

Fighting for Jobs

**Case Studies of
Labor-Community Coalitions
Confronting Plant Closings**

Bruce Nissen

FIGHTING FOR JOBS

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Coalitions Confronting Plant Closings

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Fighting for Jobs

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To Karen, Jared, and Leif, and to
my friend, Lynn Feekin

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PREFACE

In the late spring of 1987 I was asked to get involved in a campaign to reopen a closed steel mill in northwest Indiana. My subsequent involvement was to have far-reaching consequences for both my research and my community activities for years to come.

As a labor studies professor at the Gary campus of Indiana University, I am constantly in contact with local trade unionists who make up the majority of the students in my classes. Perhaps for that reason, I was asked to address a meeting of dislocated workers from a recently closed local steel mill who were attempting to reopen the mill. Following my talk the participants asked me to facilitate a session where they organized themselves into action teams to undertake the various tasks needed to accomplish their goal.

Since one of my former students was leading the effort, I was doubly interested in this campaign to reopen the mill and to save employment. I went to that meeting and was so impressed by what I saw that I continued to volunteer my services to that campaign, which was to continue for more than a year and a half.

I also became more and more fascinated by the organization that was spearheading the effort to build broad-based support for the workers' efforts. It was an unusual group known as the Calumet Project for Industrial Jobs. In mid-1988 I agreed to serve on its board of directors and have continued to serve every year since except during a sabbatical leave. In addition to being on its board, I have involved myself in a number of its issues, which extend considerably beyond plant closings.

This increasing involvement with the Calumet Project reoriented my research interests also. This book is one result of my ever-growing interest in labor-community coalitions and the dynamics of public struggles over what will be the final outcome in potential or real plant closing situations.¹

The struggles described in the following pages are important for a number of reasons. First, plant closings have had a major negative impact on industrial communities in the past 15 years; tools to deal with this impact are rare but sorely needed. Second, the labor-community coalition approach to dealing with plant closings and larger related economic development issues is relatively untried yet potentially rewarding for embattled unions and declining industrial communities. Third, the Calumet Project's many campaigns seemed to me to offer an unusually rich mix of experiences, providing a "living laboratory" that was somewhat distinctive in its combination of many factors only partially replicated elsewhere.

Finally, I have been quite impressed with some of the personal transformations of individuals and the alterations in local public policy debates as a result of the Calumet Project's campaigns. I am convinced that, on a minor scale, a "social movement" has been started in northwest Indiana that has changed both the local political and social environment and those participating in it. As such it has drawn my attention; I hope the reader finds it equally interesting.

The Blaw-Knox Closure

1968	White Consolidated Industries (WCI) acquires Blaw-Knox foundry.
1970s	WCI acquires many firms, primarily in home appliances.
1980–85	WCI sells off many businesses, other than home appliances.
1980	U.S. Army begins to phase out M-1 tank (foundry's main product).
May 1984	Calumet Project researcher reads business press speculation that WCI will sell Blaw-Knox.
Summer 1984	Calumet Project convinces USWA Local 1026 to take action.
Late Sept. 1984	Local 1026 president sends memo alerting others to possible closure.
Late Oct. 1984	WCI announces plans to sell Blaw-Knox.
31 Oct. 1984	Blaw-Knox Steering Committee formed.
Nov.– Dec. 1984	Steering Committee begins work; seeks funding for a feasibility study.
11 Feb. 1985	A. D. Little (ADL) named to do feasibility study.
March– April 1985	Calumet Project and union prepare plans; host public meeting.
1 May 1985	ADL gives midterm report.
3 May 1985	ADL reports to workers; is criticized for lack of contact.
May– June 1985	Calumet Project and union prepare for campaign once ADL report is issued.
12 July 1985	ADL presents draft of final report to Steering Committee.
19 July 1985	ADL presents final report to workers and press. Report details plans for conversion to nonmilitary production.
24 July 1985	WCI informs Steering Committee that plant will be sold.
July– Sept. 1985	Steering Committee leadership refuses to consider Calumet Project proposal for an activist role; cancels meetings while awaiting news of sale.
Late Sept. 1985	WCI announces Blaw-Knox sale.

