A TUMULTUOUS CHANGE:
THE RESTRUCTURING OF THE MEATPACKING INDUSTRY AND ITS EFFECTS UPON
AUSTIN, MINNESOTA 1985-2011

DEPARTMENT OF HISTORY

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MAY 2011
ABSTRACT

The 1980s was a turbulent time for the country and especially the meatpacking industry. During this time, the economy was in a deep recession, with unemployment figures reaching levels not seen since the Great Depression. In the midst of this chaos, numerous changes were occurring in the meatpacking industry, most notably the restructuring of the American unions.

As numerous meatpacking plants were closing and reopening with non-union workforces, a local union in a small southern Minnesota meatpacking town decided that it would not give into the demands of corporate America. This struggle against the Geo. A. Hormel & Company (Hormel) would turn into a David and Goliath like struggle, eventually capturing the audience of not only the town, but also the state and the nation. As the struggle progressed, the people of this small union town would not only learn the first hand effects of the meatpacking industries’ changing mentalities, but also the lasting effects of their struggle.
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ACKNOWLEDGMENTS

Completion of this paper required the assistance and personal time of numerous individuals. Without their assistance, knowledge, and time, I would have been lost in writing this undergraduate capstone paper.

Foremost, I would like to thank James Cavanaugh, Phil Minerich, and Richard Schaeffer for taking their personal time and allowing me to interview them. Their first hand knowledge and experiences really helped paint the picture of the meatpacking industry in the 1980s and the Hormel strike of 1985-86.

Second, I would like to thank my advisor, Dr. Wayne Carroll, for the advice and the assistance with the research and explanation of the economic aspects along with the suggestions on how to improve the paper.

Finally, I would like to thank my parents. They provided the means for attending school and always pushed me to do my best. If it were not for their motivation, I would not be the person I am today.
INTRODUCTION

Austin, Minnesota is a town of 23,000 people located in Southeastern Minnesota. When I first moved to Austin in 2000, I believed it was just another small, boring meatpacking town located in the middle of a cornfield. However, in 12th grade economics I learned about the Hormel strike that occurred in 1985. Although I heard about the strike from my dad and other people years before, I never realized its magnitude.

Not until the 25th anniversary of the strike in the fall of 2010, did I realize the magnitude of this strike. This strike, between the George A. Hormel & Co. (Hormel) and the local union (P-9), was over Hormel’s attempt to lower the union’s wages. Since Austin is a small town, everyone in the town was either directly or indirectly affected by the strike. Neighbors would not talk to neighbors and brothers would not talk to brothers, creating a very hostile town. When the strike began to falter and union members began crossing the picket line, the scene turned even uglier.

After researching the events of the strike, I wanted to know why Hormel would arbitrarily lower its employee’s wages. Therefore, I began to look at the economy of the early 1980s. The 1980s economy was a very turbulent time, which played a significant factor in the Hormel strike. During this time, American businesses were beginning to attack the unions by not giving into their demands. This new business strategy surfaced when the air traffic controllers decided to strike in 1981. Instead of giving into their demands, President Ronald Reagan intervened and fired all air traffic controllers. Reagan’s move ultimately set the precedent for companies in the 1980s to take a firm stance against their unions.
Occurring simultaneously were the failures of numerous meatpacking companies. These companies, citing negative profits caused by increased expenses, began to destroy the companies. As a result, the entire meatpacking industry began combating these high expenses by reducing their employees’ wages. Although the unions were outraged, the companies took a firm stance with the unions and provided them with an ultimatum: work at a lower wage rate, or be laid off.

When Hormel decided to follow the industry pattern, the local union decided to stand up to Hormel and not let them lower their wages. However, the union’s actions would have lasting effects that are still prevalent throughout Austin today. Therefore, this paper will discuss the restructuring of the meatpacking industry during the early 1980s and illustrate how that restructuring led to the Hormel strike of 1985. It will additionally discuss the lasting influence of the strike on the city of Austin 25 years later.
PART I: THE FOUNDATIONS OF CHANGE

Economists remember the early 1980s as a struggle against inflation, interest rates, unemployment, and the national debt. The causes of these economic struggles stem from the oil crisis of 1979, when the Iranian Revolution caused a reduced volume of oil imports. Resulting from this oil crisis was an average inflation rate of 11.2 percent in 1979 and 13.5 percent in 1980.¹ To combat the high inflation in the economy, the Federal Reserve (the FED) reduced the growth rate of the nation’s money supply in 1979. However, this action by the Federal Reserve would have deep repercussions in the following years.

In 1981, Ronald Reagan assumed office and initiated his supply-side (Reagonomics) economics program. This supply-side economics program called for tax cuts for the wealthy, in hopes that their tax savings would “trickle down” to people with less income. Coinciding with Reagan’s economic program was the Federal Reserve’s contractionary monetary policy. This policy, enacted to curb inflation, had a drastic and unanticipated effect on the economy; lowering the velocity of money and increasing interest rates to levels never before seen in the post World War II era.² Consequently, the price of acquiring a loan increased significantly. As any business owner knows, loans are the lifeblood of any company. If companies are unable to borrow, they are unable to reinvest capital into the company, resulting in outdated and inefficient facilities. This occurred in the 1980s and drastically reduced the number of investments made in the economy. When looking at the causes of the Great Depression, the immediate cause was the collapse of investment purchases by companies. Looking at the graph, investment decreased by over $100 billion between 1980 and 1982.

Therefore, investment purchases are an important variable in any economy and when it suddenly decreases, catastrophe could follow.

With a contractionary monetary policy in effect, catastrophe followed when the economy entered into two recessions in 1980 and 1981-82. Typical of any recession, production decreases as companies choose to deplete their inventories and choose not to restock them until the recession is over. This however causes companies to lose revenue or fail, leading to layoffs, unemployment, and a decreased manufacturing capacity level. The manufacturing capacity level, which is the amount of product a company is capable of producing, equaled 90 percent in the mid 1960s but decreased significantly to 78 percent in 1981. This decrease, attributed to the United States’ corporate investment in foreign operations and mergers, rather than improving the American industrial physical plant, significantly hurt the American economy.³ As a result business failures averaged 37 per 10,000 businesses in 1970-77 but increased to 83 per 10,000 businesses in 1982.⁴ As numerous companies failed, the unemployment rate increased drastically from 6 percent in 1980 to over 11 percent in December 1983. This rise in the unemployment rate resulted from the lowered manufacturing capacity in the economy along with the increase in business failures.⁵

⁴ Ibid., 18.
Adding further hurt to the economy was the restructuring of the meatpacking industry, beginning in the later part of the 1970s and early 1980s. During this restructuring, numerous meatpacking facilities closed their doors, citing reduced profits, increased expenses, and fierce competition. In 1972, 717 beef packers operated nationwide, and by 1983, that number decreased to 479: a 34 percent decrease in 11 years. In the beef and pork industry together, fewer than half of the facilities existed in 1983 compared to 1945. What factors caused this rapid decline?

After World War II, unions came to dominate the American manufacturing and meatpacking industries. At one point, more than 30 percent of American workers were affiliated with a union. Although currently unions are receiving negative publicity, being blamed by some for the demise of American manufacturing, unions have in fact provided the American worker with numerous benefits. Unions increased the awareness of work-related injuries and sought to correct this problem by holding companies responsible. This awareness of work-related injuries led to the creation of the Occupational Safety and Health Association (OSHA) in 1970, which oversees safety and health in the workplace. Additionally, unions helped increase the benefits and salaries of American workers, hence the saying “Although it is true that only about 20 percent of American workers are in unions, that 20 percent sets the standards across the board in

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salaries, benefits, and working conditions. If you are making a decent salary in a non-union company, you owe that to the unions.”

Furthermore, unions are responsible for helping to increase worker’s wages throughout the American business sector by either collective or pattern bargaining. Pattern bargaining, the type of bargaining utilized in the meatpacking industry, is a strategy in which contract terms in one settlement are used as models to be imposed on other negotiating parties within an industry. The first step of this bargaining process is the identification of a target employer that is most likely to agree to a favorable employee contract. This contract, once established as favorable, becomes influential in other contracts. The downside to this type of agreement is the risk that contract agreements might negatively affect the worker and set a lower standard for the industry than the previous contract stated; the spark that set off the spiraling chain of events soon to occur.

Although unions are a positive for workers, they can be a negative for businesses. Unionized labor can reduce profit levels through higher wages, better fringe benefits, work rules, and work stoppages, such as strikes. According to Howland, high wages had a positive, statistically significant effect on the probability of plant closure; a 100 percent increase in wages resulted in a 12 percent probability that a plant would close. Additionally, the relationship between employment loss and labor costs is a direct one because as these costs increase, profits may fall to unacceptable levels resulting in plant closure. Therefore, “holding all other conditions constant, costs may be higher and profits lower in plants with a unionized labor force.”

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9 Elizabeth Patch, Plant Closings and Employment Loss in Manufacturing (New York: Garland, 1995), 32-34.
The two most important variables in the meatpacking industry are the products and the costs of creating those products. In the meatpacking industry, the products are the pieces of meat sitting on the shelves at the grocery stores. The costs of producing that piece of meat include the price of the animal, the labor used to kill and butcher the animal, and the transportation of the final product to the grocery store. Thus, the price of the product multiplied by the amount sold is how a meatpacking company makes revenue; the price of the product minus the costs of production is how companies calculate profit per unit. If one of these variables i.e. costs of production increases, it will negatively affect the price of the final product.

When the unions gained strength after World War II, they began tougher bargaining sessions with companies, resulting in increased wages and benefits for workers. Since the meatpacking industry operated under pattern bargaining, the entire industry would experience a pay increase if the workers at one facility negotiated an hourly raise. In the post-war period, workers received numerous wage increases through their tough negotiations, giving the meatpacking industry the highest average hourly wages throughout all of the manufacturing industry. By the 1980s, meatpacking companies were spending a significant proportion of their operating expenses on labor. On average, labor comprised 46 percent of the meatpacking industries’ operating expenses from 1977 to 1984, while materials, the second largest expense constituted only 15 percent. By 1982, numerous meatpacking companies began reducing worker’s wages, giving the meat industry the lowest wages of all manufacturing jobs. With high labor expenses and the introduction of new competition, many of the oldest meatpacking plants would soon face a tumultuous change.10

After the meatpacking industries’ inception in the late 1800s, four companies came to dominate the industry. These companies, known as the “Big Four,” included Armour, Cudahy, Swift, and Wilson; became the most profitable of all the meatpacking companies in the United States. When these companies began operation in the late 1800’s, they established facilities throughout the Midwest, locating primarily in large cities (near the livestock market) such as Chicago and Minneapolis. These facilities, smelling of blood and sweat, typically slaughtered several species of livestock within a multistoried plant. During the middle part of the twentieth century, the Interstate System allowed companies to relocate their facilities from large cities into small Midwestern towns. By moving, companies were able to acquire more land at a cheaper price, which allowed them to construct modern, labor efficient, one-story facilities. Relocating additionally allowed meatpackers to move closer to their materials source and with the creation of the Interstate System, a reduction in transportation costs followed.

