File More Than Defeat**

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At the beginning of the Twentieth Century, Eugene Debs asserted that the role of the established AFL union leadership was *"to chloroform the working class while the ruling class went through its pockets."* This was accomplished through blocking workers' participation in direct democracy in the unions, short-circuiting activist strategies that were favored by the majority, and ignoring or persecuting critics. Unfortunately, this tradition is not dead yet.

When the Kaiser steelworkers' strike and lockout began in 1998, their union, the United Steelworkers of America (USWA), published an article comparing the good old days in the company under Henry J. Kaiser with the bad new days of vicious anti-union and anti-worker practices since Kaiser has been owned by MAXXAM, under the direction of Charles Hurwitz. Henry Kaiser was cited for recognizing and rewarding his workers for their intelligence, craftsmanship, achievements and hard work. Mr. Kaiser was also praised for being responsive to workers' concerns. The article said, *"It's no secret that Henry J. Kaiser is dead, because if he were still alive, we would not be on strike at Kaiser Aluminum. That's because labor relations at our company used to be governed by Mr. Kaiser's philosophy. And as a result, a job at Kaiser Aluminum used to be something special. In contrast to many of today's corporate executives, Mr. Kaiser insisted on treating us like 'human beings', not as disposable tools in the production process. The company's strategy for improving productivity was based on recognizing our 'ability, skill and good will.'" And when you got a job at Kaiser, it was a job for life.*" ("Kaiser, Then and Now," from USWA Trentwood Local forum, Why We're On Strike at Kaiser Aluminum A Message to our Communities from the United Steelworkers of America (USWA) Local Union 329, Spokane, Washington, Local Union 338, Spokane, Washington, Local Union 341, Newark, Ohio, Local Union 5702, Gramercy, Louisiana, Local Union 7945, Tacoma, Washington. Published in Mid 1998 and available at <http://www.choicenet1.com/steelworkers/forum/default.asp>)

This union perspective helped to define the workers' struggle in artificially limited terms. By romanticizing Henry Kaiser and his workforce policies, it downplayed the real significance of the workers' struggles that convinced this savvy New Deal era businessman to give his employees better-than-average wages and benefits in order to head off the disruptions and financial losses resulting from insurgency. It glossed over many currently relevant issues, including the recent trends in capitalist "restructuring" and "downsizings" which have become standard practice for corporations throughout the world in the past 20 to 30 years. The union bureaucrats also encouraged people to think of the recent problems with Kaiser's policies as due to unusually greedy and evil managers, guilty of bad business practices. They held off placing the Kaiser worker's problems squarely in the context of current trends toward intensified workforce exploitation—as corporations strive for higher rates of profits by simultaneously eliminating skilled jobs, in offices, stores and factories, etc., and demanding that people work harder for lower wages. And on a more basic level, the union leaders continued to encourage the rank and file to believe that their problems lay in having to fight against bad bosses, rather than against the usual interests of employers and socio-economic relations in the world.

They also distorted the realities of Kaiser Aluminum's exploitative practices before 1988, when MAXXAM acquired the company. Even before 1988, Kaiser was periodically demanding that the workers accept sacrifices, including layoffs and lower wages. But at that time union leaders encourage the workers to be "loyal" and accede to those demands. They only began to consider resistance when it became clear that the company was directly attacking the union, by closing unionized facilities and moving production to "right-to-work" states, where laws make it extremely difficult for unions to organize and bargain.

Throughout the 1990s, after Kaiser was acquired by MAXXAM, Hurwitz did not drastically change company policy. He only intensified the established Kaiser policy of demanding that workers sacrifice for the sake of company profits, and the union bureaucrats continued to try to compromise with the company as long as they could.

Then, in 1998, as the negotiations for a new union contract were being scheduled, the company announced it was cutting pension funds and medical care for retired workers, laying off more than 700 union employees, and transferring their jobs to companies that don't allow unions. The company negotiating team made it clear that they would not make any concessions. They refused to provide the union negotiators with the information they needed to bargain. In addition, Kaiser delayed negotiating on local issues for an entire month.

It was obvious that Kaiser was going to be intransigent and was preparing to hold out for a long time. The company started advertising for strikebreakers weeks before bargaining began. And Kaiser hired replacements in September 1998 immediately after contract talks collapsed.

