

CLINTON CORN PROCESSING COMPANY  
1979 NEGOTIATIONS & STRIKE



CLINTON CORN PROCESSING COMPANY

1979 NEGOTIATIONS & STRIKE

CLINTON CORN PROCESSING COMPANY

1979 NEGOTIATIONS & STRIKE

FOREWORD

It is the purpose of this document to provide a factual account and analysis of events so that interested persons may have a more accurate frame of reference upon which to base opinions involving both past and future development of this dispute between Local 6, the Company and employees. As such, it is divided into four sections:

- I. Historical Background
- II. 1975 Illegal Work Stoppage
- III. Working Agreement - Negotiations 1979
- IV. Summary and Commentary

This discussion covers events not only of the 1979 negotiations and strike itself, but a general history of labor relations and bargaining relationships with this union.

I.

HISTORICAL BACKGROUND

## I. Historical Background

The American Federation of Grain Millers was organized in 1939 and the first contract negotiated with them at that time. The years from 1939 until approximately 1961 were generally speaking, peaceful from a labor relations standpoint, with the Company bargaining in good faith and making concessions in the interest of labor peace.

In succeeding years (from 1961 on) the Union became increasingly militant in its demands and approach to bargaining, as well as day-to-day labor relations. Union activity on an industry basis began to pick up with the Union's attempts to organize a "Corn Council" made up of unions from all wet milling companies.

Around 1961 the Union (Local 6) began to place increasing emphasis on disciplinary actions taken by the Company, culminating in 1965 with the first threat of a "special meeting" which would lead to "drastic action". The implication here was that the members would walk off their jobs if demands were not met--this in spite of a "binding arbitration" and "no strike" clause in the Working Agreement.

Through the years from 1965 until February, 1975, the Union repeatedly threatened to "walk-out" 19 times, actually engaging in 3 illegal work stoppages. In all cases the Company had made good faith concessions in order to avoid hardship on employees, the community, and maintain production, each time reminding the Union that this was a two-way street and that these were good faith concessions made in return for Union promises to adhere to the contract.

In spite of their promises to honor the contract, Union leaders continued to break faith and either threaten or engage in walk-outs--about every six months over a ten year period.

The only time negotiations were completed without a strike was while wage/price guidelines were in effect.

It is now obvious that the leaders and membership of the Union interpreted Management's forbearance, good faith bargaining, compassion for its employees, and willingness to "turn the other cheek" not as good faith but rather as weakness on the part of Management and strength on the part of the Union.

The membership felt their leaders had a good formula and would repeatedly do as the Union leadership ordered (vote as recommended) whether or not they knew or understood the facts--even in many cases without wanting to know the facts. Union leadership openly encouraged members to regard negotiations as a "2 week" summer vacation.

In brief, Management's policy of accomodation and good faith bargaining in all situations was consistently interpreted to Union members by their leaders

1. Historical Background (contd.)

as weakness on the part of Management, Union leadership failed its members and acted in a manner designed only to further their own personal ambitions at the expense of the membership.

This, then, was the situation that prevailed at the end of 1974 and resulted in later events.

11.

1975 ILLEGAL WORK STOPPAGE

## II. 1975 Illegal Work Stoppage

In 1974 Union activity under a new inexperienced business agent increased with respect to disciplinary actions, general harassment and attempts to organize the office force.

Late in 1974 new Union officers for 1975 were elected. The majority of these were the same one who had precipitated the 53 day strike in 1968. It soon became apparent that this leadership and the more radical element of the Union were out to re-establish constant confrontation on all possible issues.

In February, 1975, this situation reached a climax in the form of the third illegal work stoppage in ten years.

Specifically, in September, 1974, two employees were discharged for theft of Company property amounting to \$250-\$300. In the face of a threatened walk-out, the Company modified its position and avoided a walk-out at the same time stating under no circumstances would it again submit to such pressure tactics. In the future, the Union must abide by the Working Agreement, use the grievance/arbitration procedure, and understand that any future threats or actual carrying out of illegal work stoppages would be dealt with to the full extent of the law.