Then in the early 1960s the “boxed beef” revolution, pioneered by Iowa Beef Processors (later IBP) began. This new technique for cutting and packaging beef in plastic containers, then shipping the containers individually, transformed the meat industry overnight. Between 1940 and 1982, the number of cattle slaughtered doubled, thanks to the low cost of the “boxed beef.” Furthermore, the poultry market began expanding with an increasing consumer demand, adding

11 Ibid., 30.
further competition to a limited market. Meanwhile, the hog packing industry was experiencing hard times compared to the beef industry. From 1940 to 1982, the number of hogs slaughtered only grew from 77.6 million to 82.8 million, a 6 percent growth rate in 42 years.

Contributing to this decline was the changing preferences and lifestyles of the consumers. For generations the traditional American household, comprising of six or seven children, provided the packing industry with a plateau. However, since the 1970s, American families were spending more time at work and were having fewer children, creating a lowered demand for meat products. Additionally, people’s eating habits were changing as a direct result of new diets that promoted healthy eating habits. For example, consider a three-pound pork roast. The modern consumer does not have time to prepare a pork roast or the time to have a traditional sit-down meal every evening. With more time spent at work and less time at home, Americans in 1984 spent 42 percent of their food dollars on meals eaten outside the home, compared with 27 percent in 1960. As more Americans ate meals outside the home, the demand for three-pound pork roasts (along with other time consuming meals) began to decline and by the early 1980s, the meatpacking industry was in turmoil.

How did the meatpacking companies find themselves in this position? First, numerous companies failed to realize their changing consumer base and the need to change with it. According to Carolyn Perruci, “Major corporations, profitable in their traditional operations, have been able to secure more profits by diversifying into unrelated products or service lines.” Yet, instead of diversifying, the meat companies kept producing the three-pound pork roasts, even though people were not purchasing them. This failure by the meat companies to diversify their products led to reduced revenue, and left them with outdated and inefficient facilities. With

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12 Fahey, Packing it In, 71
14 Perrucci and Targ, Plant Closings, 20.
many companies operating in the red for years, dozens of meatpacking companies failed, unable to compete. In addition:

A wave of conglomerate ownership converted many old-line packers into cash cows, bled them of profits and capital, and then spun them off again into a reeling independence. Industry overcapacity sapped profits as the inflationary 1970’s gave way to the economic contraction of the early 1980s.15

This wave of conglomerate takeovers began in 1967 when LTV Corporation took over Wilson Foods, looking for short-term profit. By 1981, Wilson was losing money, due to stagnant pork markets, which caused the troubled LTV to jettison the subsidiary. However, before LTV dumped the company, it sold off Wilson’s assets, kept the cash, and burdened Wilson with heavy debt. Eventually, similar takeovers would affect all of the “Big Four,” Armour, Cudahy, Swift, and Wilson. Realizing their subsidiaries were plagued with expensive union labor contracts, the conglomerates sought to correct this problem by eliminating the unions. Armour, taken over twice, first by the bus company Greyhound, then by ConAgra, would eventually close all its facilities and reopen them as nonunion facilities. Esmark would purchase Swift, close three facilities and pay the necessary severance costs, then reopen them under the newly created SIPCO (Swift Independent Packing Company).*

In 1982, a sour economy coupled with usurious interest rates and high labor costs caused Hygrade Food Products to shut down its relatively modern Storm Lake, Iowa packinghouse. In addition, John Morrel & Co. closed an obsolete facility in Arkansas City, Kansas citing excessively high labor costs,16 while SIPCO threatened to close its Sioux City, Iowa plant if the union did not grant concessions. The worst event occurred on April 22, 1983, when Wilson 15 Dave Hage and Paul Klauda, No Retreat No Surrender: Labor's War at Hormel (New York: W. Morrow, 1989), 72.

* A company takeover by a conglomerate is not always a negative. If the conglomerate purchases the company and then reinvests capital back into the company, the company can grow even bigger and more profitable then on its own. Additionally, larger firms can capture economies of scale so that they can pay more for livestock and sell meat cheaper than smaller firms. Unfortunately, this did not occur when larger firms purchased meatpacking companies. Instead of reinvesting capital back into the companies, the conglomerates chose to neglect the companies, diverting their profits to the parent conglomerate. By neglecting the companies, the conglomerates were able to make a quick profit and then flip the companies, making even more money. However, when the company became independent of the parent conglomerate, they eventually became unprofitable and inefficient. This was especially prevalent in the hog packing industry, where numerous facilities were inefficient and outdated causing them to lose profitability

16 Skaggs, Prime Cut, 186.
Foods filed for protection under Chapter 11 of the bankruptcy code. When asked why it declared bankruptcy, “Wilson Foods cited the large and growing disparity between the company wage and benefits cost and those of its competitors in the pork industry as the primary reason for its deteriorating financial position.”\(^\text{17}\) By filing for bankruptcy protection, Wilson was able to close its facilities, abrogate its labor contracts, and reopen its plants as nonunion. Before its financial troubles, Wilson along with the other meat companies was paying its union employees $10.69 per hour ($24.19 an hour today). Then Wilson slashed wages to $6.50 per hour ($14.71 per hour today) and reduced fringe benefits after filing for reorganization under the Federal Bankruptcy Law.\(^\text{18}\)

Following the standard set by Wilson, ConAgra (who had just purchased Armour) closed 13 plants and reopened them at a nonunion wage of $6.50 per hour. Swift and John Morrell cut their wages in order to remain competitive, now that Wilson was paying $4 less per worker. After numerous plant closings, it became apparent to unions across the country that the meat packing industry was out to break the unions and rid themselves of costly union contracts; its greatest negotiating tool being the threat of shutdowns and layoffs.\(^\text{19}\)

After decades of tough negotiations and increasing wage rates, how did the union lose its power? According to Robert McKersie, “The United States has entered a new period of industrial relations history; such a method is increasingly unlikely to win even small goals.”\(^\text{20}\) When the conglomerates purchased the meatpacking companies, they refused to pay the high union wages. Recognizing that the recession had increased the unemployment rate and created a pool of low paid, part time workers, the companies decided to push the unions to their breaking points. Historically, if a company demanded such concessions from a union, the union would

\(^{19}\) Crom, Economics of U.S. Meat Industry, 44.
walk out on strike and eventually receive what they demanded. However, the unions also realized that if they walked out on strike, the company would have no problem filling their jobs. In addition, “packers set out to bargain individually, often by a plant by plant basis in small towns across the Midwest. If concessions were not granted, the company threatened to close plants.”

By bargaining individually with facilities and establishing separate contracts for each, the companies were also reducing the unions’ power to effectively strike.

Although unions have a firm policy of no concessions or “givebacks,” during this time numerous unions were giving concessions in order to retain their jobs. As more and more unions gave into their companies, the industry wage rate significantly decreased. From 1982-84 union wages averaged only a 5 percent growth rate, in contrast to a 25 percent growth rate from 1979-1981. “Union contracts that reduced wages and cut fringe benefits such as holidays and insurance were reluctantly accepted by one union after another to forestall threats of more plant closings.”

Despite the turmoil in the meatpacking industry and the lowering of the industry’s standard wage, not all unions were willing to accept concessions. Many decided to strike, ignoring their loss of power to effectively strike. From 1982 to 1986, more than 16 strikes occurred in the meatpacking industry, involving more than 27,000 workers. However, these strikes ultimately failed because of the country’s economic situation.

Nevertheless, one particular union in Austin, Minnesota, tired of the changing labor scene, would take a stand for the entire labor movement, putting their jobs on the line as they embarked on a David and Goliath battle.

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21 Hage and Klauda, _No Retreat No Surrender_, 72.
PART II: DAVID STANDS FIRM

In 1974, the Geo. A. Hormel Co. realized its 80 year-old packinghouse was heavily outdated, required numerous repairs, and was losing money. The board of directors discussed two choices: update the old plant or build a modern, state of the art facility. The board opted to build a new, $100 million facility located in Austin, Minnesota and began the initial steps. However, there was a big catch. In order for Hormel to remain in Austin, it demanded that the local union (P-9) offer concessions—something unheard of in the meatpacking industry at the time and especially in Austin. Since the union’s conception in the 1930s, it never backed down to the company and rarely in 52 years been asked by the company to give massive concessions. Yet, in 1976, Hormel asked the union to provide concessions, and linked its decision to remain and construct the plant in Austin with the union’s decision to provide concessions. These concessions consisted of new work rules, and most notably the elimination of the incentive system, which paid workers more money for producing product above the production quota, a pillar in the union’s contract since its conception. This incentive system however was costing Hormel a large sum of money, product quality, and worker efficiency, it stated.

When Hormel sat down to negotiate the new plant agreement, the union was shocked at Hormel’s demands and asked; why should it give concessions when Hormel was doing very well? With that attitude, the union rejected the contract offer in 1977, despite the threat of layoffs if rejected. Hormel then announced that if worse came to worst, it would have no problem relocating its new facility. With this announcement, numerous cities lined up to reap the Hormel benefits, such as Mankato, Minnesota and Waverly, Iowa.

As 1978 approached, negotiations were at a standstill. Hormel eliminated its beef slaughtering operations in the Austin plant, eliminating 325 workers. Then on May 26, reality

came crashing down, with Hormel announcing its intentions not to build the new plant in Austin. With all optimism crushed and the threat of losing thousands of jobs, the union came back to the bargaining table and one month later voted 1,324-502 to accept the agreement and ensure the construction of a new plant in Austin. By accepting the agreement, the union was accepting the scrapping of the incentive system and agreeing not to strike until the new plant was operational and running for three years. In return, Hormel promised to pay prevailing industry wage rates, termed the “me-too” clause, which stated that wages and benefits would follow the industry pattern. This pattern would be determined by the wage and benefit structure of three of five companies, Armour, Morrel, Oscar Mayer, Swift and Wilson. It also agreed to an elaborate system to wean workers off the incentive system—where members would defer their cost of living increases and other raises until the new plant opened. This money would go into interest-bearing escrow accounts and then be paid back to workers each week after the new plant opened, raising their take-home pay to the level it had been under the incentive system.

In addition to the new contract, Hormel announced that the new plant would initially employ 1,025 workers, nearly cutting the old plant numbers in half. Nevertheless, Hormel planned to avoid layoffs by luring workers who were older than 50 years old into early retirement. Although the union ratified the contract, it did so reluctantly, feeling that Hormel held Austin hostage during the negotiations.