With negotiating alternatives cut off, on September 30, 1998, almost 3,100 Steelworkers at five Kaiser plants in Washington State, Ohio, and Louisiana went on strike. But, in January 1999, union leaders offered to have the strikers unconditionally return to work while negotiations continued. Kaiser refused to accept this offer unless the union acceded completely to the company's demands. The company then escalated its fight against the USWA by locking out union members in January of 1999. It replaced them with temporary workers who had been laid off by another MAXXAM company, Pacific Lumber.

USWA workers set up picket lines outside the Kaiser plants, and subsequently began an informational picket line at the Port of Tacoma, in Washington State, where ships were bringing in raw alumina for the plants.

The USWA leadership, some of whom consider themselves to be social progressives, and are close to the Sweeney AFL-CIO leadership, then hesitantly decided to try working with groups outside the mainstream labor movement.

The groundwork for this had been laid in 1993, when unions joined with environmental groups to fight against the North American Free Trade Agreement (NAFTA). After the passage of NAFTA, Ralph Nader's Global Trade Watch began putting together the Citizens Trade Campaign, a coalition of the leaderships of unions, environmentalist organizations, consumer groups and churches. Together they began to criticize corporate globalization practices for threatening U.S. sovereignty and jobs, and raise demands for tougher labor and environmental standards globally. The USWA also began to coordinate some activities with student groups against sweatshops and for campus labor issues.

Then, members of the IWW, EarthFirst!, some independent anarchists and others undertook a support action, to cut off the supply of alumina to the Washington State Kaiser plants. On December 7, 1998, IWW members set up a picket line at Pier 7 in Tacoma in support of the striking Kaiser Steel workers. Members of EarthFirst! occupied a crane and a conveyor belt, and the actions were honored by the waterfront workers, members of the International Longshore Workers' Union (ILWU) on the dock. The Sea Diamond, a ship loaded with alumina for the Tacoma and Spokane Kaiser plants, was delayed for 24 hours. Many members of the IWW and EarthFirst! were already protesting against the two MAXXAM companies, Kaiser Aluminum and Pacific Lumber, because of their bad environmental and labor practices.

At a meeting in the spring of 1999, the Alliance for Sustainable Jobs and the Environment was formed to facilitate cooperation between labor and environmental groups. National and local

environmental activists met with labor leaders to develop joint action plans. IWW members played a very important role in developing this coalition on the grassroots level. Nevertheless, despite the significant contacts between rank-and-file workers in the established unions and people in the radical groups, some rank-and-file activists involved have made it known that a variety of bureaucrats, such as the USWA District 11 Director, David Foster, have sought to take credit for and control the Alliance for Sustainable Jobs and the Environment. While endorsing general proclamations against transnational companies' attacks on workers' rights, human rights and the environment, the union bureaucrats have continued to maneuver for compromises that would preserve their own positions.

A number of IWWs and anarchists are also ILWU members, and played a crucial role in encouraging the Kaiser steelworkers to take a stand. And anarchists and IWWs among the longshore workers worked hard to build support for that stand among the ILWU workers. In addition to the ILWU longshore workers, IWW folks from a number of branches in Washington State, Oregon and California, and some independent anarchists, along with EarthFirst! rank-and-filers generally played the most important part in supporting the Kaiser steelworkers. But, supporters also included people from a variety of other perspectives, ranging from those mobilized by the local church council, to members of other unions, such as the IBEW, to the Socialist Workers Party.

Some Kaiser steelworkers played a significant role in the anti-WTO demonstrations in Seattle at the end of November and the beginning of December 1999. They were prominent among the several thousand rank and file workers who broke from the tame AFL-CIO-led protest parade to join in active solidarity with the "radical" protesters.

After that, the coalition made plans in the Washington State Puget Sound area for a large-scale April, 2000 series of protests against MAXXAM Corporation and its daughter companies Kaiser Aluminum and Pacific Lumber. But, just one week before the events were scheduled to take place, most of the activities were canceled or postponed by USWA leaders, who were worried about the possible participation of "Eugene anarchists" and other anti-WTO-type activists. The rank-and-file workers were not consulted. The "leaders" were clearly worried about once again possibly losing control of their own rank-and-file in the fluid situations created by public protests.