The Union's reaction to these statements was ill-concealed cynicism. Feedback from plant personnel indicated that Union leadership was not convinced the Company would ever take disciplinary action because of an illegal work stoppage. This was a matter of great amusement to the Union leadership who felt that they had a very effective weapon to get anything they wanted by simply threatening or actually precipitating a "walk-out".

This, then, is the situation that prevailed at the end of 1974 and resulted in the illegal work stoppage of February, 1975.

On February 11, 1975 a routine lunch bucket check revealed that employee Charles Dean was stealing 9 panel light bulbs from the Company. He was suspended, and following investigation and a hearing during which he admitted his guilt, was terminated. Evidence was turned over to the County Attorney and the following sequence of events (summarized) ensued:

1. February 17, 1975 - Union, after Company refusal to rehire Dean as a new employee, threatens a walk-out.
2. February 18, 1975 - Union, after demanding full reinstatement of Dean and hearing Company refusal, walks out of meeting.
3. At a meeting later in the morning, the Union stated that they would take this matter to the "body". (This is the preliminary to a walk-out.)

11. 1975 Illegal Work Stoppage (contd.)

4. February 18, 1975 - 12 Noon - Union stewards in plant and other employees tell workers not to report for 3:00 P. M. incoming shift.
5. February 18, 1975 - 1:30 P. M. - Union announces over radio that a general membership meeting will be held at 3:00 P. M. and that all members are urged to attend. (This is now a direct "call" to the membership to walk-out illegally, totally ignoring the grievance/arbitration procedure of the contract.)
6. February 18, 1975 - 2:00 P. M. - Employees walk out in defiance of supervisor's orders, leaving plant running or shutting down jobs.
7. February 18, 1975 - 8:00 P. M. - Company meets with Union. Freilinger, International Representative, states that "a number of issues" exist and tries to state that the walk-out is over "45 unresolved grievances".

This is obvious lie from two standpoints:

- A. The sequence of events shows they walked out over Dean discipline.
  - B. It was subsequently established with Rajcevich, International V. P. and by that time Trustee of Local 6, that only 15 grievances in all steps were outstanding, and only 6 or 7 of those needed further consideration!
8. The Company had secured an injunction in Federal District Court which the Union proceeded to ignore. There upon the Court issued a show cause order and on February 20, 1975, incoming 11:00 P. M. shift reports for work.
  9. Ultimately, after further Union leadership attempts to cause problems, Wellborne, International President, placed Local 6 in trusteeship with Rajcevich as trustee.
  10. Company takes disciplinary action against 172 employees, terminating 47 (including all participating Union officers) and reduced seniority of 80.

NOTE: By the time 1979 negotiations took place, only approximately 35 of this original 80 were still employed. It was a Union demand that the seniority of these people be restored as part of the price of a new agreement and is the "seniority" issue which was one of the reasons for their ultimately going on a "protest" strike.



11. 1975 Illegal Work Stoppage (contd.)

11. In addition to various types of disciplinary action, the Company also instituted a suit for damages against the Union amounting to \$186,000.

NOTE: This is the second of the two issues over which the Union ultimately went on a "protest" strike August 1, 1979.

During the course of 1975 and 1976, the entire 172 cases of disciplinary action were referred twice to the NLRB by the Union claiming each time unfair labor practices on the part of the Company. These were ultimately overruled by the NLRB which stated that the Company had acted properly and within its rights. In addition, all 172 cases were ruled on by an arbitrator who found for the Company in 171 out of 172 incidents, the one exception involving illness of a Union officer which caused him to miss a meeting of the Union's Executive Board of which the Company was unaware. At the present time, the Company's suit for damages is still in the process of being arbitrated in terms of the amount of damage due it.

In summary, the Union admitted it walked out illegally, the Company took disciplinary action involving among other things discharge and loss of seniority as well as suing the Union for \$186,000 damages. The Company's action was upheld twice by the NLRB and in 171 out of 172 cases by an arbitrator.

During the 1976 negotiations the Union brought up the 1975 disciplinary issue and the Company's suit for damages and these two items contributed to the strike in January of 1977.

III.