When the new plant commenced operations on August 8, 1982, people were amazed at the modernity and the sheer size of the facility compared to the old plant. However, the structure of the packinghouse was not the only difference. With the opening of the new packinghouse, many older workers decided to retire under the old contract and incentive system. Therefore, when the new plant opened, it opened with almost 750 new employees. In addition, Hormel

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27 Green, *On Strike at Hormel*, 44-45.
conducted time studies of its workers and found they were only producing 80 percent of the industry average and ultimately demanded a 20 percent increase in production. However, with an overwhelming majority of workers being new, an increase in work speed enlarged the injury rate. Claims of carpal tunnel syndrome, where the tendons in the wrists become so inflamed that it becomes hard to move the hands, became common in the new plant. Furthermore, the 502 old employees, labeled the “502 club,” often complained about the treatment of the workers by the supervisors.

To reduce the injury problems, retired union members offered to assist the new employees on how to work efficiently and safely. Hormel rejected the offer, which only added fuel to the already burning hatred of the company and provided further ammunition for the union to claim that Hormel did not care about its employees. However, Hormel did care about its employees, it claimed. According to Phil Minerich, a former supervisor in the Austin plant, Hormel did not allow outside employees to work on or assist the production line due to insurance liabilities. In addition, Minerich contested the claims about Hormel not caring for its workers by stating that Hormel was one of the only companies in the industry that employed a full-time nurse or physician in the plant in case a worker was injured.28

One year later in October 1983, Hormel dropped another bombshell on the Austin employees with the announcement that it intended to reduce employee wages from $10.69 to $8.25 per hour. Immediately the workers protested that the intended cuts were illegal. Yet Hormel cited the “me-too” clause in the 1978 new plant agreement and claimed that the reduction of the wage rate was crucial if Hormel was to remain competitive.

In April 1983, Wilson Foods filed for bankruptcy, effectively lowering the employee’s wages. Following Wilson Foods, Swift and John Morrel lowered their wages to stay competitive.

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28 Phil Minerich, Former supervisor in Hormel’s Austin, Mn facility, interview by author, 11 February 2011, Austin.
along with numerous other meatpackers, effectively lowering the industry’s standard wage rate. When Hormel decided to lower its wages in October, the other three meatpackers had reduced their wages already, making Hormel the last company to demand wage concessions. Since the industry average had already fallen, if Hormel was to remain competitive, it needed to lower wages. After all, Hormel was competing for shelf space in grocery stores with companies that were paying their employees 25 percent lower wages, meaning lower priced products. If Hormel continued paying higher wages and charging higher prices, its sales and eventually its income would suffer.

Although Richard Schaeffer, P-9’s business agent of 15 years, was fully aware of the upward and possible downward adjustments under the “me-too” clause, he never thought that the wages would actually decrease. Unlike Schaeffer, the union thought the “me-too” clause only applied to upward adjusting wage rates. Moreover, why should Hormel workers have to take a pay cut when Hormel made a $27 million profit, the highest of all meatpackers? Nevertheless, Hormel stood firm on its decision to lower wages but agreed to submit the issue to an arbitrator for further review.

On February 8, 1984, arbitrator George Fleischli ruled that the “me-too” clause applied not only to upward adjustments but also to downward adjustments. Hormel however would have to wait to implement its wage adjustments until two Oscar Mayer plants made their adjustments.

During the announcement of wage cuts in 1983, a man who would become synonymous with the fight against Hormel rose to the top of P-9. This man, who campaigned on the platform of no concessions and who voiced disdain for Hormel and the International Union (UFCW), became P-9’s newest president. His name was Jim Guyette. Guyette grew up in Austin, and like many of his classmates and relatives, chose to begin working at Hormel in 1968. However, he

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29 Richard Schaeffer, Former business agent for P-9, interview by author, 8 January 2011, Austin.
was unlike other men working at Hormel. Guyette openly voiced his opinions to coworkers about the mistreatment they were suffering. Therefore, when Hormel announced the wages cuts, Guyette saw this as an opportunity. He campaigned among the new employees, who were furious about the wage cuts and who wanted a strong leader. As a result, the new employees elected Guyette—just another angry union member, who felt that Hormel had taken advantage of its workers during the 1978 new plant contract.

With Hormel’s announcement of wage cuts, Lewie Anderson, the International Unions’ director of packinghouses became nervous that if the Austin facility cut wages, all of Hormel’s plants would be limited to a wage ceiling of $8.25 per hour in their upcoming contract negotiations. Anderson pressured Guyette to compromise on a better deal with Hormel before the Oscar Mayer plants settled on their wage level. However, Guyette did not trust Anderson after the International pressed P-9 to give concessions in the new plant agreement.

After Fleischli’s ruling, Guyette informed the union members to prepare financially for a strike that would occur in the fall of 1984. According to James Cavanaugh, an attorney for Hormel, the union could not legally strike in 1984 due to the provision in the 1978 plant agreement, which forbade a strike for three years after the opening of the plant. The plant opened on August 8, 1982, making a legal strike possible in August 1985. Yet, there was still confusion about this issue and Hormel submitted it to arbitrator Fleischli, who sided with Hormel.  

Unable to strike, Guyette informed the P-9 executive board about a man he read about in Business Week Magazine named Ray Rogers. Rogers, a labor consultant with Corporate Campaign Inc., gained fame with his head-to-head battle of the J.P. Stevens Company, which he won. In that battle, Rogers deployed a strategy that involved an all-out attack on the company’s

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30 James Cavanaugh, Hormel attorney during the strike, interview by author, 19 January 2011, Austin.
public relations and its banking partner, which shared executive board members with J.P.
Stevens. Once Rogers pressured the bank, it simultaneously pressured the company, resulting in
a win for the workers. When Guyette spoke with Rogers on the phone, Rogers agreed to
research Hormel and the meatpacking industry.

Meanwhile, the door came slamming down on P-9 when the other Hormel plants signed
an agreement with a wage rate of $9 per hour for one year and then a wage freeze at $10 ($20.29
today) for three years. Anderson praised it as the best settlement in the industry and promised to
try to catapult the industry standard even higher. The same offer, available to P-9, would not
only provide them with a higher than standard wage, but also a common expiration date with the
six other Hormel plants, a huge advantage for the union. However, the union, under the strict,
no-concession leadership, rejected the offer by making it clear they would not tolerate
concessions while Hormel made money. Shocked by P-9’s inflexibility, Hormel made good on
its promise to cut wages. On October 8, it reduced the hourly wage rate to $8.25 per hour, a 23
percent wage cut from $10.69. Although Hormel initiated the wage cuts, it did so reluctantly,
hoping that P-9 would accept the better offer on the table. Yet, by the end of the year, only one
of P-9’s board members recommended Hormel’s offer. The other no-concession minded
members took control of the union, and embarked on a crusade to win back their rightful wages.

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On Sunday, October 14, 1984, hundreds of meatpackers and their wives packed into the
Austin High School auditorium to listen to Ray Rogers, a man who guaranteed the union victory.
For almost three hours, Rogers told the membership about how American businesses operate.
Big corporations cannot operate without money, and for money they turn to big banks and
insurance companies. The arrangement gives corporations a secure source of funding to buy raw
materials, build inventories, install new equipment, and erect new factories. This relationship
gives banks a stream of interest income. Often banks will have an executive sit on the board of directors on the client company to give advice and make sure the bank’s money is well spent. Moreover, if the client is of special importance, then the bank may even hold stock in that company, Rogers argued.  

Rogers believed that if he followed the tactics of proxy fights, boycotts, publicly humiliating the company and its executives at shareholder meetings, and creating negative publicity about the company in the community, any company would fall to its knees. If these tactics were unsuccessful, then the workers would walk out on strike, the last desperate tactic to use against the company. However, Rogers’ advice and campaign was a costly one, with Rogers charging $240,000: $40,000 for a study on Hormel, $20,000 a month, and $180,000 for expenses, and an additional $200,000 bonus if they won. Even though it was a costly campaign, numerous workers saw the expense as needed and stated, “We’re going to kick the hell out of this company; they won’t even know what hit them.”

Though Rogers promised the union salvation from the tyranny of the company, Hormel spokespersons Charles Nyberg and Dave Larson condemned the use of Corporate Campaign and claimed Rogers was a “suicide mission.” On a primetime TV show airing during Christmas 1984, Nyberg answered the questions that many people had been wanting answered. When asked about layoffs at the new plant, Nyberg stated that at the present labor package, with wages at $8.25, no layoffs would happen. If Rogers was to win and wages were to increase back to $10.69, layoffs would occur. This was a grave warning to P-9 and its members that Hormel was not lowering wages just to follow the industry trend, and that if P-9 upped the stakes by hiring Rogers, then Hormel would have no problem upping the stakes as well.

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31 Hage and Klauda, No Retreat No Surrender, 91.
32 Ibid., 103.
Rogers joined the union on January 19, 1985, and began his first phase, a publicity battle against Hormel, calling for a door-to-door leafleting of Austin residents. These leaflets casted Richard Knowlton, Hormel’s President, and DeWalt Ankeny, President of First Bank System, as power brokers determined to crush the working class. The leaflets also informed the masses that Knowlton was a board member of the First Bank System and Ankeny was a board member of Hormel, successfully fitting Roger’s model for a company that will buckle under pressure.

The second phase of Roger’s campaign was set to begin in March, with the picketing of First Bank outlets across the Midwest, along with handing out literature and informing people of First Bank’s connection with Hormel. First Bank, which held 16 percent of Hormel’s stock, became a target for the union’s fight, with the thought that if enough people pulled their money from the bank, the bank would suffer. Rogers was careful to stop short of boycotting the bank and telling people to do the same, which would constitute an illegal secondary boycott.

The third and final phase of Roger’s plan called for the union members to walk out on strike. This phase, set to begin in April, rested solely on the arbitrator’s decision to rule in favor of P-9 and allow them to strike. Despite P-9’s claim, the arbitrator sided with Hormel and claimed that the new plant agreement guaranteed no strikes for three years after plant operations began.

At the end of January, a busload of union members made the 29-hour trip down to Atlanta, Georgia for Hormel’s annual stockholder meeting held outside of Austin for the first time. However, days after the stockholder meeting two announcements shocked P-9’s morale. First, Hormel was considering moving its headquarters outside of Austin, citing the negative atmosphere created by P-9 and wanting to draw upon a bigger talent pool offered by a big city. Second, Hormel announced its desire to purchase FDL Foods Inc., a move that would boost

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33 Green, *On Strike at Hormel*, 20.
Hormel’s slaughtering capacity from currently fifth to second in the nation. More importantly, this move provided Hormel with a fresh supply of pork, slaughtered at wages considerably lower than those paid in Austin, Fremont, or Ottumwa. From a business viewpoint, it was a brilliant move by Hormel and perfectly timed, providing Hormel with alternate production capabilities in the case that P-9 shut down the plant.

In March, Fleischli ruled for the third time that Hormel could legally reduce wages under the “me-too” clause, but also ruled that the industry standard had increased from $8.25 to $8.75 (with wages at John Morrel, Oscar Mayer, and Wilson increasing). Fleischli additionally ruled that Hormel had the right to cut fringe benefits, retroactive to the previous October. This meant that Hormel owed its workers $435,000 or about $300 per worker. It also meant that hundreds of workers owed Hormel money for health insurance, vacation, retirement payments, and other fringe benefits they received between October and March, because Hormel had not cut the benefits back.\(^\text{34}\) With this ruling, most workers owed the company more than the company owed them.