Oct. 1985	Steering Committee effectively disbanded.
Nov. 1985– Feb. 1986	Company and union fight over contract issues.
24 Feb. 1986	Plant manager reconvenes steering committee; asks it to petition and write letters for more tank orders.
Mid- March 1986	Community representatives refuse to ask for more military orders; plan collapses.
March– April 1986	Steering committee divides into sub-committees, which fail because company refuses to commit to anything. Sub-committees stop meeting.
March– July 1986	Politicians attempt to get more tank orders; fail.
28 Oct. 1986	Plant closes.

The Combustion Engineering Closure

1964	East Chicago plant loses research and design capabilities; company considers closing it but decides not to.
Late 1960s	Plant's product line narrowed to one item.
1972	Company plans to shut down East Chicago plant; changes mind because of pension liabilities.
26 May 1972	Ten-week strike over union contract comparability with "basic steel" contracts.
1972–1981	Boom years for the plant.
2 June 1975	Five-week strike, again over comparability.
31 May 1978	Sixteen-week strike, again over comparability.
July 1981	Contract bargaining conducted locally; settled peacefully.
1983	"Boom" market slows down; minor layoffs at plant.
1983–86	Rapid plant management turnover and instability.
1983–88	Parent company expands rapidly and loses millions in new product markets (not served by East Chicago plant).
5 Nov. 1984	Company requests an Industrial Revenue Bond (IRB) for new machinery; promises to retain eighteen jobs.

Jan. 1985	Company road show proclaims “new era” of labor-management relations; no subsequent real changes.
Early 1986	East Chicago plant’s product market drops precipitously; major layoffs hit.
April 1986	Plant officials mislead city officials about prospects for the plant during an annual meeting.
10 May 1986	USWA Local 1386 officers attend Calumet Project early warning training class; begin activity concerning potential shutdown.
29 May 1986	Company announces it is considering shutdown.
5 & 12 June 1986	Company announces shutdown.
14 July 1986	Union and Calumet Project staffers meet with mayor; request action against company for breach of faith on IRB.
21 July 1986	Economic Development Commission (EDC) hearings on IRB issue; union and Calumet Project personnel testify.
4 Aug. 1986	EDC legal council recommends against legal action; recommendation followed.
25 Aug. 1986	Calumet Project and union host meeting with congressman and others; demand “settlement terms.”
26 Aug. 1986	Congressman writes company requesting settlement terms.
29 Aug. 1986	Company responds to congressman; avoids the issue.
9 Sept. 1986	Congressman’s aide meets with company in Washington, D.C.
15 Sept. 1986	Top corporate officer flies to East Chicago; meets with congressman, union officials, and Calumet Project staffers.
25 Sept. 1986	Company agrees to limited set of conditions.
26 Sept. 1986	Plant closes.

The Stratojac Closure

Late 1970s to early 1980s	Aging Stratojac owner Louis Winer unsuccessfully looks for a successor.
1 Jan. 1984	Winer sells to Mesirov Finance; Indiana state subsidized funds aid the purchase; Steve Sakin named company president.

- 1984 Sakin runs company long distance from New York; overproduces merchandise and alienates New York sales manager; company turns profit only through accounting gimmick.
- 1985 Sakin hides steep price discounts causing losses from creditor bank.
- Sept. 1985 Deception is discovered; bank demands repayment.
- Sept.–
Nov. 1985 Plans devised to save company, including move to Amsterdam, New York.
- Nov. 1985 Seasonal layoffs; all appears normal to workers.
- Early Dec. 1985 Union accidentally discovers plan to move.
- Dec. 1985–
April 1986 Company requests and receives large public subsidies in Amsterdam.
- Jan.–
April 1986 Union attempts to reopen Hammond plant; fails.
- April–
May 1986 Sakin gives press exaggerated employment claims at Amsterdam site.
- May–July 1986 Union looks for buyers for Hammond plant; attempts to pressure mayor to help with reemployment effort.
- 5 Aug. 1986 Union disbands.
- Oct. 1986 Sakin resigns as Stratojac president.
- Dec. 1986 Hammond workers win Trade Adjustment Act retraining money.
- Nov.–
Dec. 1988 Company in Amsterdam deeply in debt; brings in crisis management firm.
- March 1989 Creditors files for involuntary liquidation.
- April–
May 1989 Bankruptcy status changed to voluntary; reorganization attempted unsuccessfully.
- 6 July 1989 Stratojac label bought.
- Oct. 1989 Remaining Amsterdam equipment sold.