WORKING AGREEMENT - NEGOTIATIONS 1979

### III. Working Agreement - Negotiations 1979

In 1978, the Company initiated negotiations for a two year extension of the contract beyond its August 1, 1979 expiration. After several sessions, the Union broke off negotiations saying it was no longer interested.

In May, 1979 negotiations on a new Working Agreement were resumed, with the following sequence of events taking place:

1. July 26, 1979 - The Company made an offer which it mailed to employees' homes because of the Union Negotiating Committee's position on 1975 discipline, the damage suit (1975) and unrealistic economic demands. The Union stated they would recommend rejection of this offer, to be voted on July 28, 1979.
2. July 27, 1979 - Negotiating Session - The Union stated at the meeting that they would:
  - A. Recommend rejection because:
    - (1) The Company would not restore seniority lost in 1975 for about 35 workers.
    - (2) The Company would not drop its damage suit against the Union.
    - (3) Economics were not satisfactory.
  - B. Would take a 12 day "protest strike" (commenting that they would get a piece of the Company's ----).
  - C. They would return to work 8/13/79 and continue to negotiate. In the meantime, even if an agreement were reached, they would not return to work until 8/13/79.
3. July 28, 1979 - The Union membership, at the recommendation of the Union officers, voted to reject the Company offer.
4. July 29, 1979 - Krajnovich, the Local 6 B.A., stated to the news media that the strike vote was not related to the Company contract offer, though he termed it insufficient. Rather, he said both local and national union leaders wanted the offer turned down because the Company would not agree to restore the 1975 seniority (lost in the illegal walk-out of 1975) and drop its' suit for damages against the Union.

Lloyd Freilinger, International V.P. for the A.F.G.M., stated the so-called "protest strike" was, in effect, to "get even" with the Company for actions which had twice been upheld by the NLRB, and in all but one of 172 cases upheld by an arbitrator.

III. Working Agreement - Negotiations 1979 (contd.)

His comments were summarized by the statement that "...we're going to get a piece of your ass". In other words, it would appear that no matter what the Company offered, this leadership was determined to force a 2 week strike on the Company unless it capitulated on these two items.

Actually, it is illegal under labor law to bargain to impasse over an issue such as the Company's damage suit. In so doing, the Union committed an unfair labor practice and was not bargaining in good faith. The Company did not, however, file a charge because it was still hopeful of securing an agreement before August 1, 1979.

5. July 31, 1979 - A. M. - Negotiating Session - A morning meeting produced no change in position on the part of either party.
6. July 31, 1979 - P. M. - Negotiating Session - During late evening the mediator through several phone calls to both parties, arranged a meeting. The Company agreed to meet on the basis that the seniority, damage suit, and pension for present retirees were no longer to be issues on the part of the Union, and that the Company would consider "rearrangement" of its economic package to produce agreement.

The meeting was held and agreement reached with rearrangement of economic items and additional money - approximately 17¢ an hour - the Union withdrawing its demands relative to 1975 seniority, the damage suit and pension for retirees.

7. August 1, 1979 - 12:05 A. M. - The Company and Union negotiating committees completed initialing of all documents and shook hands on the new agreement, the Union stating it would recommend the offer for acceptance to the Executive Board.

The Union committee then stated they would go to the plant and stop the strike (which had technically begun at 12:00 midnight though some of the incoming shift had already failed to report at 11:00 P. M.). They did not do this.

8. August 1, 1979 - 3:00 A. M. - The Company was notified that the Executive Board of the Union would unanimously recommend the offer to the membership for acceptance.

At 11:00 A. M., the Business Agent, Krajnovich, informed the Company that the Executive Board had "changed its mind" and not recommended the offer, following which the membership voted to reject, and that the Union was now on strike and they would see us in two weeks when this "protest" strike was over.

III. Working Agreement - Negotiations 1979 (contd.)

The Company stated that it would continue operations with salaried personnel and began hiring permanent replacements?

In commenting on the Union's rejection of the Company's new offer, Krajnovich said the Company's proposal was "totally unexpected". This was an outright lie in that he participated in negotiating the terms of the offer after having agreed to the parameters of the meeting set up by the mediator! Krajnovich, without notice to the Company, also introduced an additional reason for the strike, telling some of the news media that the Union recommended rejection because the offer did not allow employees enough say in working conditions and policies.