Seeing an opportunity to forge a new deal, plant manager, Deryl Arnold, and negotiator Dave Larson agreed to set the new wage at $8.75 per hour and drop the fringe benefit liabilities, which amounted to $680,000. This deal was so sweet that the company criticized Larson just for offering it. Still, Guyette rejected the offer on April 4, costing his members nearly $250,000 and stunning Larson. The following day, Arnold sent the union employees letters stating that the payroll deductions to recoup wages would begin immediately.

The third ruling by Fleischli was a crushing blow to P-9. It not only left P-9 isolated from the other Hormel plants, but also left P-9 members earning less money. Since the other

\(^{34}\) (Cavanaugh 2011)

* Because P-9 had continuously stalled negotiations by taking Hormel’s decisions to an arbitrator, the arbitrator ruled that P-9 owed Hormel money for the months that the negotiations had stalled, retroactively dating back to the previous October.
Hormel plants had accepted the contract offer, they would receive a pay increase from their current $9 wage to $10 in less than five months, while P-9 would be stuck at $8.75 per hour.\textsuperscript{35}

With P-9’s refusal to accept Hormel’s offer, many Austin residents began to turn on the P-9ers. People were outraged at the selfishness of P-9. Even though P-9 was taking a pay cut, they were still making more than most people in Austin. Farmers and business owners were still reeling from the last recession, and they resented P-9, even though they felt a 23 percent wage cut was unfair.

On April 14, 1985, Lewie Anderson traveled to Austin to explain the UFCW’s position concerning the Hormel and P-9 dispute. Anderson reiterated that the UFCW did not support P-9’s fight against Hormel, stating that Hormel was the wrong target at the wrong time. As Anderson and his top officers informed P-9 of their errors, the meeting erupted into a shouting match, with union members demanding answers about the legality of the wage cuts under the contract agreement. Anderson stated that arbitrator Fleischli deemed the 1978 contract legal and gave Hormel the right to cut wages. Immediately following, Anderson expressed his concerns about the path P-9 was following, stating that the union was creating an easy opportunity for Hormel to move jobs out of Austin, and urged them to accept the offer proposed by Hormel. Even though the International Union was against P-9’s fight, they still promised to grant P-9 members a $40 week stipend if they decided strike.

As Nyberg and Larson watched the commotion unfold on television, it became clear that P-9 was clearly behind Guyette and Rogers. Therefore, in May 1985, Hormel increased the pressure on the union by announcing that it would terminate the union’s contract in August when the contract was due for renegotiation. This move by Hormel, although redundant and unneeded, freed them from the most restrictive provision of the contract, the 52-week notice before layoffs.

\textsuperscript{35} Hage and Klauda, \textit{No Retreat No Surrender}, 128.
It also gave Hormel the opportunity to impose brand new wage and working conditions in the Austin plant when the old contract expired.\textsuperscript{36} 

On June 25, Hormel negotiators Jim Alexander, Jim Cavanaugh, Dave Larson, and Bill Swanson sat down with P-9 negotiators Jim Guyette, Lynn Huston, Floyd Lenoch, and Pete Winkels to discuss a new contract agreement. During the bargaining session, the union attacked the Hormel Foundation, which was established by George and Jay Hormel in 1941 to prevent takeovers from outsiders. The Foundation controlled almost 50 percent of Hormel’s stock and had an executive board of 15 members from Austin. P-9 claimed that the Foundation had extraordinary power to influence Hormel’s decision making and that the Foundation could ultimately override the Hormel executives’ decision to cut wages. Although the union continuously made this claim, the Hormel Foundation, according to Hormel attorney and negotiator Jim Cavanaugh, had no power to influence decisions made in the company, because the Foundation was just another stockholder.\textsuperscript{37} 

Meanwhile, Corporate Campaign, with a renewed contract, was also on the offense, spreading information about the high injury rate experienced in the plant. Corporate Campaign constantly cited the high injury rates in the Austin plant, stating that 202 people experienced an injury for every 100 workers, meaning people experienced more than one injury. However, this statistic stemmed from a nurse’s log, which documented every worker who came in for an injury, Band-Aid, or aspirin. In fact, Hormel as a company had a lower injury rate than the entire meatpacking industry for 1983-85. Hormel’s average was 11.6 to 14.9 people injured per 100 workers, while the industry average was 15.1-16.2 people injured per 100 workers.\textsuperscript{38} Still, the

\textsuperscript{36} Hage and Klauda, \textit{No Retreat No Surrender}, 152.  
\textsuperscript{37} (Cavanaugh 2011)  
Austin plant did have more injuries than the other Hormel plants due to the large amount of new workers.

A week after the first attempted bargaining session, P-9 gave Hormel its contract proposal on July 2. Hormel was shocked at what it received. The contract proposed raising the wages to $12.50 per hour ($25.37 per hour today and almost $4 per hour more than Hormel’s competitors in 1985) and restoring the incentive system. It additionally proposed “well pay” bonuses of 10 percent per week for every employee who showed up to work every day. In addition, the contract called for Hormel to double the size of the workforce in the plant to 2200 employees. Lastly, it reduced production by 20 percent, demanded overtime, and guaranteed the union the right to strike over any safety issue at any time.

After analyzing the contract proposal, Bill Swanson said to P-9, “Why don’t I just hand you the keys to the plant?” Not only was Swanson stunned; the entire Hormel negotiating team was stunned, calling it a candy store wish list. Additionally, they could not understand why the union would choose to rewrite the entire contract, instead of modifying the current one. Seasoned negotiating veterans know all too well that you never bring an entirely new contract to the negotiating table. It is much easier and safer to work off the known contract with language that is familiar to both sides. Upon hearing that the union rewrote more than a decade of his personal hard work and 50 years of bargaining history, Dick Schaeffer, former P-9 business agent and contract negotiator, was dumbfounded and frustrated.

Witnessing the inexperience of the union and the opportunity to draft an entirely new contract, Hormel seized the opportunity by presenting its new contract proposal on July 17. Hormel’s contract proposed the elimination of the 52-week layoff notice, restricted overtime and

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40 (Schaeffer 2011)
holiday pay, and banned all strikes, boycotts, or attempts to coerce or restrain the company and businesses affiliated with the company. Initially the contract did not address the wage issue.

Although this contract was nothing near the demands of the union, it scared the union negotiators. It became apparent that Hormel was unwilling to be flexible at the bargaining table and that it was using the same tactic as other aggressive employers: present harsh contract proposals late in the negotiations, and then engage in surface bargaining so there would be little chance of a settlement. If the union decided to strike when the contract expired, then the company could impose its final offer and dare workers to return to work under its terms or lose their jobs to replacements. It also did not help Hormel’s reputation at the bargaining table that it hired Thomas Krukowski, a known anti-labor attorney from Milwaukee. According to Hormel, it hired Krukowski because he was a hard worker and good at his job, not because he was anti-labor.\footnote{41}{(Cavanaugh, 2011)}

On July 26, Hormel upped the stakes in the bargaining poker game by announcing the completion of its deal with FDL Foods, allowing Hormel to sell FDL products under the Hormel label. With this acquisition, Hormel stated that a walkout by the Austin employees would not faze the company. Then on August 9, eight days before the expiration of the current contract, Hormel presented its proposal. The final contract offered the union a two-tiered wage scale with new employees making $8 per hour, with an increase to $9 in three years and old employees making $10 per hour ($20.30 today) with their pay frozen for three years. It also offered full medical insurance, and five weeks paid vacation.\footnote{42}{Fahey, \textit{Packing It In}, 225.} However, this was a three-year deal, placing the Austin plant discordant with the rest of the chain.

Although some union members viewed the offered base wage as a lucrative deal, the majority of the union members did not agree. Guyette called Hormel’s final offer “substantially...
inferior to other Hormel offers,” even though the meatpacking industries’ standard was $8.75. With this attitude, the union rejected the final offer by a vote of 1,261 to 96 on August 14. Guyette stated that protestors could soon be on the picket lines. A day later, Hormel announced that it would begin preparations to close the plant by stopping the purchase of livestock. Charles Nyberg stated, “The result is not surprising in view of the attitude of the union over the last few months. Although the plant will be shut down in the near future, the company has plans for operation in the long-term.”

As the clock struck midnight on August 16, 1985, Guyette and Lynn Huston walked one last time into the Austin plant’s main office to sign the notice of P-9’s intentions to strike. Although the union was optimistic, chanting, “We’re going to win, we’re going to win,” as Guyette and Huston exited the plant, others were not. Lewie Anderson knew that Hormel had been preparing for nearly a year for a strike and thought the union was on a suicide mission. Anderson knew that Hormel had switched production to other plants and was completely ready to battle the union. Nevertheless, at 12:01 a.m. on August 17, the union was on strike for the first time in 52 years. Four days later Hormel announced record earnings for the third quarter of the year, and on August 28 Hormel stated that it was implementing its final contract offer. This offer enacted an $8 per hour wage for new hires and a $10 per hour wage for old employees, only a .69-cent difference than P-9’s original wage of $10.69 and what it was going on strike for.

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When P-9 went on strike, they immediately received two setbacks. First, the plant continued to run, even though the union was on strike. Just because the union decided to strike did not mean the plant was empty of meat. Therefore, the 200 management workers in the plant took up production and continued producing thousands of cans of SPAM and other meat.

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products still in the cooler. Although the plant was operating on a limited production schedule and preparing for a shutdown, it showed the union that the plant did not need the union to operate; instead, the union needed the plant to operate.45

The second setback occurred on August 29, when the state denied P-9 unemployment benefits, stating that the union walked off a job that was paying them a salary, meaning they did not qualify for unemployment benefits. Though Minnesota’s unemployment laws are clear, P-9 decided to appeal the state’s decision. (After many appeals, P-9 did not receive unemployment benefits)

Despite the two setbacks, morale remained high among the union members. Ray Rogers, the union’s labor consultant, had been researching and planning a strike for months. After studying previous strikes that failed against enormous companies, Rogers fabricated a plan that would lead the union to victory. The plan involved canvassing thousands of homes not only across Austin, but also across other towns with Hormel plants, meatpacking plants, and unions. Such towns included Duluth, where the iron-ore union workers were predominant, Minneapolis and St. Paul, Ottumwa, Algona and Knoxville, Iowa, and Fremont, Nebraska. In these towns, P-9 distributed literature, informing people of their struggle and held meetings with other union officials to discuss their issues. Ultimately, P-9 was relying on the hard economic times and the pressure that other unions were feeling outside of the meat packing industry to try and raise support for P-9’s struggle.