Many supporters were frustrated and angered by the sudden cancellations. At the same time, some EarthFirst! higher-ups, were distancing themselves from IWWs and anarchists, while identifying with David Foster and others in the labor bureaucracy. They wanted the people "lower down" to do the work, but they didn't want those folks' ideas to embarrass the appearance of respectability they were trying to build up.

Meanwhile, a small number of Kaiser steelworkers were walking a picket line at a Tacoma, Washington, dock. But crucially, most of the strikers were not directly involved in strike activities on an ongoing basis. In Washington State, the majority of strikers spent their time in trying to provide for their families through other jobs or doing other personal things. The union bureaucrats also developed a policy of discouraging supporters from assisting on a regular basis, arguing that it would impede the ongoing attempts at negotiations. In this context, many local supporters suspended active participation.

Nevertheless, during June of 2000 there were some actions in which non-USWA supporters participated, along with members of the International Longshore Workers' Union, which resulted in blocking the delivery of raw alumina to Kaiser plants. ILWU Tacoma local waterfront workers were especially important in helping picketing steelworkers stop the unloading of another ship, the Cupid Feather, for eleven days. They did this by working to rule and refusing to work at all

when the Kaiser picketers were confronted by security guards and police, and a "hostile work environment" resulted. When the waterfront workers did unload ships, it was done very slowly.

As it became obvious that the "negotiations" with Kaiser were going nowhere, the steelworker picketers prepared to undertake a complete continuous blockage of ships with raw materials for Kaiser. Then, to the surprise of the rank and file, David Foster, chair of the union's Kaiser negotiating committee, suggested putting the dispute into interest arbitration; and plans to completely stop the unloading at the port were put on hold. The five local presidents involved in the negotiations were asked to vote on whether to submit the proposal to the rank-and-file USWA membership. Three of them voted to do just that. Two voted against it. Then, in preparation for the membership vote, the union locals held meetings at which Foster told the strikers why he thought they should choose arbitration.

Many of the members were very angry about this turn of events. They understood that after twenty-two months of hardship and struggle, they could lose everything in the arbitration process. But, many were also worried about getting new jobs, and were willing to settle for anything that could possibly get them back to work.

At this crucial juncture, we were contacted by Jeffrey Hilgert, who had worked for District 11 of the USWA. He told us about a USWA Local 1028 strike against the MEI/GST Corporation in Duluth, Minnesota, in which David Foster had also been the head of the union negotiating team. He said that Foster had made many compromises and backroom deals, including agreeing to a five-year contract even though the membership had explicitly stated its demand for a three year contract. Only by refusing to go along with Foster's compromises were the rank-and-file MEI/GST steelworkers able to gain anything. We helped Jeffrey Hilgert to contact some of the striking Kaiser steelworkers, and he told them about the union negotiators' compromises in the MEI/GST strike and the resistance of the rank and file. He urged the striking Kaiser workers to vote down Foster's latest attempt to compromise. Some active strikers, who were in the process of attending meetings to discuss the issue, then circulated the information among other strikers.

On July 11, on the eve of the vote, a letter written by a few rank-and-file ILWU members in Tacoma was circulated among the Kaiser strikers. The letter reminded the steelworkers that they had the support of the ILWU Tacoma waterfront workers, as demonstrated by their previous cooperation in helping to stop the unloading of alumina bound for the Kaiser plants. It urged the strikers to reject the arbitration settlement, and instead rely on their joint strength to gain concessions from Kaiser.

This letter was a very positive public expression, an opening for discussion and thinking about real alternatives. But it was not put out by the ILWU local itself. Only a few people participated in writing and actually endorsing it. Some of the most active Kaiser steelworker strikers saw the letter before it was circulated, and liked it. A number of the folks on the dock saw it. One of the authors of the letter (Joe Worker), also put it on the open ILWU rank-and-file Internet discussion list, so many longshore workers read it.

But, the letter didn't really change anything. The striking steelworkers still had to decide if they thought that they could pressure Kaiser to give them what they were hoping for: increased wages, job security, better safety on the job, decent health care coverage and retirement pensions. As it turned out, most of them were not convinced that Kaiser could be forced to do any of this, no matter how effective a blockage would be. And most of the rank-and-file steelworkers were not actively involved in any discussions of strategy, or for that matter even in touch with their non-USWA supporters, so they couldn't convey their wishes to them. Understandably, neither

the ILWU members nor the non-union supporters wanted to undertake any blockage or other protests without a go-ahead from the steelworkers. And the most militant steelworkers, no matter how much they wanted to proceed with a total blockage, couldn't defy the union bureaucrats on their own.