9. August 2, 1979 - Ads placed in local newspapers for replacement employees. Replacement hiring commenced.
10. August 3, 1979 - Members of Local 6 mass picketed at the Company's main gate, blocking entrance and exit to and from the plant. Property damage to vehicles, abusive language and denial of entrance and exit to the plant resulted in Judge L. D. Carstensen issuing an injunction at the Company's request.

It should be noted that Union claims of Court discrimination against them for not giving the Union a hearing on the injunction are another example of their "forgetful" lying. The Company attorneys, at the request of the Judge, notified Brent Miller, Union officer, that the hearing would be at a stated time and place.

The Union not only did not attend, but never did request a hearing--yet let ads be published claiming discrimination by the court.

11. August 5, 1979 - Krajnovich is quoted by the news media as stating that originally the strike was a 12 day protest, but implies it now might be longer. He now states the strike is over wages, fringes, 1975 disciplinary action, and discipline of strikers. By bringing in this last issue he admits Union misconduct. At this point the Company has said nothing about disciplining strikers.
12. August 7, 1979 - 10:00 A. M. -
  - A. All members must return to work. Permanent replacements could be retained, but all Union members had to get their jobs back. In other words, the Company would have to carry extra people it did not need.

III. Working Agreement - Negotiations 1979 (contd.)

- B. That no strikers would be disciplined for misconduct. (Mass picketing had occurred with some violence including damage to cars and blocking of entrance and exit to plant.)

The Company responded that:

- A. The offer of 7/31/79 was made in good faith and was the final offer.
- B. Permanent replacements would not be fired to make room for strikers.
- C. Disciplinary action would be taken against employees who engaged in misconduct.
- D. After ratification, employees who had been on strike would be called back as necessary with those not required being placed on a preferential hiring list.
13. August 9, 1979 - Union met to vote again on Company offer of July 31, 1979. Rejected offer again.
14. August 13, 1979 - Union does not return to work, so apparently "12 day protest strike" is now something else.
15. August 14, 1979 - Company withdraws offer. This was due to Union's constantly shifting position, and changing conditions, after Union had twice rejected same. Union at this point had listed approximately eight different reasons in the media for the strike as opposed to the original two. Also, the final offer contained additional money to avoid a strike. After this failed due to Union reneging, this money was no longer there.
16. August 22, 1979 - On August 20, 1979 M. E. Krajnovich was predicting that nothing would come of meeting August 22.

Krajnovich said only thing preventing settlement is replacements and discipline. He was informed by the Company that the replacements were permanent and would not be fired to make room for returning strikers; also, that persons engaging in misconduct would receive disciplinary action.

The Company refused the Union's request for a list of people who would be disciplined, because it changed every day as strikers continued to violate the injunction and harass people entering and leaving the plant.

III. Working Agreement - Negotiations 1979 (contd.)

borne out by repeated and continuing attacks on homes of returning strikers as well as new employees--who also have a right to work--at least in Iowa.

The "peaceful demonstration" of the morning became a riot in the afternoon when a mixture of Local 6 and imported demonstrators got out of hand. Though six arrests were finally made that day, they were released in a "deal" made with the law breaking rioters and leaders of Local 6 in return for which the "uncontrollable", "spontaneous" demonstration was immediately turned off by Krajnovich. Ultimately, criminal charges were filed against eleven demonstrators, most of them Local 6 members. The Company in the meantime filed a request for a "show-cause" order from the court, charging violation of the injunction.

The interesting point here, however, is that police watched thirteen people suffer beatings and bodily harm and at least twenty vehicles being damaged by smashing of windows and body work, but took no action to protect the rights of these people. The reason for this lack of law enforcement is apparently still open to question.

20. September 6, 1979 - There was a threatened rally by Iron Workers. About 100 showed up and left the Main Gate area. The Company filed Unfair Labor Practice charge - mass picketing. Negotiating session meeting was called by the mediator, who requested that the riot of September 3 not be brought to the table. Company assured him it would not.

The Union refuses to change its position on permanent replacements, requiring that all strikers return to their jobs and that no discipline be given to those engaging in misconduct.

