

Locked-out American Crystal workers narrowly pass concessions contract

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On April 13, locked-out workers of the American Crystal Sugar Company voted for the fifth time on the same concessions contract that was originally rejected in July 2011. This time, the contract narrowly passed by a 55 percent margin. The rejection of the contract 21 months ago led to the lockout of all 1,300 workers by the company. The offer failed to get approval on four previous occasions by votes of 96, 90, 63, and 55 percent.

As a result of the new contract, American Crystal will have the ability to replace union workers with contract workers, dismantle seniority, redefine which workers are entitled to full benefits, and lower its health care costs for union workers to that of its non-union workers. The pay increases workers will receive will be more than neutralized by the increased health care costs shifted to them.

American Crystal's war of attrition against its union workers was aided and abetted every step of the way by the union "representing" them, Local 167G of the Bakery, Confectionery, Tobacco Workers and Grain Millers International (BCTGM), which is part of the AFL-CIO.

John Risky, president of the local, acknowledged that the new contract so enraged union members at American Crystal's Drayton, North Dakota, plant, when it was originally proposed that union officials were unable to finish reading the contract before members rejected it. Nevertheless, the union promised American Crystal it would remain "neutral" as to whether its members should accept the contract, a position that it strictly adhered to throughout the 20-plus-months lockout.

The union's so-called neutrality was in practice support for the company while seeking to retain a seat at the bargaining table. In August 2011, International

President Frank Hurt complained in a letter to American Crystal's CEO David Berg that "Your company's decision to take this outrageous action threatens this Union's support for legislation [tariffs] and other public policy initiatives that are crucial to the profitability of the company" and undermines "one of the most productive and effective labor-management relationships I have ever known."

The special protections for the sugar industry supported by the union and its connected Democratic Party politicians were one factor that allowed American Crystal to push hard for its interests in contract negotiations. The United States restricts sugar imports as part of a price support system that results in US companies being able to sell at prices above that of the world market. In addition, the US Department of Agriculture is ready to step in and buy sugar to bail out processors when the price of sugar falls, a measure the department is currently considering, as prices have fallen 18 percent from October 2012 to March 2013.

The National Confectioners Association claims that the US Sugar Program has cost consumers an estimated \$14 billion since 2008. Sugar producers such as American Crystal clearly see an advantage. In 2008, American Crystal's Political Action Committee contributed more than \$1.66 million to federal candidates, 61 percent of which went to Democrats. In 2010, its PAC contributed more than \$2.16 million to federal candidates with 68 percent going to Democrats, and in 2012, it spent more than \$2.01 million on federal candidates with 58 percent to Democrats. The resulting "neutrality" of Democratic politicians during the lockout helped ensure the company's victory.

The 1,300 locked-out sugar beet workers at plants in Minnesota, Iowa, and North Dakota had no such protections. Approximately half of the workers left

their jobs over the course of the lockout. The remaining workers will face future efforts by American Crystal to lower their living standards and working conditions to that of the now-increased number of non-unionized workers made up largely of the workers brought in as replacements during the lockout. The replacement workers were supplied by Strom Engineering, a company specializing in providing such workers for more than five decades. An August 2011 article in the Minneapolis *StarTribune* noted that “the company has been criticized in the past for hiring ex-cons, misleading job applicants and running grueling, 12-hour shifts seven days a week without so much as a bathroom break.”

Two recent incidents highlight what conditions may look like. On January 29, 2013, at American Crystal’s East Grand Forks plant, a hot syrupy liquid spewed out of a tank or pipes leading into a tank, critically burning a Chicago man recruited to work at the site. As of April, the man remained in a Twin Cities hospital unable to talk or respond to visitors.

At the same plant, on March 30, 2013, a 21-year-old man suffered second- and third-degree burns over his entire body and a 32-year-old man suffered burns on his hands and feet. The 21-year-old was airlifted to a burn unit in the Twin Cities.

Local union leader Risky nevertheless promised in an interview after the contract approval to “make sure everything is right” for returning workers. Such a worthless promise after 20 months of betrayal underscores the need for workers to break free of the official trade unions and form their own organizations to defend their living standards and working conditions. Such a defense can only take place as part of a fight for socialism on an international basis against the profit system.



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