Canada: Saskatchewan oil refinery locks out 800 workers, deploys scabs

By Carl Bronski
12 December 2019

A lockout of 800 oil refinery workers at the Co-op Refinery Complex (CRC) in Regina, Saskatchewan enters its second week today, in a bitter dispute over the company's plans to slash pensions.

The CRC is the third largest oil refinery in the Western provinces, where Canadian oil production is centered. Canada is the world's fourth largest oil producer and oil exporter.

The refinery, a subsidiary of Federated Cooperatives Ltd. (FCL), has the capacity to produce 135,000 barrels of oil per day for the western Canadian fuel market. It has demanded that veteran workers, members of Unifor, now make payments into their defined-benefit pension scheme or move to an inferior program. The highly-skilled workers have been offered an 11.75 percent wage increase over four years, but the union has estimated that a 17.5 percent rollback in workers' pension compensation amounts to an actual cut in overall income.

According to the company's proposal, veteran workers can opt to remain in a defined-benefits pension plan, but must start making contributions to their own pensions. Previously, veteran workers did not have paycheque deductions to support their retirement. Should workers decline this option, the company says they must move to a defined-contributions plan which can also include payroll deductions. Unlike the defined-benefits scheme, which pays out a guaranteed amount upon retirement, defined-contribution plans are dependent on the highly volatile stock market. Indeed, most analysts now expect a major negative "correction" in stock prices in the coming years.

The company announced its lockout last week after workers voted by 97.3 percent in favour of strike action and Unifor issued a 48-hour strike notice.

Refinery management is using a scab workforce to continue production at the plant. Currently most supplies are being helicoptered into the complex to circumvent the militant picket lines. The union has agreed to allow essential safety equipment and supplies into the complex after a 15 to 30 minute delay at the plant gates. A disputed delivery Monday night held back a van for almost three hours before police intervened to ensure the van was allowed to proceed.

Last September, CRC began construction of a camp inside the facility to house the replacement workers. It then began a crash-training program for the scabs whereby they "shadowed" union process operators to try to learn their jobs. The use of such an inexperienced workforce in the highly dangerous business of refining flammable fossil fuel has raised concerns among people living in proximity to the refinery and throughout Saskatchewan's capital city, regarding the capabilities of the substitutes to contain any emergency situation.

The threat to community safety has emboldened conservative commentators to call for a ban on labour stoppages. Don Morgan, the Minister of Labour Relations in the right-wing provincial government of Premier Scott Moe, has already stated that he is "watching the dispute closely." Moe, and his predecessor Brad Wall, have mounted major attacks on workers' rights and living standards, including restricting public sector workers' right to strike through "essential services" legislation.

In October, Unifor bowed before the Moe government's demand for a cut in the real wages of 5,000 provincial Crown Corporation workers, agreeing to concessionary contracts after a 17-day strike.

The attack on workers' pensions is part of a global process that has seen corporations reduce their pension obligations in order to further boost their profits, shareholder value and bloated executive salaries. Over the previous three years, FCL recorded over $2.5 billion (CDN) in profits. This year, at the Regina refinery, it is on track to rake in $1.2 billion in earnings.

But FCL's rapacious attacks have been aided and abetted by Unifor, which has recommended three consecutive concessions contracts. In the last contract, which covered the years beginning in 2016, the union opened the door to further pension concessions when it agreed to a two-tier deal that required all newly hired workers to be enrolled in the inferior defined-contributions program.

Unifor pushed through that contract despite being forced to admit to a restless membership that "it wasn't the deal it wanted." After the union recommended the concessions without moving to strike action, Gil Le Dressay, vice president of refinery operations, commended union collaboration with the company. "We have always regarded the union as our partners in this organization," he stated. In the current dispute, lead union negotiator Scott Doherty has already signalled an avenue for another climbdown. "The union is willing to make changes to pension liabilities," he said, "but will not budge on pension security for every worker."

Locked-out refinery workers cannot place any confidence in Unifor to resolve the pension dispute in their favour. In order to ensure victory, they must take the conduct of their struggle into their own hands by forming action committees independently of and in opposition to the Unifor bureaucracy. These committees must appeal for a broadening of the struggle to workers across the region and the country who all confront an ever-widening corporate-state attack on their jobs, working conditions and living standards.