The Union maintained it had made a concession on replacements, stating that the Company could keep as many as it wanted providing all strikers who wanted to return would get their jobs back. This, of course, was no change whatsoever, since to take strikers back would have necessitated discharging replacements.

In view of this, the Company maintained its position on these two items and informed the Union that in view of experience gained in operations with smaller staff, we now were ready to negotiate a contract based on job clustering and contracting out of maintenance for economic reasons.

The Union response was to reject this idea totally and refuse to discuss or bargain on the issues.

Rajceovich and Freilinger then proceeded to threaten, repeatedly, the Company and its employees with violence including killing of people. These threats later became the basis of the Company charging the Union with an unfair labor practice and seeking a Federal injunction through the NLRB.

III. Working Agreement - Negotiations 1979 (contd.)

In making these threats and others, and having many of them carried out by supposed "outsiders" the Union is again acting true to form, trying to get by force and violence what it cannot get legally and involving the community--regardless of community welfare.

21. September 8, 1979 - It was correctly reported that the Company has engaged the same law firm as was used by Delavan.

It was felt necessary by the Company, in view of extreme violence and harassment by the Union or "on behalf" of the Union, to engage a firm experienced in dealing with this type of situation.

The Union of course charged "union busting"--as it does with anyone who disagrees or takes action contrary to what it wants: In fact, the AFGM charged the Federal Government's anti-trust division with "union busting" for proposals it made to break up some of the large cereal manufacturers!

22. September 10, 1979 - Unfair Labor Practice - The Company charged Local 6 and the Clinton Labor Congress with Unfair Labor Charges stemming from the September 3 riots.

Krajnovich, constantly harps on the Company's trying to create another Delavan situation, while disclaiming any responsibility for Union inspired illegal action and welcoming and encouraging the support of outside labor unions. Apparently, what Local 6 can't get done for itself, it will try to do by bringing in its version of "strike-breakers" or "goons" for Union purposes or breaking the Company--and the community.

23. September 14, 1979 - The Company filed contempt of Court citations against thirty one individuals and Local #6 as a result of the violence and mass picketing which occurred on Labor Day. The hearings were held from October 22 to October 26. A ruling from the Judge is expected shortly.

24. September 18, 1979 - L. T. Lewis letter to Mayor and Council in response to theirs is printed in Clinton Herald. The letter outlines the Company's position and concern for the community in this situation, assuring all of Company's intent to secure an end to the dispute "without sacrificing the rights and interests of innocent individuals". The Mayor would not comment on the letter saying it was self-explanatory.

25. September 19, 1979 - The Company's September 17, 1979 filing for "show cause" based on repeated violations of injunction is reported. This stems from September 3 and 6 riot and demonstrations.

The Union filed an Unfair Labor Practice charge with the NLRB charging the Company with bad faith bargaining. The NLRB dismissed all but one minor item which the Company is appealing. The Union is appealing the dismissal.



III. Working Agreement - Negotiations 1979 (contd.)

26. September 26, 1979 - Negotiating Session - Union requests meeting, having apparently decided it was wrong in refusing to negotiate on the two new items introduced by the Company at the last session.

At mediator's request, the session is held in Cedar Rapids in hopes change of atmosphere will produce better results.

Discussion is restricted to the two proposals of job clustering and contracting of maintenance.

Company presents general parameters of proposals and answers specific questions.

Union complains of bad faith bargaining because Company did not answer all of their previously submitted questions in writing. Actually, the Company is not required to give all answers in writing. Two basic documents were, however, submitted in written form for the Union's use. In spite of their complaints they did manage, in subsequent releases to news media, to quote the Company almost verbatim.

After Union brings up supplemental retirement as one incentive to create openings for younger employees as well as other possible schemes, it demands detailed information on entire proposals.

In response to a Company request for review and statement of issues Union still regards as being on table, Union refuses to discuss. Finally, they indicate that maybe they will do so at next meeting.

The Company filed an Unfair Labor Practice charge with the NLRB charging the Union with bad faith bargaining. The NLRB found merit in the company's charge. The Union signed a conditional settlement agreement and appealed this case. The Company has also filed an appeal in this case.