The LTV Bar Mill Closure

Mid-1970s	LTV buys Jones & Laughlin Steel, including the Hammond plant.
1984	LTV merges with Republic Steel, creating company overcapacity in bar-making facilities.
1984–85	Company attempts to “whipsaw” Gary and Hammond union locals into concessions; Hammond local successfully resists.
July 1986	LTV declares bankruptcy; idles Hammond mill.
3 Nov. 1986	Idling turned into permanent closure.
Nov. 1986– Jan. 1987	Union local works with Calumet Project; forms Alternative Ownership Committee (AOC).
Late Feb. 1987	Union local requests steelworkers district to fund “quick look” feasibility study; files grievance over closure.
Early March 1987	Steelworkers hire Locker & Associates to do feasibility study.
March 1987	Mayor attends union local meeting; pledges to help.
March– June 1987	Union local requests international union legal department to file in bankruptcy court to prevent removal of equipment; request denied.
Late April 1987	Congressman pressures LTV president to reopen or to sell to owner who will.
8 May 1987	Feasibility study released; pessimistic conclusion.
July–Sept. 1987	Union sounds out Chicago management consultant who had expressed interest in buying; turns out to be unreliable and a union-buster.
July–Sept. 1987	Union proposes ESOP; LTV gives offer no credibility.
30 July 1987	Canadian steel company Union Drawn Steel expresses interest in buying; agrees to AOC/Calumet Project terms.
Sept. 1987	AOC hires legal council to file in bankruptcy court to prevent key equipment removal; attempt abandoned in November.
24 Sept. 1987	Public meeting on issue attended by over 150.
28 Sept. 1987	Hammond city council calls for a legal lien on property, exploration of eminent domain proceedings, etc.

- 8 Oct. 1987 Plant tour by Union Drawn president postponed when LTV insists key equipment will be withdrawn before sale.
- Oct.–
Nov. 1987 Congressman and LTV president exchange letters on the issue.
- 23 Oct. 1987 AOC press release accuses LTV of breaking promises.
- 12 Nov. 1987 LTV meets with AOC and Calumet Project; agrees to consider proposals and cooperate.
- 23 Nov. 1987 Picket line and rally prevent Ohio contractor from removing key equipment; all-day negotiations result in agreement allowing equipment removal in exchange for LTV's commitment to cooperate in sale of remainder of plant.
- Dec. 1987 Union Drawn withdraws its interest in buying.
- Late Dec. 1987 Mayor requests LTV to honor its commitments.
- 12 Jan. 1988 LTV responds to mayor's letter; LTV denounced at public meeting for failure to honor its commitments.
- 22 Jan. 1988 LTV writes mayor complaining of false accusations and bad press.
- Feb.–May 1988 Massive community outreach effort by AOC/Calumet Project.
- 30 April 1988 Deadline for finding a buyer passes.
- Mid-July 1988 LTV announces sale of remaining equipment.
- Fall 1988 Steel tubing company plans to buy plant; agrees to AOC/Calumet Project conditions.
- Early Nov. 1988 LTV announces site contamination.
- Late Nov. 1988 Hammond city council passes resolution supporting AOC/Calumet Project campaign.
- Dec. 1988 LTV meeting with newspaper editorial board results in pro-company editorial.
- 11 Jan. 1989 LTV announces contamination widespread; tubing firm pulls out.
- 12 Jan. 1989 Community meeting; LTV denounced on employment and environmental grounds.
- 1989–1991 Under pressure, LTV cleans up site.
- May 1991 New steel company buys site; agrees to AOC conditions for receiving public subsidy; later opens up, hiring the few ex-LTV workers desiring employment.