The rank-and-file voting took place July 12 through July 13, 2000. When it was over, the United Steelworkers of America announced that the majority of the members at the five plants had voted to accept the arbitration; 74% voted in favor. A total of 1,681 workers had voted for the arbitration, while only 601 had voted against it.

Some of the most active strikers were surprised that such a large majority voted for the arbitration. They thought that the vote for and against would be closer, and they weren't sure which side would win. Apparently, those steelworkers who were talking directly to each other on an ongoing basis were mostly saying that they opposed the arbitration, but there were many folks who weren't actively involved in the strike activities or talking to those who were actively involved.

The majority of steelworkers in the Newark, Ohio local voted against the "proposal," and many believe that they had the courage and determination to do so because they kept in touch with each other and discussed their alternatives on a regular basis. In Washington State, many were not actively involved in strike activities, and most were absorbed by trying to earn a living in other ways while the strike and lockout dragged on.

The consensus seems to be that the majority voted for the arbitration, not because they liked the idea, but because they felt that their chances of getting anything the other way weren't good. And because most weren't really actively involved in the resistance, they felt isolated and vulnerable. Not surprisingly, most of the media were generally sympathetic to Kaiser, and the central USWA union leadership strongly campaigned for the arbitration.

The arbitrator eventually ruled on six points of contention that negotiators from the company and the union could not agree on by themselves during the 28 days allotted. The arbitrator ruled in favor of four of Kaiser's demands and two of the workers' demands.

The workers were granted wage and benefit increases which average only 2.6 percent a year for a five year contract.

Kaiser was permitted to cut a little more than 500 union jobs, 19 percent of its total workforce in the plants in Ohio, Louisiana and Washington State. On October 7, 2000 the Seattle Post-Intelligencer reported that of the approximately 950 steelworkers who had been at the Mead plant near Spokane when the strike began, only about 600 were called back (Kaiser Aluminum Workers Back On The Job, But Ranks Thinned). On October 10, 2000, The Tacoma News Tribune reported that only about 40 unionized Steelworkers, out of more than 370, returned to work at the Tacoma plant's rod division (Steelworkers Return To Kaiser Bittersweet). Kaiser cut 281 jobs at the plant in June, citing rising energy costs.

Many workers refused to believe that the June layoff was a result of high electricity prices. They were convinced that it was because of the management.

But, there is some evidence to indicate that in addition to its desire to break the union, Kaiser was in the process of downsizing its workforce in the Northwest in response to increases in the cost of electricity. On October 16, 2000 Reuters reported that skyrocketing electrical power prices of the privatized power companies in the U.S. West will have an impact on the cost of electrical power for aluminum plants in the Pacific Northwest. The privatization is already causing price increases and power shortages in California, and will cause electrical power shortages and price increases in the Northwest as electricity is siphoned off to feed California industries.

On November 1, 2000 Kaiser announced that it had signed a new power contract with the Bonneville Power Administration (BPA) for the company's Pacific Northwest operations from October 1, 2001 through September 30, 2006. The new contract base power rate will be approximately 20% higher than the current rate.

The Seattle Post-Intelligencer, reported on November 3, 2000 that Kaiser Aluminum will not reopen its Tacoma smelter until cheaper electricity becomes available (Tacoma Smelter Shut Till Power Price Falls). Only a rod-making operation at the Tacoma plant will continue to operate.

The rising electricity rates are also reportedly cutting into the profits of the other four aluminum producers located in the Northwest. With this trend in mind, these companies have been in the process of shifting production to plants in such places as Ireland, Mozambique, Australia and India.

Nevertheless, EarthFirst! leaders, under the influence of Foster et al., were quick to proclaim that the strike had been a success and that they had helped to win a great victory for the workers.