27. September 30, 1979 - Approximately 100 demonstrators at Main Gate.

28. October 1, 1979 - Union claims Company proposals would eliminate 250 jobs. This is approximately true, though 80 contractor jobs would be added. A savings of approximately \$5 to \$5.5 million could be realized annually, based on experience the Company has gained since operating the plant from August 1, 1979.

The Company filed another unfair labor practice after the Local 6 picketers turned a concrete truck away from "reserved" contractor gates at the plant. The charge was withdrawn after agreement to move the pickets.

Newspaper report on Union Information meeting. Union claims Company proposal to eliminate 250 jobs.

III. Working Agreement - Negotiations 1979 (contd.)

29. October 3, 1979 - Negotiating Session - Discussed contracting and clustering proposals and information requested by the Union. Union presented a position on six items.
30. October 9, 1979 - Negotiating Session - Discussed severance pay and pensions for employees displaced by clustering and contracting.
31. October 17, 1979 - NLRB proposed a settlement agreement on the Company's charge of mass picketing and violence against Local #6.
32. October 19, 1979 - Pre-trial hearing on rule to show cause was held.
33. October 22, 1979 - Hearings began on rule to show cause (contempt) and continued until 10-26-79.  
  
ICLU filed petition to quash the injunction.
34. October 30, 1979 - Negotiating Session - Discussed outstanding issues.
35. November 6, 1979 - Negotiating Session - F. Hose - International President attended meeting - Union presented a position paper which basically showed no change in their position. The Company responded to all issues.
36. November 7, 1979 - NLRB found merit to Company's charge that Local #6 bargained in bad faith.
37. November 8, 1979 - Hearing in State Court. The injunction was modified to include certain specified areas where mass picketing is not allowed.
38. November 10, 1979 - Two day Veterans Day rally held at main gate - four arrests were made. (100 participants)
39. November 12, 1979 - Negotiating Session - Unions new position turns out to be old position framed in new words. Krajnovich publicizes "Clem incident" regarding settlement of the damage suit.
40. November 16, 1979 - NLRB dismissed all but one minor charge against the Company in the Union's charge that the Company bargained in bad faith.  
  
Union agreed to sign settlement agreement on Company's charge that the Union bargained in bad faith.
41. December 2, 1979 - 100 "Concerned Citizens" hold rally at main gate.  
  
Hearing set for December 12, 1979 on ICLU petition to quash injunction.

IV.

SUMMARY AND COMMENTARY

#### IV. Summary and Commentary

The current strike by Local 6 is actually a product of long term Union leadership designed to gain total control of plant operation through any means at their disposal for their own aggrandizement as "leaders".

Their tactics for many years have been to negotiate what they can and gain the rest by threats or actual violence regardless of effect on the community.

In the current situation, the strike is basically over Company refusal to return seniority to people who lost it in 1975 as the result of an illegal Union walk-out, and refusal of the Company to drop its suit for damages resulting from the same incident.

In the process of trying to force its wishes on the Company, the Union has gone "public" and in so doing raised a number of issues and questions which deserve comment as follows:

1. American Federation of Grain Millers International, Local 6, and the public.

This International would have the Clinton public believe that it is a responsible organization whose only concern is for the betterment of its members and the community in which it operates. It castigates the Company and its executives for being unconcerned about community impact of the strike, lack of concern for its employees, interested only in profit and destruction or "busting" of the Union. They would have Clinton people believe that the Company is the cause of all problems and the strike, with the poor little Union fighting against "big business" for the good of the community and the world.

Yet this same poor little union (AFGM) had so much concern for individual people, communities, and the nation as a whole that during July, August and September--actually over two months--all grain elevators in Superior and Duluth were placed on strike by the union, tying up all grain shipments on the Great Lakes. Grain deteriorated, individual farmers, ship owners and elevator operators, and individuals throughout this country and the world suffered economic loss estimated by economists at over one billion dollars. This action is all justified under the concern for the "little man". It is interesting to note that while the AFGM and Local 6 have had the Company on strike, they have also had the elevators of Con Agra, Continental, GTA, Peavey, ADM, Cargill, General Mills and International Multi Foods on strike in the Duluth/Superior area; the dry millers in Minneapolis, as well as wet millers Hubinger and CCPC.