The LaSalle Steel Struggle

30 Dec. 1981	LaSalle Steel acquired by Houston-based Quanex Corporation.
Feb. 1984	Three-day strike by the independent LaSalle union over concession demands; fewer granted than in comparable plants elsewhere.
Fall 1986	Quanex terminates employee pension plan and replaces it with an annuity and a new plan; pockets \$12 million "excess" in old plan.
Early 1987	Contract negotiations result in wage freeze, temporary two-tier wage structure.
Feb.– March 1990	Thirty-two-day strike over pension, cost of living, and two-tier pay issues.
Fall 1990	Rumors in the mill that the key "turning and grinding" department will be shut down and relocated.
27 Oct. 1990	Four LaSalle workers attend Calumet Project early warning training session; rumors discussed.
Early Nov. 1990	Union joins Calumet Project; begins campaign to save department.
16 Nov. 1990	LaSalle plant manager Richard Treder writes union president about rumors and unrest.
26 Nov. 1990	Union president replies; insists on being part of decision.
30 Nov. 1990	Treder replies; agrees to meet and gives thirty-day notice of closure.
Late Nov. 1990	Union members send letter to Quanex CEO exposing bogus quality reports used to discredit turning department.
3 Dec. 1990	Quanex CEO replies; refers issue to Treder.
6 Dec. 1990	Press conference on danger of relocation.
7 Dec. 1990	Treder meets with union leaders, angry over press reports; rescinds thirty-day notice.
10 Dec. 1990	Public meeting on the issue attended by many public officials.
11 Dec. 1990	Union letter to Hammond mayor opposing a public subsidy "bidding war" with another municipality and putting conditions on any subsidies given.

- 20 Dec. 1990 Hammond city council Economic Development Committee chair writes Quanex CEO about the issue.
- Late Dec. 1990 Union executive board decides not to take further action at this point, despite Calumet Project urging to maintain the initiative.
- 4 Jan. 1991 Quanex CEO replies to Economic Development Committee chair; refers matter to Treder.
- Mid-Jan. 1991 Bogus “buyer” appears; tries to convince union to work with him because he will soon own the plant.
- 25 Jan. 1991 Treder notifies union of tentative decision to relocate turning department and an additional production line.
- 29 Jan. 1991 Plant-wide educational sessions.
- Early Feb. 1991 Attempts to involve the United Steelworkers, which represents workers at a nearby facility likely to be affected, fail.
- 12 Feb. 1991 Treder shares comparative cost data on different sites with union.
- Mid-Feb. 1991 Union and Calumet Project mail document to public officials, community leaders, and the press; document calls on LaSalle to postpone decision and cooperate with a feasibility study on retaining employment.
- 14 Feb. 1991 Daily newspaper editorial rebukes LaSalle and supports union/Calumet Project proposals.
- 15 Feb. 1991 Calumet Project reveals to the press that LaSalle received tax abatements on the very equipment it planned to move; Treder refuses to speak to press from this point on.
- Mid-Feb. 1991 City attaches conditions to any public subsidy.
- 20 Feb. 1991 Treder sends letter defending his position.
- 25 Feb. 1991 Hammond city council president writes to counterpart in city of potential destination, requesting no public subsidies at a new site.
- 26 Feb. 1991 Hammond mayor writes to Treder supporting workers.
- Late Feb. 1991 Hammond mayor writes counterpart, opposing subsidies at new site.
- 28 Feb. 1991 Calumet Project sends Quanex CEO press clips and a document; request support of union/Calumet Project position.
- 5 March 1991 Treder reverses relocation plan; refuses to speak to press.
- May 1991 Treder retires.
- 1991–93 LaSalle develops extensive employee involvement program; claims success due to cooperation with the union.