If the rank-and-file steelworkers had been more actively and directly involved in running their own strike, they might have been able to take a stronger stand much earlier on, benefit from the support of non-USWA activists to a much greater extent, take more factors into account, and devise much more effective forms of resistance. But, in the absence of direct democratic participation, and in the face of the union negotiators' lack of interest in the broad picture and willingness to compromise, they ended by basically losing. And the ones who were laid off lost even more than they would have two years earlier. On September 25, 2000 The Tacoma News Tribune reported that many steelworkers laid off from the Washington State plants by Kaiser will not be able to get unemployment compensation, Kaiser assistance or union assistance. This is because Kaiser was able to influence the Washington State Legislature to vote against extended unemployment benefits for these workers. And, the arbitrated settlement eliminated previous Kaiser contract provisions that would have assisted employees with less than 10 years seniority who need to get other jobs. They might get some back pay, based on the NLRB's ruling that the lockout was illegal, but how much each worker can hope for is not yet clear. The union lawyers think that Kaiser might possibly, and eventually, be required to pay something like \$337 million. An administrative law judge is scheduled to hear the NLRB complaint on November 13 in Oakland, California.

Nevertheless, the Kaiser steelworkers' two-year struggle has been highly significant because it developed in the context of support from individuals and groups outside the plants and outside the USWA. We hope it is part of a growing trend. But, even broadly supported, multifaceted resistance isn't enough. In order to be truly effective the rank and file in all unions need to develop the habit of overruling their compromising "leaders," and not even depending on finding reliable and sincerely militant ones—they need to institute ongoing direct democracy for themselves.

—November 5, 2000

## **Postscript**

Despite all of the union bureaucracy's compromises, after the settlement, Kaiser management chose to close some facilities and cut back production at others. It found more profit to be made in reselling its publicly-subsidized electric power than in using it for running its plants. Kaiser



collected about \$485 million reselling its allotment of electricity from the Bonneville Power Administration.

As Kaiser's right to resell its allotment of electricity from the BPA expired, management decided that the slumping economy made restart of the closed plants and increases in production in the still-open plants unprofitable. The Mead and Tacoma, Washington, facilities have remained closed and the Trentwood rolling mill has slowed production.

The new contract between Kaiser and the BPA specified that if the company didn't use its allotted amount of electric power for production, Bonneville would resell it and charge Kaiser the difference between the price that it would have paid and the amount that Bonneville was able to get on the spot market. This kind of "take-or-pay" contract was supposed to protect Bonneville from the vagaries of the electricity market. Because Kaiser chose not to increase aluminum production in Washington State, it now owes the BPA more than a million dollars. But last fall Bonneville decided to allow Kaiser to escape its take-or-pay obligation for a year.

Then, in February 2002, the company declared Chapter 11 bankruptcy and began to talk of financial reorganization. As Kaiser declared bankruptcy, the BPA was listed as 11th on its list of creditors.

But the biggest losers will be the Kaiser workers and the ordinary people who live in the communities where Kaiser plants are located. In an article titled "Retirees, laborers have to wait, hope" (available at <http://www.spokesmanreview.com/news-story.asp?date=021302&ID=s1100247>) the Spokane Spokesman-Review, for Wednesday, February 13, 2002 noted that *"Épeople at the "top can float away on golden parachutes while laborers who did the corporation's heavy lifting go down with the plane."*

Those who will have to wait or may never be paid include both current and retired Kaiser workers, employees at the many area firms that have done business with Kaiser, people who work at stores and service businesses that have had dealings with Kaiser employees, children in the local school districts and the people served by other government agencies in the area that will lose funds when a big part of the tax base stops delivering tax revenue.

In another article titled "Company seeks extension on reorganization plan," published on June 13, 2002 (and available at <http://www.spokesmanreview.com/news-story.asp?date=061302&ID=s1165930>) the Spokane-Review noted that Kaiser Aluminum Corp. intended to get an extension of the deadline for submitting its reorganization plan, thereby putting off the time when it would be obligated to pay those to whom it owes money.

In May, 2002, a report in the trade publication American Metal Market cited unnamed sources and analysts as saying Kaiser may sell its Mead, Washington smelter and other properties to raise money for investment in facilities overseas. These production units will not have to pay any creditors included in the bankruptcy settlement.

At the same time, the Spokane Spokesman-Review noted, on July 19, 2002, top executives continue to do just fine: See "Kaiser seeks \$60 million for Top Brass" at <http://www.spokesmanreview.com/news-story.asp?date=071902&ID=s1184985>

All of this reaffirms our belief in the necessity for workers engaged in struggles with their employers to reject minimal compromises in the hope of gaining some temporary and small-scale job security. The only real hope lies in people establishing ongoing direct democracy for themselves, and linking up with individuals and groups outside the workplaces and outside the established unions.

– August 12, 2002

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