Yet this Union, able to tie up the nation's grain shipments, bring economic hardship to individual farmers, their own members and the nation as a whole claims itself to be a concerned, responsible organization existing for the good of mankind.

IV. Summary and Commentary (contd.)

Locally, the Union claims the same image for itself, with great concern for the community. One example of this concern for the community is reflected in its support of the United Fund. In the 1976 campaign, Union members contributed \$2,441.70 while half as many salaried people, including office clerical help, contributed \$14,300. In the 1977 campaign the Union members contributed \$4,000 against "salaried" workers \$15,200. The 1978 campaign saw Union contributions of \$4,200 against salaried contribution of \$15,900. This is an example of Union concern for the community.

Yes, some Union members are involved in community activity--but a great many salaried people also contribute time and money.

2. The Union's Campaign for Public Support.

Not being able to secure all it demanded at the bargaining table or by striking legally, the Union has attempted to enlist public support, raising a number of "straw men" issues for purposes of emotional appeal. By feeding material to various "special interest" groups such as other unions they have attempted to disseminate lies, half-truths, and general misinformation designed to keep up the morale of strikers as well as convince the general public that the Company is the worst that ever existed.

The ad of September 26, 1979 "Paid for by 400 Area Building Trade Union Supporters" is an example:

It makes some interesting points:

A. "The Company was unduly 'harsh' in its 1975 illegal walk-out discipline."

Comment -

They make no mention of the fact that this Local 6 nineteen times in ten years threatened to illegally strike--and three times did illegally walk-out. Each time until 1975 the Company was "compassionate" (they always plead for this) and "showed concern for its employees". Each time the Union in return promised to never repeat such irresponsible action. Each time the Union broke its pledge.

B. In 1976 CCPC..fired construction contractors using union labor."

Comment -

This is true, but only after being made the victim of continuous building trades strikes where as many as six or seven crafts might strike successively and cause the Company--the customer--the business

IV. Summary and Commentary (contd.)

pouring millions of dollars into the community, additional millions in costs and delays. Even then this action was taken only after many Company sessions with building trades unions begging them to stop this action or work out some method to protect us, the customer, the source of their bread and butter.

These pleas fell on deaf ears, in spite of Company warnings that we would have to seek non-union outfits who would perform our work on schedule and as estimated.

After non-union workers came in, Union business agents suddenly promised the cooperation they had previously refused to give.

- C. "If successful in breaking Local 6, there would be a disastrous effect on the comfortable standard of living we Clintonians have enjoyed due to union wages, benefits and safety precautions."

Comment -

The Union seems to forget that the Company organized in 1907 and without "benefit" of a union until 1938, built its plant (without union labor), ran it, paid the best wages in town (without a union) and carried the entire town through the depression of the 30's (without a union)!

- D. Clinton Corn bargains for all of Clinton and sets the pace.

Comment -

It is ridiculous to assume that huge industries such as DuPont, Chemplex and Ralston-Purina are going to let CCPC make their management decisions.

Even if this were the case, who could tell who set the pace for whom, since you are faced with a "chicken and egg" situation immediately.

- E. Union labor built the plant and helped it in emergencies.

Comment -

The implication here is that only union labor can build well--an unwarranted assumption at best.

Further, every person working in the emergencies was also helping himself by protecting his job and income. By no means were these Union members entirely altruistic.

IV. Summary and Commentary (contd.)

It is also worth noting that more non-union people made contributions to the community in the past--including W.W. II, Korea and Viet Nam--than did union types. And this remains true today when one considers that only about 1/3 of the work-force is unionized.

- F. Union members are not terrorists.

Comment -

The record speaks for itself. One only need read the facts and look at pictures in the media to determine the truth for themselves. Apparently, the Union feels terrorism and violence are not such if it supports their purpose. In other words, they obviously operate on and believe that "the end justifies the means".

- G. As taxpayer and voters they feel the city, state and local government is against them.

Comment -

In general, anybody who does not agree with the Union appears to them as being "against" them.

