

SNCC Research  
March 31, 1965

### HAMMERMILL BOYCOTT

Since the boycott was declared on Hammermill Paper Company on March 12, a number of students have requested more information on the situation.

We have learned so far that at least four colleges use Hammermill paper: Penn State, Brandeis (near Boston), McMurray College (Illinois), and George Washington University (Washington, D.C.).

Hammermill at present has plants, or subsidiaries, in Birmingham, Richmond, and western Massachusetts.

If the company should come to Selma, it would join a community of manufacturers which includes Bayuk Cigars (makers of PHILLIES, JOHN RUSKIN, MELBA and CINCO), Dan River Mills (makers of DAN RIVER SHIRTS, etc.), Swift & Co. (meatpackers) and Alabama Metallurgical Corp. (subsidiary of Calumet & Hecla, known for mining lands frauds in the 1880's).

Hammermill's presence in Selma would not significantly affect the problem of unemployment. The company has promised to hire 250 people. There are, according to Census reports of 1960, more than 1900 unemployed in Dallas County (Selma) and three adjacent counties (Wilcox, Perry and Lowndes)--the area from which the plant would draw its employees. The figure includes about 1000 in Dallas, and about half are Negroes.

While we have no information on the wages Hammermill pays in its present plants, the more significant figure is the wages which other paper mills pay in Alabama--\$110 a week, which is about \$5500 a year or \$500M less than President Johnson's estimate of the income necessary for a decent standard of living.

From all reports we have, Hammermill's hiring policies are "adequately" non-discriminatory--which, of course, is what the law requires.

Much more is at stake than 250 average jobs, however. It's doubtful that the people of Selma would benefit much from Hammermill's presence because under an agreement between the community and Hammermill, the company will pay no state or local taxes. This arrangement is legalized by the Wallace-Cater Acts (co-sponsored by the present governor), passed to attract industry to the state. In addition the plant would be financed on the credit of the state government.

Several things suggest that if Hammermill does come to Selma its presence will not improve its "corporate image". Sheriff Clark of Dallas County said on a national TV program on March 7 (the day of the second battle of Selma) that his 200-man posse was organized some time ago to resist unionization campaigns. A recent article in a union paper details the union's accusation that officers of Al Lingo's State Patrol were used by the Crystal Lake Broom Works of Autauga County (adjacent to Dallas County, also the site of the First Lady's cotton farm and timber tract) to intimidate the workers (mostly Negro) when they were trying to organize a union. Hammermill must be familiar with Alabama, since they own a subsidiary plant (Union Envelope Co.) in Birmingham.

Dan River Mills of Danville, Va., which we remember as the Selma of 1963 for its massive brutality, recently built a plant in Selma. Despite the presence of four locals of construction workers' unions, Negro workers on the project were paid only \$1.25 an hour, the legal minimum wage.

The atmosphere in that neck of the woods is not conducive to fair employment practices. It is little wonder, then, that the median income for all families in Dallas County in 1960 was \$2846, and for Negro families \$1393, according to the Census Bureau.



Columist Drew Pearson suggested on March 17 that another reason for the influx of industry into this turbulent state is the disproportionate influence of its Congressmen, who have succeeded in getting approximately three billion dollars in federal funds (by his estimate) while the state's taxpayers contribute only one billion. This may well be more important than any sign of political progressivism.

Both Senators (John Sparkman and Lister Hill) have high seniority on important committees, through which they can funnel federal money to the state. Sparkman ranks second on both the Banking and Currency and Foreign Relations Committees and third on both the Joint Economic Committee and the Joint Committee on Defense Production. Hill ranks first on the Labor and Public Welfare Committee and fourth on the Appropriations Committee. Representatives Bob Jones and George Andrews rank high on the Public Works and Appropriations Committees, respectively. The presence of these Congressmen on key committees and their high rank on these committees may be responsible for the fact that Alabama has gotten federal millions for highway construction (for which Wallace takes credit), for making state rivers navigable, and for development of the NASA space base in Huntsville.

Note: Southern Senators and Congressmen have been particularly vociferous in support of the so-called Cooley Bill, passed early in 1964, which provides subsidies to cotton growers, but in addition subsidizes textile mills both through direct payments and payments in kind (i.e., cotton). The latter subsidy has fed well over \$85 million to textile manufacturers in the one year of its operation.

Dan River Mills, which received \$3,038,360 in 1964, according to the Congressional Record, was able to report in the Selma Times-Journal of February 21, 1965, that its net earnings increased \$3,012,209 from 1963 to 1964. In other words, their profits would have decreased \$26,000 if it hadn't been for the subsidy. The subsidy, in effect, gave them a seemingly impressive 50% increase in profit. But at the same time they were building a plant worth \$400,000 in Selma.

On top of that, the company declared an increase in its annual dividend rate in December, 1964 from 80¢ to \$1.00 per share. Eighteen men, the officers and directors of the company, received \$253,580 of the close to five million dollars in dividends, or about five percent. The same men also received \$931,003 in salaries from the corporation in 1964, according to the company's report of March 5, 1965.

As far as we know, the paper industry not yet managed to pry a subsidy for themselves out of the federal treasury.

In 1964 a total of 16 pulp and paper plants moved into Alabama, representing an investment of \$108,986,000 (27% of the investment that year). But they provided only 1711 jobs, or 8% of the new jobs created. (Textiles and apparel manufacturers expanded by \$45 million, or 12% of the year's expansion, and created 8,429 jobs, or 38% of the new jobs. Average wages in Alabama textile plants are \$65 a week.)

How does all of this fit into a campaign for the right to vote? Without going into a full-scale explanation of the state's power structure, it's easy to show how the men and the corporations discussed here are threatened by the prospect of the Negro poor gaining the vote.

Negroes would presumably be suspicious of large subsidies and tax exemptions for wealthy men who pay them low wages, of expenditures for riot guns to discourage unions, of votes against the war on poverty. The point is that Hammermill has its own good reasons for moving to Selma. But the profitable operation of their plants rest upon tremendous cost in human labor, freedom and economic security—the very sort of economic and political slavery which the movement is designed to combat.