After distributing the literature, Roger’s plan called for the union to increase pressure on the First Bank System. According to Rogers, strikes often lost strength because workers remain isolated and inactive on the picket lines in front of their own plants, while the company takes

other steps to make up for the lost production.\textsuperscript{46} Rather than follow this strategy, Rogers called for a minimum number of employees to picket outside the Austin facility, while the others would bring the fight across the country. On August 23, union members began picketing the First Bank branch in Minneapolis, along with other First Bank branches, shouting, “They say give back, we say fight back.”\textsuperscript{47} Three days later, 300 P-9ers began a five-day caravan tour of Dubuque, Ottumwa, Algona, Knoxville, Rochelle, Beloit, and Fremont—all towns with Hormel facilities. In these towns, P-9 would assemble in front of the plant and distribute leaflets, but was extremely careful not to block the entrance or to prohibit other workers from entering.

Despite their efforts, the union was unsuccessful in raising support in most of these towns. When the group arrived in Algona and Knoxville, they were not greeted kindly. As P-9 stood outside the plant trying to garner support, many passed the union without a glance.\textsuperscript{48} Conversely, when the union arrived in Ottumwa, the response they received left them in shock. In Ottumwa, P-9 found another Hormel plant that was deeply embittered by its unfair treatment in its 1984 contract negotiations. As P-9 stood outside the gates with signs that read, “honk for labor,” numerous Ottumwa workers drove past honking their horns and giving thumbs up. Later at a rally held in a nearby park, 80 percent of the Ottumwa workers attended to show their support for P-9. Together they discussed how Hormel was their common enemy and vowed never to cross a P-9 extended picket line.

Although the union was riding high after its caravan tour, U.S. District Court Judge Edward Devitt stated that P-9 had illegally engaged in a secondary boycott of First Bank. A secondary boycott, which is an attempt to influence the actions of one business by exerting pressure on another business, is illegal under the Taft-Hartley Act. A temporary injunction prohibiting any further First Bank picketing took effect on September 23.

\textsuperscript{46} Green, \textit{On Strike at Hormel}, 63.  
\textsuperscript{47} American Dream, prod. and dir. Barbara Kopple, 100 min., Channel 4 Films, 1990, DVD. 
\textsuperscript{48} Robert Christiansen, Hormel employee, interview by author, August 2010 to March 2011, Austin.
Meanwhile, the labor center in Austin became a bustling business center, with people constantly working. Ray Rogers and P-9 wives formed committees responsible for food donations, home and car repairs, and leaflet distribution. The people responsible for food collections called other unions throughout the country and were able to get grocery store owners to donate truckloads of food in support of P-9’s cause. Still, most people were in a difficult situation. A majority of the striking workers were under 35 years old, with new houses, cars, and babies. Most had not saved enough money to strike for an extended amount of time and some were becoming desperate, leaving Austin to find new jobs, and questioning the longevity of the strike.

Again, Ray Rogers came to the rescue on November 25 by mailing over 50,000 cards asking people to adopt a family. To his and the union’s surprise, hundreds of people from across the nation responded, sending in over $100,000, and providing over a thousand P-9ers with desperately needed money. Most of the donations came from other labor unions—who were also tired of giving concessions to other companies.

With the union receiving aid in the form of food caravans and money donations, morale was at an all-time high. In early November, the UFCW ordered P-9 to begin bargaining with Hormel. It promised P-9 that it would support roving pickets only if Hormel did not bargain in good faith. On November 23, Hormel, P-9, and mediator Hank Bell met in the Kahler Hotel in Rochester, Minnesota. When the two sides met, it immediately turned unproductive. Dave Larson of Hormel stated that nothing was keeping Hormel at the bargaining table and that Hormel could legally enforce the final contract offer. Nevertheless, Hormel stayed and showed good faith by giving into the union’s safety issue, along with two other P-9 demands. Even though Hormel was giving into three of P-9’s demands, P-9 still rejected the offer. However, the
International ordered P-9 to conduct a secret ballot vote on the contract offer. Still, P-9 membership rejected the offer by a 3 to 2 margin.

Upon hearing the failure of the vote, Larson, Nyberg, and a handful of other Hormel executives met to discuss the reopening of the plant. The executives agreed that by not opening the plant immediately, Hormel would be handing P-9 a victory. With plans in motion to reopen the plant, numerous questions arose. Who was to work in the plant? Moreover, what if no union members returned to work? Would Hormel hire replacements temporarily or permanently? If violence erupted on the picket line, how would Hormel handle the situation?

The Hormel executives finally decided that the plant would reopen on January 13, 1986, and if no one returned to work, it would then hire replacements permanently. Unfortunately, Nyberg alerted the executives that the law required replacement workers to remain on the payroll, even if the strikers returned to work. In a letter sent to all union members, Hormel outlined its plans for the future:

The strike by local P-9 has now dragged on for over twenty weeks. The time has come to reopen the plant and make work available for those who want to work. As we have said many times, the Austin plant was not built to sit idle. We are committed to running this plant. We want you to be a part of that operation.49

Guyette responded, saying that if Hormel was going to reopen the plant, it could expect roving pickets at all Hormel plants.

On Monday, January 13, Hormel reopened the plant, in the midst of demonstrators lining the street. As the demonstrators stood outside Hormel’s south gates, a truck carrying two people rolled past the demonstrators and into the plant gates. Despite the shouts of “scab” and traitor, the two men continued into the plant, becoming the union’s first crossovers. By the end of the morning:

49 Hage and Klauda, No Retreat No Surrender, 249.
Only a handful of 1,500 striking workers responded to a call to return to work at Geo. A. Hormel & Company, but the meatpacker said it would have no trouble hiring replacements. The plant manager, Deryl Arnold, said: "Our telephones have been flooded for the last week and a half with people," inquiring about work.50

The following day, the scene around the plant turned more anxious as Hormel made applications available to the public. Car after car with license plates from Iowa, Minnesota, South Dakota, and even California began driving into the plant gates to apply for a job. Most of these applicants drove their cars in and then out of the gates, trying not to evoke a response from the 300 protestors standing outside the gates. As one man drove his car out of the plant gates, he slowed to waive his application out of the window, and then proceeded to drive off. A union member, witnessing this slap across the face gesture, became enraged and followed the man home, where he confronted the potential replacement worker. There were other reports of union members chasing potential replacement workers at high speeds down interstate or recording their license plates numbers.

Despite the possible threat of physical harm and emotional stress, over 3,000 people in five days drove through the picket-lined gates of Hormel, trying to take advantage of an $8 per hour job. These people, being fine with replacing the union members, were mostly farmers struggling in the depressed southern Minnesota farm economy, along with numerous unemployed people from Iowa.51 With so many people flocking to Hormel for jobs, 55 union members crossed the picket line and returned to their jobs, while jobs still remained. William Wynn, President of the UFCW, sent a telegram to Jim Guyette, saying, “Suicide is not an acceptable alternative. You may choose martyrdom for yourself, but as a leader it is your responsibility to make sure that 1,500 loyal union members don’t also become martyrs.”

51 “Spam and Tears,” The Economist, March 1, 1986, 33.
As each day passed, more and more union members were crossing the picket line along with thousands of potential replacement workers grabbing applications. In the union’s eyes, things were beginning to appear very grim with many union members questioning whether they were winning the fight. Even with all of its rallies, publicity, and support from other unions, the union’s war would be lost if Hormel was allowed to keep the plant open. P-9 concluded that immediate action was required to shut down the plant, and on January 20, P-9 stepped up its pressure.

Early in the morning, P-9 members stepped into their cars and slowly made their way to the plant gates. One car, apparently stalling due to the frigid temperatures, blocked the entrance to the Hormel gates. Other cars, not being able to move around the stalled car, shut off their engines, creating a massive traffic jam of hundreds of cars, which encircled the plant. When workers in the plant began their journey to work an hour later, they discovered their path to the plant was completely blocked. In addition to the traffic jam, numerous P-9 members began picketing the plant, shouting and screaming at people trying to get in. This created a tense and potentially dangerous situation for plant workers, P-9 members, and the small Austin Police Department. Heavily outnumbered by the demonstrators, the Austin Police immediately realized they were unable to quell the situation. Sheriff Wayne Goodnature and Mayor Tom Kough called Minnesota Governor, Rudy Perpich, stating, “Mob rule existed outside the plant.”

Richard Knowlton also called Governor Perpich that morning, requesting he dispatch the State Police to prevent violence and allow the plant to reopen. The State Police, however, were unable to assist in the situation, bound by the law that prohibited the direct use of the State Police in conjunction with a labor dispute. Labor disputes required the use of the National Guard, only

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deployed by the Governor upon request of the Sheriff and Mayor when all local resources are exhausted and a threat to public safety is imminent.

In response to their requests, Governor Perpich reluctantly deployed the National Guard, citing his “constitutional responsibility to protect the lives and safety of Minnesota citizens.”\textsuperscript{53} The following day, hundreds of National Guardsmen arrived in Austin and were ordered to secure the plant gates. However, the union beat the Guardsmen to the plant and successfully blockaded the gates, again preventing workers from entering. Even though the Guard was present, it became clear that P-9 was not giving up. Seeing this, Governor Perpich deployed more Guardsmen to Austin, increasing the total to 800.

Learning from their mistakes, the Guardsmen arrived at 3 a.m. the following morning and blocked off all streets. When the demonstrators arrived at the plant, what they saw did not resemble the peaceful Austin they had grown to know, but rather a military state with Minnesotans versus Minnesotans. The Guardsmen, dressed in full riot gear—visored helmets, camouflage fatigues, combat boots and parkas, and wielding two-foot riot sticks, was an eerie sight for the demonstrators. If any union member that morning planned to create any trouble, the sight of the Guardsmen immediately deterred any such thought. Unable to penetrate the Guardsmen’s perimeter, the union needed to act immediately to stop the flow of workers from gaining access to the plant. It decided to try to block Interstate I-90 (which runs directly in front of the plant) by stalling vehicles. The State Police however were prepared for such a tactic by not allowing the demonstrators to stall their vehicles, removing the stalled vehicles with force. With the Guardsmen effectively guarding the plant and allowing strikebreakers to enter, Rogers labeled the National Guard Hormel’s private security force. Nyberg responded, stating that since the company was under siege, it was appropriate for the Guardsmen to be there.