Specifically, they criticize Judge L. D. Carstensen for speedy issuance of injunction--and never have requested the hearing to which they were entitled (and notified of by the Company at the Judge's request!).

With respect to not charging non-striking employees for "running through" a crowd, it must be noted that the Union and its supporters conveniently forget that this incident, recorded on film, shows "demonstrators" smashing at this car and others, and deliberately blocking the roadway so their union cohorts could commit bodily harm and property damage.

- H. Strike can be settled if Company will bargain in good faith.

Comment -

The Union has exhibited total bad faith by bargaining to impasse on the issue of the damage suit. Even more important, its negotiating committee and officers lied to the Company by negotiating an agreement, initialing it, shaking hands on it, and then repudiating it. The Company paid an additional price for this last offer which was accepted by them, and bargained in good faith. In view of the Union's welshing, the Company is placed in a very difficult position in that it never

IV. Summary and Commentary (contd.)

will know for sure whether it has an agreement or not, and can "spring board" the Company indefinitely.

1. Clinton Corn does not have the right to take the law in its own hands.

Comment -

When has the Company ever done this? It has never:

- imported outsiders to do violence.
- asked other industries to support it against the Union.
- resorted to violence itself or encouraged outsiders in this.
- told people to "get out the scab stick".
- had employees engage in mass picketing.

The Union has. It is a matter of record.

3. Union "themes" stressed to Public

- A. The Company has "stalled" and bargained in bad faith.

Comment -

Twenty-six negotiating sessions since May 15, 1979, most of which were pushed for by the Company, do not indicate stalling.

Last minute bargaining with the Company making considerable concessions, getting Union officer agreement, and subsequent Union renegeing indicate the Union has bargained in bad faith.

- B. The Company should "cooperate".

Comment -

The Company's record of forbearance and cooperation speaks for itself. Union threats, strikes and illegal walk-outs speak for themselves. Consistently, the Union leadership has interpreted the Company's compassion, good will and concessions as Company weakness to Union members, thereby encouraging and reinforcing their illegal and irresponsible attitude and acts.



IV. Summary and Commentary (contd.)

This interpretation of the Company's desire to work things out without confrontation has been particularly evident since 1966.

- C. The Company has introduced new issues.

Comment -

It is the Company's legal right to introduce new issues under the circumstances that exist. Its offer having been rejected (not once but twice), it is entitled to reassess its position in view of changing circumstances.

With respect to the "clustering" of jobs and contracting of maintenance, experience in operating the plant, for several months, on essentially these lines, gave solid economic justification for these proposals.

Concerning dismissal of permanent replacements to make way for possible returning strikers, (an issue raised by the Union) the Company feels it has a moral obligation to people accepting employment as permanent replacements. It does not intend, nor is it required to, abandon these people.

- D. The replacement workers are taking money out of the community and won't support it.

Comment -

Approximately 85-90% of the new employees live within 25 miles of Clinton--our normal recruiting radius--and spend as much of their money locally as any Local 6 member ever did--perhaps more. Others are moving in to the community and will provide additional support to local economy.

- E. The Company's proposals will cost Clinton 250 jobs.

Comment -

This is not entirely true, since approximately 80 of the 250 jobs will be filled by contractors performing maintenance.

It should be noted also that this move towards greater efficiency through flexibility and employee commitment have long been subjects of Company bargaining proposals to Local 6. When approximately 550 to 600 people can and are without artificial union restrictions, doing

IV. Summary and Commentary (contd.)

the work of 750, a responsible management must recognize the fact. To remain competitive, and in the face of proven economies, the Company must take these actions. Only by so doing can it continue to provide many of the best paying jobs that support the backbone of the area economy.

F. The Company is going to close and leave Clinton.

Comment -

Remarks made by a Company official were part of an extensive news conference and did not reflect the total conversation, when edited for publication.

It was stated that the Company would not close temporarily, but that it was not an impossibility in the long run if law enforcement agencies could not protect employee rights and/or Company rights and property.

Clinton Corn Processing has for many years been the principal economic support of the community--through wars and depressions, good times and bad. It fully recognizes the mutual interests and needs of itself and the community, and intends to continue its outstanding record of support and service to this community.