

After 11-month strike

Stella D'Oro workers face shutdown in hedge fund deal

Our reporters
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Workers who carried out an 11-month strike against wage and benefit cuts at the Stella D'Oro Biscuit Co. in the Bronx, New York City, are now facing the permanent loss of their jobs and the shutdown of the bakery.

Earlier this month, Brynwood Partners, the Greenwich Connecticut-based private equity firm that bought Stella D'Oro from Kraft in 2006, reached an agreement to resell the bakery to the North Carolina-based Lance, Inc., one of the largest snack food manufacturers in the country.

Lance has in turn announced its intention to shut down the bakery, which has produced Italian baked goods in the Bronx for more than 75 years, by early October. It has bought it out in order to appropriate its brand name and scavenge it for some equipment. The company intends to produce the goods marketed under the Stella D'Oro name at a non-union bakery in Ashland, Ohio.

Brynwood, which specializes in leveraged buyouts of food companies, bought Stella D'Oro with the aim of boosting its profit margin by slashing wages and benefits, eliminating jobs and increasing the exploitation of the workers who remained.

This was made clear from the outset in negotiations with the workers bargaining agent, Local 50 of the Bakery, Confectionary, Tobacco Workers and Grain Millers Union. As the local's lawyer, Louis Nikolaidis, told the *Daily News*, "Last year, they told us upfront, because we're a hedge fund, our investors expect a higher rate of return, and your members should expect a wage cut."

The hedge fund demanded that the workers accept 25 percent wage cuts, reductions in vacations, sick days, and holidays, as well as a 20 percent increase in employee health care contributions. Rejecting these sweeping

concessions, the bakery's 136 workers walked out on strike in mid-August of last year, remaining on the picket line until the end of June of this year.

In May, Local 50 offered a return to work without a contract, but was rebuffed by the Brynwood owners.

A return to work in early July was finally forced on Brynwood by a National Labor Relations Board decision finding that the financial speculators who bought out Stella had engaged in unfair labor practices by refusing to bargain with the union and rejecting the return to work offer.

Determined to either achieve the drastic reduction in labor costs required to generate a high rate of profit for its investors or shut the bakery down, Brynwood responded to the NLRB decision by announcing—on the same day that the workers returned to their jobs—that it would close the facility within 90 days. Shortly thereafter it was revealed that the financial firm was in negotiations with Lance.

Local 50 went back to the NLRB seeking an injunction against the threatened shutdown, charging that the decision was in retaliation for its first NLRB challenge and that it would do irreparable harm to the union. However, this time the local has not received a response from the agency in the two months since it filed the petition.

From the outset, the Local 50 leadership's perspective has been limited to such appeals, combined with a willingness to negotiate a slightly less draconian set of concessions to generate greater profits for Brynwood's investors. Now that it is a question of the sale of the bakery from one company to another, the NLRB will prove useless. It is not about to challenge the transfer of private property.

The rest of the unions in New York City have provided

nothing more than lip service in support of the fight of the Stella D'Oro workers to defend their living standards and jobs. The real calculations of this reactionary bureaucracy found sharp expression in a Labor Day parade organized by the New York City Central Labor Council. While it was initially indicated that the Stella workers would lead the procession, on the day itself, they found themselves trailing a crowd of top bureaucrats joined by Democratic Party elected officials and candidates.

Meanwhile a group of protest organizations specializing in providing a left cover for the union bureaucracy, such as Labor Notes, have attempted to turn the struggle at Stella into a protest campaign directed at appeals to Democratic officials and big business. A protest march set for September 25 is to proceed from the headquarters of Goldman Sachs—one of Lance, Inc.'s investors—to City Hall. Some in this milieu have advanced schemes involving the city invoking imminent domain and the workers setting up a cooperative.

The conceptions that Goldman Sachs will be “shamed” into treating workers fairly and that the New York’s billionaire Mayor Michael Bloomberg or its toothless City Council will intervene to save the workers job are bankrupt.

The defense of jobs at Stella D'Oro can only be advanced through the independent mobilization of the working class. As the first step, Stella workers must take matters out of the hands of the union and its hangers-on, establishing their own rank-and-file committee to organize opposition to the shutdown, including through a plant occupation. Such a struggle would win enthusiastic backing from workers throughout New York City, where unemployment has now topped 10 percent, and around the country.

The success of such a struggle, however, can be achieved only through a political strategy to put an end to the socially destructive and essentially criminal operations of firms like Brynwood and to break the domination of these financial parasites over the economic and political life of the country. This requires the mobilization of the working class as a whole against the Obama administration, which represents the interests of finance capital. A mass independent party of working people must be built on a socialist program of taking industry out of the hands of Wall Street and organize it as public utilities under the democratic control of those work in them.

World Socialist Web Site reporters spoke to Stella D'Oro workers, who reacted with anger to the announcement of the plant's sale and pending shutdown.

“I have worked 28 years at the plant,” said Dobrija Mladenovic, “Everybody will lose their jobs. I feel sorry for the younger workers. We gave everything we have to this company. Now they will take it to the ground. They have the power: they have the money; they can do what they want. The support committee says they have to talk to the union. I think Obama is trying, but I don't like the politicians. People here are very upset and don't think anything can be done. I think it is over.”

Jose Hernandez with nine years at Stella D'Oro told the WSWs, “The company has been sold to Lance and is now moving to Ohio. I went on strike, and now they've sold the factory and will close it in the second week of October, according to what we were told at the meeting with management. They will take the brand name of Stella D'Oro and the equipment and everybody will lose their jobs. There was a demonstration outside the factory on the morning this was announced.

“I don't know what the unions have done for us. I think everybody should be together to fight this. Look at all the other workers in New York losing jobs and wages. There are many homeless people in New York City.

“The union used to be a protection for workers. They were for you when times were good. But when the company shuts down, what happens? At the union meeting I would like to ask them what they will do when the plant shuts. Many people have questions for the unions of New York City—what you will do to help us. The prices go up for everything from food to housing to transportation, but wages don't.”

Leandro Soto, who has also worked at Stella D'Oro for nine years, explained, “I think union workers should support us. The City Council resolution hasn't helped us. Look, it is about to close. No politicians have helped us. The Democratic candidate for mayor, [William] Thompson, was here and spoke. The Democrats and Republicans say they are trying to do something for us, but they are not trying too hard. This hasn't helped.”



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