\textsuperscript{53} Green, \textit{On Strike at Hormel}, 133.
On Tuesday, despite the presence of the Guardsmen, P-9 increased its pressure on the plant. Before the situation could escalate the National Guard along with the Austin Police Department reduced tension by closing the plant in exchange for a promise by the strikers to lower the picket line numbers. However, Hormel was insistent that its plant remain open and stated that it would reopen on Wednesday.\(^\text{54}\)

While a majority of the union members continued protesting outside of the plant, a small group traveled to other Hormel plants to establish roving picket lines. This tactic being the union’s flanking action was determined to halt Hormel’s production by persuading other union members not to cross the union picket line. However, in the eyes of the UFCW the roving pickets were illegal and unsanctioned. In the previous November, the UFCW pledged to sanction roving pickets only if Hormel did not bargain in good faith. When Hormel bargained in good faith, the UFCW withdrew the offer, and stated on January 17, that it:

Refused permission for picketing at the company's other plants and told strike leaders they were leading a "mass suicide." In a Mailgram to Jim Guyette, William H. Wynn, the union's international president, said: "In the name of human compassion, I urge you to put a stop to the suffering P-9 members and their families have endured for five long months before it is too late. "I will not sanction an extension of P-9's picket lines to other Hormel plants. I cannot in good conscience urge other Hormel members to risk their jobs and respect an unsanctioned picket line in a hopeless cause.”\(^\text{55}\)

Regardless of the UFCW’s refusal to acknowledge the roving pickets, the union carried their fight to Algona, Iowa. When it arrived in Algona and stood outside the gates urging people not to cross the picket line, the reaction was limited. The Algona workers realized that they had good jobs and did not want to jeopardize their careers for people in Austin. Although most workers in Algona were part of a union, most did not honor the unsanctioned picket line and crossed it. Yet some people, raised to uphold their commitment to the union and never cross a

picket line were torn. One such man with these torn emotions chose to jump the fence behind the plant instead of crossing the picket line into work.\textsuperscript{56}

Despite the failures in Algona, Fremont, and Knoxville, the union continued to support the roving pickets. When the union entered Ottumwa, the scene was completely different. P-9 knew the workers there were embittered toward Hormel over their 1984 contract negotiations, in which Hormel laid people off until the union accepted the contract. Now was Ottumwa’s prime opportunity to strike back at the company. Yet there was confusion about whether the Ottumwa workers could legally strike without losing their jobs, which no one seemed to know. In addition, Ottumwa workers questioned how P-9 would get them their jobs back if they decided to strike and lost their jobs. To answer this question, Hormel released a memo stating, under the Ottumwa worker’s contract with Hormel, sympathy strikes were fully prohibited and participation would be grounds for immediate termination.\textsuperscript{57}

Ignoring the threat of immediate termination, 486 out of 500 day shift workers decided to honor P-9’s picket line. One day later on January 28, Hormel discharged all workers who honored the picket line. Chuck Nyberg defended Hormel’s actions by stating, “We have contracts in place at those plants, and we expect our people to honor those contracts.”\textsuperscript{58} After the announcement of the firings, the UFCW warned P-9 that bargaining just became even more difficult. Joe Hansen of the UFCW stated, “It appears they’re [P-9] trying to spread the misery that they have created in Austin to other locations.”\textsuperscript{59}

In addition to the roving pickets, the union voted on January 26 to begin a nationwide boycott of Hormel products. This tactic, aimed at hurting Hormel’s profits, was a sign of desperation by the union. Although a boycott can be a threatening tactic waged against a smaller

\textsuperscript{56} (Christiansen 2011)
\textsuperscript{57} (Cavanaugh 2011)
\textsuperscript{59} Green, On Strike at Hormel, 147.
company, against an enormous company like Hormel it is almost impossible. Hormel has too many products, under different names, making it virtually impossible to boycott. Additionally, boycotts in the past have not worked in other labor fights against other companies similar in size to Hormel.\textsuperscript{60}

It soon became clear that the union was beginning to lose the battle against Hormel. Despite roving pickets and a national boycott, nothing could stop Hormel from hiring replacement workers. By January 30, more than 750 replacement workers occupied the plant along with 305 union members. Although crossing a union picket line is the worst act a union member can commit, ultimately selling your soul to the devil, the people who did cross felt the need to support their families. When asked about his thoughts before crossing the picket line, Ron Bergstrom stated, “I put my family before my union.” In fact, many people could not afford to remain unemployed and needed to cross the picket line to provide an income for their families. However, once you cross that picket line, in front of family members and people you have known since Kindergarten, you become a scab. When asked about his brother’s crossing of the picket line, R.J. Bergstrom stated that his brother was tattooed a scab forever.\textsuperscript{61}

Witnessing numerous people crossing the picket line along with replacement workers stealing their jobs by the dozens each day, the union reached its breaking point. People who crossed the picket line began to experience hate crimes. According to Jim Cavanaugh, who received the police reports every morning, there were numerous tires slashed, gasoline dumped on people’s lawns, nails thrown in the road, hundreds of threatening phone calls, and even a Molotov cocktail thrown at one house. Richard Knowlton and his family were the subjects of numerous threatening phone calls, along with reporters from the Austin Daily Herald. Lee Bonorden, a reporter for the Austin Daily Herald received numerous threats, such as, “You

\textsuperscript{60} Editorial, “Union Votes for Boycott of Hormel Products,” January 27, 1986.
mother-fucking, ass-kissing journalist, if you don’t change the way you report, we will break your legs.”  

Governor Perpich, under extreme pressure and criticism for deploying the National Guard, ordered the 500 troops guarding the plant to stand down. Meanwhile, as the violence and crossovers increased, the union rapidly began to unfold at its seams. To show the world that P-9 remained true to the fight, it organized a massive demonstration on February 6. With no troops guarding the plant, more than 500 union members took advantage and blocked the I-90 exit ramp, along with the roads leading to the plant and Hormel’s Corporate Headquarters. The Austin Police, heavily outnumbered, decided not to intervene and let the plant remain closed, infuriating Hormel. Trying to recoup losses from the previous day, Hormel decided to operate on Saturday. However, 75 members assembled outside the plant, blocking the road, pounding on cars and trying to slash tires.  

Five days later, Guyette announced that the union was prepared to give in on wages and said its members would work for $10.05 per hour, only a nickel more than what Hormel offered five months before. However, the union demanded that Hormel had to rehire all strikers immediately, as well as the people fired in Ottumwa, or else the union was ready to strike into the summer. Hormel rejected the offer and two days later announced that no jobs remained; the plant was full, with approximately 560 replacement workers and 460 crossovers.  

This news, although daunting, did not affect the union. The next day, union members from around the country, including auto workers from Detroit, steel workers from Northern Minnesota and the airline workers, paraded down main street in Austin. Five days later, 300

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63 The Austin Daily Herald was not sympathetic to the strikers and often called the Hormel Herald.
64 Hage and Klauda, No Retreat No Surrender, 331.
Austin high school and middle school students walked out of class and marched to Hormel’s Corporate Headquarters, carrying signs reading “We don’t want to grow up to be scab labor.” The student protest, partly motivated by the children’s parents and by the prohibition of any discussion of the strike in the city schools, ended after the police threatened them with arrests. Before the strike, school officials banned any discussion of the Hormel and union situation, wanting to create a “free zone” to allow children relief from the stressful situation.

On March 10, P-9 and other union members from across the country demonstrated at the plant gates. When the demonstrators locked the corporate headquarters gates with a chain and padlock, the police marched in and arrested 115 demonstrators. Although the union had support from around the country, the movement was on its last legs. William Wynn, President of UFCW, recognized this and acted to end the strike immediately. He lifted the UFCW’s sanction of the strike, cutting the strike benefits of $40 a week, and ordering the union to end the strike immediately. Without this gesture, the strike could potentially continue into the summer. More importantly, lifting the sanction also lifted the psychological barrier associated with crossing a sanctioned picket line, causing more than 100 workers to sign their names to a rehiring list immediately.

Consistent with its position throughout the strike, the union ignored the orders of the UFCW and voted to continue the strike, claiming that giving up would disappoint thousands of other union members across the nation. Nevertheless, the International was not playing games with P-9 anymore, announcing its intentions to place the union into trusteeship. This move, eliminating P-9’s leadership and giving all power to the UFCW, did not sit well with P-9. Upon hearing this news, P-9 began mailing letters to other unions urging them to come and support their labor brothers and help shut down Hormel.
“Shut down Hormel Week” began on April 10 with 350 demonstrators blocking the road by encircling Hormel with their vehicles. As the Austin Police arrived at the plant, they knew instantly they were outnumbered, and began calling in surrounding police departments along with the State Police. One officer turned on his bullhorn and told the crowd to disperse immediately. In response, the demonstrators locked arms and sat down in front of the gate. The officers then locked their arms and began walking into the crowd until they reached the first striker. They tried to wrestle the striker from the group, while other strikers pulled the person down to the ground. Then gravel and asphalt began raining down upon the officers and one demonstrator sprayed a chemical (proved later to be mace) into an officer’s face. With the failure of the police to disperse the crowd, the police announced to the crowd that they were acting in a riotous manner. The officers then walked into the crowd, this time wearing gas masks and riot gear and began throwing tear gas canisters. In half an hour, the police cleared the road and arrested 17 people. Minutes later workers began driving into the plant for work.66

Additionally in April, the National Labor Relations Board (NLRB) attorneys went before the U.S. District Court Judge Edward Devitt to restrict P-9’s plant gate demonstrations. The board claimed that Hormel needed a restraining order against P-9, citing 42 incidents in which the strikers engaged in mass picketing, rocked trucks, and threatened and photographed crossovers. Two days later, Devitt ruled that P-9 could not threaten or harass crossovers by any means or by mass picket. If P-9 failed to comply, 150 U.S. Marshals and 22 Federal Deputies would enforce the ruling.

On June 2, Judge Devitt also ruled that P-9 would enter into trusteeship, naming Joe Hansen of the UFCW’s Minneapolis office as trustee. Placing P-9 into trusteeship eliminated P-9’s leadership, and on July 3, Hansen evicted the union from its labor center. With the

66 Lee Bonorden, Austin Daily Herald, April 1986.
trusteeship in place, the number one priority for Hansen and Hormel was settling on a contract. Though the workers had been working in the plant for over five months, they still were without a contract or representation. It is at this point that Hormel could have effectively eliminated the union and reduced wages. If Hormel actually wanted to crush the union, it could have refused to allow the workers to re-unionize and kept the plant running as non-union. Hormel instead agreed to meet with Hansen to work out a new contract, contradicting P-9’s claim about Hormel not caring for its employees.

Contract negotiations began in late July with Hansen, Lewie Anderson, and Dave Larson. Hormel stated that it was willing to negotiate the wage level, but it demanded that it keep the two-tier wage system and not be the meatpacker paying the highest wage. Anderson then left the Hormel negotiations for Chicago to bargain with Oscar Mayer. Anderson returned to the Hormel negotiations with a new contract stating that Oscar Mayer would pay its workers $10.70 per hour by 1989. With Oscar Mayer agreeing to a new contract, Hormel agreed and signed off on a similar wage agreement. However, Hormel stated that it could not guarantee that all P-9 employees would get their jobs back. Despite the setback, Joe Hansen stated, “Considering what has happened here, we exceeded expectations.”67 On September 13, P-9 members voted 1060-440 to accept the new Hormel contract. Finally, the strike was over, but only externally.

