

MAKING IT PLAIN

BY KIM BOBO



In the Belly of the Beast

On August 29th, I had the opportunity to attend the annual shareholders meeting of Smithfield Foods. It was both interesting and disturbing.

The meeting was held in a hoity-toity lodge in Williamsburg, Virginia. Walking into the meeting was a reminder of who really controls the company: older white men. Aside from our delegation, there was only one other person of color in the room and perhaps 10 women, out of perhaps 70-80 people. After welcoming all the shareholders, C. Larry Pope, Smithfield's president and CEO, introduced the directors, corporate officers and other guests, maybe 25 folks altogether. Among the distinguished and real leaders of the company, I saw only one woman and one African-American.

All the real decisions and votes had been made before the meeting began. But two topics raised were of particular interest to me. The previous week ICE had conducted a raid in the community against many Smithfield workers and on the United Food and Commercial Workers (UFCW). Mr. Pope assured the shareholders that the company was "cooperating with Homeland Security" in arresting "felons" working in its plant. That's how he describes ICE terrorizing immigrants. He then went on to admit that although Smithfield is a completely law-abiding company (he forgot about a few NLRB violations), abiding by the current immigration laws is very difficult. In his prepared remarks, Mr. Pope merely referred to the UFCW campaign and lifted up Smithfield's brochure outlining the company's position.

The real action began at Q&A time. Here are the highlights:

What has the company done to address shareholder concerns about executive compensation formulas? This was the question I asked. It was a follow-up to a resolution presented the previous year that had received 40 percent of votes cast. Basically, the top executives get astronomical bonuses based on short-term determinants instead of being based on longer-term performance measures.

Mr. Pope's response was that the board had hired some famous executive compensation consulting firm to work with its compensation committee. But my primary concerns regarding compensation aren't really shareholder concerns – they are ethical ones. How can executives who pay poverty wages with lousy benefits pay themselves such exorbitant salaries and bonuses?

What happened with plans to open a plant in Oklahoma? Smithfield isn't opening a plant there now because it doesn't believe it can get the workers to employ. Well, maybe the company should rethink its employment policies! Mr. Pope added a comment about the national leadership needing to reform the nation's immigration policies. Ah, something on which we can agree.

What percentage of your operating expenses are labor? Only 10 percent.

Needless to say, then, raising wages and benefits wouldn't require too much of an increase in costs.

Will you meet with workers and the union and negotiate a fair process for workers choosing whether or not to have a union? This question came from Rev. Nelson Johnson, co-president of IWJ's board. Until this question, Mr. Pope had been composed and articulate and Mr. Luter hadn't spoken. Both of them lost it – especially Mr. Luter. (Ever notice how we tend to lose it when we feel guilty about our behavior?)

Mr. Pope gave an impassioned speech about how the company is not anti-union, but that the secret-ballot election for union representation is the only fair and "American" way. Rev. Nelson was wonderful. He respectfully responded that the secret-ballot election had not worked for many in Mississippi because of the context of fear. He mentioned the Tar Heel plant context of NLRB violations in past elections.

Mr. Luter jumped in by asking, "Wouldn't you feel pressured to sign a card if you worked on a Brooklyn dock and the union came around and asked you to sign at 9 p.m.?" I assume this was supposed to conjure up mob images. He then went on to say that workers would feel pressured to sign cards when the organizers were at their homes at 9 p.m. and they wanted to get rid of them.

Then he really got riled up and started yelling at Rev. Nelson: "We won't negotiate with you. You weren't elected by our workers." Rev. Nelson very calmly replied that he was not the representative of the workers, only the representative of God and his faith. He was there simply to urge the company to sit down with the union and work out a fair process.

Rev. Nelson then asked that the company listen to a worker. Terry Slaughter, speaking clearly and calmly, asked, "Why can't we have card check?" Standing with Terry were 10 or so other workers and 10 or so other religious and community allies. Among the workers was a woman who miscarried her first child a couple months ago after repeatedly asking for a change in her job at Smithfield because hog carcasses were constantly hitting her mid-section on the line. She wasn't moved to a new job, but she was fired while in the hospital recuperating from the miscarriage. Another worker in the room had been fired for his union activities in 1994 and wasn't reinstated until 2006.

The worker stories in the room that day, although not shared with the shareholders, exemplify why the "context" for an election matters so much.

I can't help but wonder what a different meeting it would have been had unions and workers occupied significant seats at the board table or owned significant percentages of the shares.