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PART III: NO FORGIVING, NO FORGETTING

Though the strike was officially over, people still supported the union throughout Austin and the entire nation. Workers from all over the country wrote letters to P-9 members, urging and begging them to continue their fight against Hormel, saying that P-9’s fight was for the entire labor movement. One letter from a worker in Ottumwa, Iowa stated, “You are what ‘labor legends’ are made of. We don’t care what the International says, this strike is not over! Just keep hanging in there.”68 Others urged the union on, claiming that their demands were sensible and that the union’s fight stands for economic justice. Despite the outside support, the union and the strike was over. Not only did 1,000 union members lose their jobs to replacements, they lost control of their headquarters and their union, making their “labor legend” status a costly one.

Not only was the strike costly for the Hormel workers, but also for Ray Rogers and his Corporate Campaign Inc. According to Rogers, “We put everything we had on the Hormel workers and we just about lost everything.”69 With the union losing the battle, Rogers’s could barely keep his business afloat, having to move his headquarters from a nice sky rise to a cheaper residence. Although Rogers quickly received employment opportunities with the International Paper dispute and the American Airlines dispute, he never was able to separate himself from the Hormel strike. He was unable to generate the headlines for his later campaigns that he generated for the Hormel strike, which caused the campaigns to suffer and lead to his dismissal.

What remained after the war was a divided town. Instead of a physical picket line dividing the town against father and son, brother and brother, an invisible picket line existed and ran throughout the businesses, schools, and homes.70 Family and friends who remained loyal to the picket line shunned those who crossed, deeming them scabs. R. J. Bergstrom did not cross

the picket line but his brother Ron did. On national television, R. J. disowned his brother and stated that Ron would be tattooed a scab for the rest of his life.\textsuperscript{71} Other Austin residents, such as Cynthia Bellrichard stated, “We have relatives that went into the plant that I don’t ever intend to speak to again, If I see them on the street, they are going to be called a scab. We’re union people, we don’t cross picket lines.”\textsuperscript{72} Carole Apold, a P-9 wife stated, “Until all workers are returned to their jobs under a fair and safe working agreement; then and only then will the statement, ‘the strike is over’ be a true one.”\textsuperscript{73}

Though the union, consisting of mostly replacements, voted and accepted the new contract on September 13, that contract could not guarantee the rehiring of all union members. With the plant full of replacement workers and Hormel’s obligation under law to keep them employed, Hormel could not rehire the people who remained loyal to the picket line. Hormel did however create a waiting list for people who wanted their jobs when a replacement worker left, but could not promise anything. Therefore, union members who remained loyal to the union had two choices: to remain in Austin and wait for a replacement worker to quit, or leave Austin and find other employment.

At first, many union members chose to remain in Austin on the waiting list, taking part time jobs to pay the bills. Others stayed in Austin, not able to find work, having to sell their homes and possessions to generate income. Eventually, numerous people chose to leave Austin to find other employment in surrounding communities and found themselves applying for jobs for the first time in twenty years. Since most people began working at Hormel out of high school or out of college, they were writing resumes for the first in their lives. Before the strike, Mower County (where Austin is located) had an approximate population of 39,600 people. When the

strike ended, the population dropped to 38,600; and two years after the strike, the population dropped to 38,000. Although no direct cause is attributed to this outflow of people, it is hypothesized (by the author) that the strike directly influenced this population decline. When looking at the data, the population decline is consistent with the number of unemployed union members after the strike. If 500 of the 1000 unemployed left after the strike and were married with children, the numbers correlate exactly with the population decline following the strike.

With over a thousand people leaving the Austin and Mower County area, numerous businesses also left. One year after the strike over 23 businesses left Austin. Not only did the strike cause negative effects for Austin, it spelled disaster for many union members. First, a majority of the union members were young, with house mortgages, car payments, and young children. Without work, there is no income, resulting in defaulted house mortgages and car payments, and no means to feed the family. Consequently, a majority of union members, including the Guyettes, began using foods stamps and received welfare assistance. Others, such as Carole King, sold her family’s custom-built house and borrowed $20,000 from her family’s savings. Furthermore, being out of work created family stress, as numerous wives took extra shifts or second jobs to the cover bills, while husbands sat at home. Divorces and separations occurred along with numerous cases of depression.

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75 Fahey, *Packing It In*, 216.
Then in 1989, Hormel subcontracted its cut and kill operation to a newly formed company, Quality Pork Processors (QPP). With this move, Hormel was able to reopen its cut and kill operation in Austin, which had not reopened after the strike due to the lack of profit involved. By leasing this operation to QPP, hundreds of jobs suddenly became available to Austin residents, but at a lower wage than workers working under the Hormel name. Since QPP is a completely separate company and subcontracted by Hormel, QPP is not required to pay its workers the same wage that Hormel employees receive. This lower wage for extremely hard and dangerous work became a sore spot for union workers who began applying. However, Austin’s former Mayor John Rourke stated, “It beats nothing, or getting paid $5 an hour; the guys who went on strike have been getting paid peanuts.”

While Austin was beginning to move forward and out of the strikes’ shadow, many people, including Pete Winkels believed that “Although P-9 may have lost the strike, Austin lost the war.”

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Today, 25 years after the strike, Hormel remains in Austin, operating the same plant. While the plant remains, the personnel have not. The corporate managers such as Richard Knowlton and Charles Nyberg along with Jim Guyette and many other union members have retired and relocated. Although Hormel is still a meatpacker, the company profile has changed drastically since the strike. Hormel is now a multinational corporation, with two plants located in China and one in the Philippines. In addition, Hormel ranks 340th on the Forbes Fortune 500 list, with over $7 billion in sales and a profit margin of 5.2 percent in 2010. It employs over 19,000 people in approximately 50 facilities around the globe. Today, Hormel pays its Austin production employees a starting wage of $13.40 per hour and after 18 months $15.40 per hour. Maintenance employees earn from $16.95 to $22.95 per hour. Compared to Hormel’s final offer

of $10 per hour ($20.29 today) in 1985, it is significantly less. Yet, Hormel remains above the national average in wages, which according to the American Meat Institute (AMI) is $13.52 per hour.\footnote{AMI, “Employment and Wages in Meat Industry,” AMI Fact Sheet (December 2010): http://www.meatami.com/ht/a/GetDocumentAction/i/64792 (accessed April 2011).}

Hormel has also changed from a meatpacker into a fully diversified company. It has recently purchased numerous companies such as Farmer John, Chi-Chi’s, and Jenni-O, allowing Hormel to enter into new markets and expand its production. Thanks in part to the long-term goals and visions of Richard Knowlton during the 1980s, Hormel today makes products consumers demand and purchase. Unlike its competition in the 1980s, Hormel is constantly changing with its changing consumer base and has many new areas of production, such as microwaveable food products, providing people with fast, easy to make meals. As a result, Hormel’s ability to survive the tumultuous 1980s and grow into the company it is today was due to its goal of diversifying as away from meatpacking. Therefore, labeling Hormel as a meatpacker today would be an insult.

While little has changed at Hormel despite its personnel, the town of Austin has changed dramatically. Twenty-five years ago, Austin was a one-business town, with Hormel providing almost a 25 percent of the city’s paychecks. Although Hormel today is still the largest employer, it is no longer the only employer in this town of 23,000 people. Today, Austin has attracted other companies such as Austin Packaging, Weyerhaeuser, Waste Management, and numerous other businesses. In addition, more businesses have recently begun opening in Austin, such as Wal-Mart, providing a further economic base for the city. During the recent recession, Austin’s unemployment rate reached 5.3 percent, significantly lower than the national unemployment rate of 10.20 percent; attributable to the numerous amounts of businesses located in Austin.
Today, the strike has relatively no meaning to most residents in Austin, Minnesota. To kids growing up in Austin, such as myself, the Hormel strike is just another event your parents might rarely discuss or another subject learned in 12th grade economics. Similarly, the strike has relatively no meaning to most adults and even current plant employees. This lack of feelings, resulting from current residents relocating to Austin after the strike occurred or being too young to remember it, makes the strike a seldom discussed and mysterious event. The people who did live in Austin during the strike but did not participate, seem to have moved on and left it in the past. To some degree, the people who did participate in the strike seemed to have moved on. The major stars of the strike are older and entering retirement age, and the old saying, “time heals all wounds,” seems to becoming true.

However, some people still cannot let go of the strike and constantly cite that it led to the death of Austin. Nowhere is this mentality truer than at the United Support Group. This group, consisting of union workers and their families, meet twice a week inside a building littered with P-9 stickers, caps, and pictures. Every meeting begins with the Pledge of Allegiance and a chant, “United We Stand. Divided We Fell.” Under a banner reading, “Best Workforce Hormel Ever Had,” these people meet to discuss the past and the present labor issues and of course their epic struggle. These men and women, aging from their early 60s to early 80s, were workers who never returned to the plant after the strike.

It does not take long before their conversations turn to the new workers in the plant. These members, along with numerous employees and residents blame Hormel and the strike for causing Austin’s demographic change and reliance upon Hispanic labor. They claim that since Hormel did not give into the striking employees, that the white workers had to move out and find other work, allowing Hormel to bring in the current Hispanic workforce to replace them. “One member said his granddaughter worked there [Hormel] one night and was the only white person
there. And she was scared.” This feeling toward the new Hispanic workers is a common feeling in Austin. Many of the residents who hold these feelings of animosity are former Hormel workers, who long for the days before the strike. One such worker is Vincent Maloney, who considers himself a resident of the old Austin and would do anything to return to what he sees as the city’s pre-strike golden days. In many ways, Maloney says the changes make him feel unwelcomed in his hometown. Yet, younger residents also share Maloney’s feelings about the immigrants and fear that Austin is in jeopardy of losing its identity.

Others speak of how the physical beauty of the city has decreased since the Hispanics arrived in Austin. People claim that Hispanics do not maintain their homes to the same degree that former Hormel workers maintained their homes. This lack of upkeep on homes has caused some neighborhoods to decline in value and appearance, and has created an entirely different city than people had previously known.

When looking superficially at the information available, it does appear that the strike ushered in a sweeping demographic change in Austin. According to Elizabeth Baier, a reporter for the Austin Daily Herald, “Austin’s transformation was set in motion 25 years ago when union members walked off their jobs.” Austin residents claim that lower wages paid by Hormel after the strike deterred white people from wanting to take those jobs. These lower wages then allowed Hispanic immigrants the opportunity to take the jobs and bring even more immigrants into the city. In 1990, only 243 Latinos resided in Austin; today there are 2,500 or more Latinos. At QPP, officials estimate that 90 percent of the company’s 1,200 workers are Latino and at Hormel, 25 percent of the company’s 1,400 employees are Latino.

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80 Ibid.
However, when comparing Austin to other towns with meatpacking companies, the demographic situation in Austin is a common one. Looking at the current 2010 Census and comparing counties with meatpacking plants to Mower County, the results are very similar. Mower County has 4,138 Hispanics amidst a total population of 39,000. In Kandiyohi County, Minnesota, where a Jenni-O meatpacking plant resides, the number of Hispanics totals 4,710 amidst a total population of 42,000. Similar, in Dodge County, Nebraska where Hormel’s second largest plant resides, the number of Hispanics totals 3,689 amidst a total population of 36,000. Lastly, in Buena Vista County, Iowa, where a Tyson Foods pork processing plant resides, the number of Hispanics total 4,608 amidst a total population of 20,000.

Therefore, the data available shows that counties with a meatpacking plant have an increased amount of Hispanics immigrants. Yet, those counties did not suffer a strike and still have numerous Hispanics. As a result, the argument that Hormel and the strike changed Austin’s demographics is invalid, making Austin’s changing demographics ordinary.

Despite the beliefs held by some Austin residents, a bubble could not have remained around Austin forever. As shown above, immigration is inevitable with or without a strike. Yet people still believe this to be untrue. Therefore, the true, underlying message of this argument is people’s inability to accept change. Although change can be scary and unknown, it is not necessarily bad. The Hispanic immigrants have provided Austin with an increased economic base, by increasing the consumption of goods along with opening many Mexican businesses.
They have brought diversity to the city; similar to how the Germans and Scandinavians brought diversity and culture to Minnesota in the 19th and early 20th century. Ultimately, they have increased the population of Mower County, Minnesota’s second oldest county and a county currently experiencing a negative population growth.

Lastly, Immigrants are not a curse to Austin or the nation, but the result of our capitalistic society. While manufacturing firms have become international corporations and have moved their production facilities into East Asian countries to take advantage of lower labor costs, so too have the meatpacking companies. Unable to export efficiently meat across the oceans, meatpacking has begun employing immigrant labor. Since most American’s do not grow up wanting to work as a meatpacker anymore, companies have to seek out immigrants, due to their lower than American standard of living. Consequently, if Americans are unwilling to perform these essential jobs in the meat industry, then somebody ultimately has too.
CONCLUSION

This paper discussed the changing American labor scene throughout the early 1980s. It showed how the American meatpacking companies failed to change with their changing consumer base and how that failure ultimately helped contribute to the restructuring of the meatpacking industry. With numerous companies failing, the meatpackers decided to attack the labor unions to help reduce their overall costs. Despite the immorality, the meatpacking companies’ actions against the unions were justified and required in order to prevent the failures of numerous companies. If companies did not lower their employee’s wages, then numerous individuals would have lost their jobs due to many meatpacking companies going bankrupt.

With all the meatpackers lowering their employee’s wages by attacking the unions, Hormel decided to follow suit by reducing the wages of its employees. However, this action set off a fierce battle between the union and Hormel. Although the 23 percent wage cut was immoral, P-9 was not wise in its endeavor to stand up to Hormel. P-9 should have realized that the labor scene was changing and that Hormel, whom was paying the highest wages in the industry, was the wrong target at the wrong time. Additionally, the union should have accepted Hormel’s final contract offer, which was the best offer in the meat industry. Ultimately, by standing up to Hormel, the P-9 members eventually lost more than they gained.

Furthermore, Hormel was correct in standing firm and not giving into the union’s demands. Although the costs of the strike were large and immediate for Hormel, the benefit of avoiding years of high wages was deferred. By giving into the union, Hormel would have sacrificed it long-term goals for the avoidance of short-term costs, possibly jeopardizing the company’s future.

By standing up to Hormel and striking, P-9 left a legacy that is still prevalent in the minds of Austin residents. Today, the strike is blamed for causing the changing demographics in
Austin. Despite people’s beliefs, a bubble could not have remained around Austin for eternity and eventually Austin’s demographics would have changed in a similar fashion to other meatpacking towns. Therefore, the argument that the strike caused diversity in Austin is invalid. People across the United States need to learn to not be fearful of change, but rather embrace it and strive to make life better for everyone.
BIBLIOGRAPHY

Primary Sources

Books


An economic study of why the U.S. meatpacking industry changed during the 1980s. It provides a detailed economic analysis and is a great source for people who want to know the economics behind the meatpacking industry.


Written by a man who went undercover during the Hormel Strike, *Packing It In* is a one of kind source that offers the reader the hardship and lifestyle of being a SCAB worker during one of the most heated strikes in United States History. This book is a great source for people who want to know about the history of the strike and about the people involved in not only striking, but also the replacement workers for the strikers.


Hardy Green describes the strike by Local P-9 of the United Food and Commercial Workers International Union (UFCW) against Hormel Company's flagship plant in Austin, Minnesota. During the dispute, Green worked for Corporate Campaign Inc. (CCI), the Ray Rogers consulting firm hired by P-9 to assist it in 1985 contract negotiations with Hormel.


This book is an analysis of a longtime working class leader, who was also one of the central leaders of the anti-Vietnam war movement. In this book, we have the voices and struggles of the Hormel Strikers displayed so that workers of today, around the world, in and out of meatpacking can learn from their successes and failures, and use this book as a weapon in their struggle.


This book examines the employment loss associated with the closing of a manufacturing plant in cities throughout the United States. It specifically discusses the impact that unions have on the American manufacturing sector since the late 1940s.

This book examines the causes of plant closings throughout the United States and the subsequent consequences. It claims that a variety of causes influence a company’s decision to ultimately close a plant including capital flight, decreasing profit rates, and the pursuit of lower labor costs.


Written by an historian, who was the leader of the P-9 union’s support group in Minneapolis, Minnesota, this work provides the reader with a firsthand account of the entire Hormel strike from the perspective of the striking employee. Therefore, this book is one of a kind, in the sense that it details the struggles that the striking employee underwent while on strike from a source present at the strike. This book does carry a bias, due to the author’s affiliation with the P-9 support group and his statement of being a pro-union, pro-labor historian.


Discusses the United States meatpacking industry from its inception in 1607 to the restructuring of the meat industry in the 1980s. Provides good detail on how the meat industry began and how it changed after World War 2 and details fully what caused the meatpacking industry to change during the 1980s.

**Documents and Reports**

Bill Brust. *United Food and Commercial Workers: Local P-9, Austin, Minnesota*. Minnesota Historical Society, 1993

Brust's papers document his life and career as a Minnesota Trotskyite and modern language scholar. His "Political Activities and Writings" include a series of memoranda and other papers related to his arrest during the Local P-9 strike at the Hormel meat packing plant in Austin.


Poster stating that the Minnesota National Guard will be arriving in Austin, Minnesota to quell the Hormel Strike and restore order.
Interviews


Cavanaugh was an attorney for Hormel during the strike. He provided detailed information about the legalities involving the strikers and decisions made by Hormel. Additionally, he spoke about the police reports he would receive regarding the criminal acts committed against the crossovers.


A supervisor in the Hormel plant in Algona, Iowa during the strike. He provided information about the union in the Algona plant, the union in Austin, and other information regarding the strike.

Minerich, Phil. Interview by author. 11 February, 2011. Austin, Mn.

A supervisor for Hormel in the Austin plant during the strike. Provided first hand information about the events of the strike including; how the workers went on strike, the attitudes of the workers, and the working conditions and injury rates in the plant. He personally knew many people who decided to cross the picket line and provided great information about their feelings and thought processes involved in those decisions.


Former business agent for the P-9 union. He provided first hand information about how the union negotiated contracts and how he tried to help Hormel and P-9 reach an agreement. He also provided me with an insight to how inexperienced the union was at negotiating and told me that the first rule when negotiating a contract is to never rewrite the contract.

Newspapers


Accessed numerous articles about the Hormel Strike through the newspaper’s online archives. Has really helped my research by providing me with articles and a summary of the events occurring at that time. It also provided me with information on how Austin residents feel today about the strike, 25 years later.


Accessed numerous articles about the Hormel Strike through the newspaper’s online archives. Has really helped my research by providing me with articles and a summary of the events occurring at that time.

Published a letter by Carole Apold, an Austin resident and a wife of a P-9 worker. She describes how the strike will never be over until all the workers get their jobs back and until Hormel begins treating its workers fairly.


Accessed numerous articles about the Hormel Strike through the newspaper’s online archives. Has really helped my research by providing me with articles and a summary of the events occurring at that time.


Accessed numerous articles about the Hormel Strike through the newspaper’s online archives. Has really helped my research by providing me with articles and a summary of the events occurring at that time. This paper was the foundation of my paper.

Video


Barbara Kopple’s American Dream provides actual footage of the Hormel Strike and details the entire history of the event from beginning to end. It uses a combination of first-person interviews, news broadcasts, and chance encounters to show how the strike took place. Kopple also portrays how the strike affected the town of Austin, Minnesota and how it pitted brother against brother. The film is clearly on the side of the workers, but at the same time, it refuses to ignore the petty infighting that eventually helped contribute to their ruin.

Websites


Secondary Sources

Books

Discusses the economy during the 1980s and the Federal Reserve’s policies on fighting inflation. It additionally provides insight into President Ronald Reagan’s economic policies and discusses Reagan’s stance against the striking air traffic controllers in 1981.


Two Minneapolis Star Tribune journalists here present a superlative account of an American social tragedy. This book provides not only a detailed account of the Hormel Strike of 1985, but also the history of the meatpacking industry and how the mood to lower wages affected the employees at the Hormel Foods plant in Austin, Minnesota. This book really helped my research because it provided background information about the meatpacking industry and answered my question of why so many meatpacking companies were either failing or lowering their wages.


A master’s thesis from a University of Wisconsin-Eau Claire graduate. It depicts the history of the Hormel Foods Strike from the perspective of the striking employees. This book has a bias, due to the author’s father being an employee at Hormel who decided to strike in 1985. This work provides the reader with great sources to begin further research into the topic, especially people interviewed with knowledge of the topic; I have utilized some of these sources and am going to continue pursing more.

**Journals**


Discusses the 1980s economy, the Hormel strike, and the origins of the Hormel strike. It also talks about the impact the strike had upon the Austin community and highlights two workers struggles during the strike.


Talks about the local union (P-9) and its struggle against Hormel during the 1985-86 strike. It provides background information about the union’s past struggles with Hormel and discusses the hard, physical work of the meat packing industry.

**Websites**

Provides the current (2010) wage rates and employment figures in the United States meatpacking industry.


Provided me with a map of Minnesota that highlighted Austin, Minnesota.


Provided me with a look into the meatpacking industry preceding the Hormel strike. It thoroughly discussed how the meat companies were trying to break the unions and how the unions responded.


Provides monthly inflation data for the United States through the 1987.


King was a reporter who covered the Hormel strike and discusses the impact that the movie American Dream has on the memory of the strike. She additionally quotes lines from the movie and gives a summary of the movie.


Discusses the impact that the strike has upon the Austin community by focusing on the hostilities between family members who are pro-strike or anti-strike. It also gives a great summary of the fighting and picketing that occurred outside the Hormel gates.


Provides a detailed summary of the Hormel strike and talks specifically about how the strike ended. It also interviews Ray Rogers and provides a background on his life before he was hired by P-9.