

REYNOLDS SUPPRESSES SHAREHOLDERS, REFUSES TO HEAR FARM WORKERS



FLOC supporters march past Reynolds American with calls for Reynolds to talk with FLOC (photo by Barb Howe).

On a cloudy and rainy May 6, over 100 FLOC farmworkers and supporters gathered at the annual **Reynolds Tobacco shareholders meeting**. The corporation has refused to talk with FLOC about the conditions of those farmworkers on whose backs it gains its wealth, over \$2 billion in profits this past year. FLOC President Baldemar Velásquez says, "Since Reynolds will not talk with us directly, we have to show up at the shareholders meeting to ensure we are heard."

Repression of Shareholders' Voices

At the shareholders meeting itself, 43 FLOC shareholders and proxies attended to press the farmworkers' cause. Reynolds chief executives were arrogantly repressive of any voice other than their own. Shareholders, for example, were not permitted any voice on all matters of corporate governance, including election of Directors, approval of the financial statement, and approval of an Omnibus Plan for executive compensations.

One FLOC supporter, Ray Rogers, raised a point of order about shareholders not being allowed to ask questions to board members running for re-election, and was summarily ruled out of order. Off duty police hired by Reynolds were then ordered by corporate leaders to remove him from the building, and the police proceeded to physically wrestle him to the floor and forcibly carried him out! Rogers was charged with "trespass"! Ray was there on a legal proxy, and in fact signed in and was allowed to be seated. The fact that they can make such a charge reflects a haughty corporate ownership of the local police department. AFL-CIO organizer Michael Szpak also raised the issue of unquestioned elections, and was immediately escorted out of the room.

"I was shocked," said Ken Barger, a shareholder. "I have never even heard of executives of a public corporation not permitting its own shareholders to express their views on company business, particularly at a shareholders meeting. What are they afraid of?"

FLOC President Baldemar Velásquez notes, "Their reaction indicates that we got their attention. Now everybody recognizes the issue, and they are taking our cause seriously, rather than just trying to brush us aside like they did last year."

Reynolds Executives Give Themselves Huge Bonuses

The Reynolds American "leadership team" reflected the greed of their fellow corporate executives on Wall Street. They shamelessly led the vote to give themselves up to \$60 million in additional bonuses, above their already lucrative salaries.

There was no thought or concern expressed about the growers and farmworkers at the bottom of their supply chain, without whom they would not be able to make a penny. Later, Virginia Nesmith of the National Farm Worker Ministry charged Reynolds executives with giving themselves bonuses that would take a farmworker thousands years of working in the fields to earn.

Shareholder Resolutions



It would take thousands of years for farmworkers laboring in the fields to earn as much as one of the bonuses Reynolds' executives gave themselves at the 2009 shareholders meeting.

After the matters of corporate governance were rammed through, shareholder resolutions were introduced. In a display of authoritarianism, strict time limitations of two minutes (with a large time clock displayed) were put on presenters of resolutions, seconders, and the limited number of people who wished to comment on the resolutions.

Two resolutions were in support of the FLOC cause. The time for shareholders to present and discuss these resolutions was severely restricted, though the corporation was freely able to present its position and arguments.

- A call for [human rights standards for the field workers](#) who supply their products. Farmworker supporters made their points about worker exploitation on non-union farms

It was later reported that about 15% of the shareholder votes cast before the meeting were in favor of this resolution.

- A call for [all Directors to be elected on an annual basis](#), instead of staggered three-year terms.

About 45% of the shareholder votes cast before the meeting were in favor of this resolution, indicating the general public unease about corporate management.

Questions About Reynolds' Statements Concerning FLOC

At the end of the meeting, 15 minutes were permitted for open questions, though Reynolds CEO Susan Ivey stated that no questions were permitted on matters already considered (which were all passed without discussion).

FLOC President Baldemar Velásquez raised the issue of [Reynolds' incorrect and misleading statement about FLOC](#) on its website. He said he would be happy to discuss the real facts with them any time they wished. He expressed his hope that Reynolds leaders would have the ears to hear, and said that we would keep coming back until someone does listen. Later, Velásquez observed that "The Reynolds statement makes the debate public. It takes the issue outside the immediate people involved to the whole country."

Later, Virginia Nesmith of the National Farm Worker Ministry commented about Reynolds' position that its suppliers had to follow all laws, saying that these laws are continuously violated and violations are regularly unenforced. Regarding the corporations' focus that people could always file an official complaint, she cited North Carolina Department of Labor materials and said, "It is a ridiculous process for farm workers, who need to call the government office between 8 and 5 on weekdays when they are in the fields or a camp without a phone, must wait ten days after their payday before filing a complaint, and have to make a complaint payment of \$50."

Leafleting, March, and Rally



FLOC supporters march past Reynolds American with puppet showing field worker chained by the corporate structures (photo by Barb Howe).

After the shareholders meeting during the lunch hour, FLOC supporters carried signs around downtown Winston-Salem, passed out fliers, and asked people to be informed about the farmworkers' issues. Many supporters later noted that people were overwhelmingly supportive. One man, for example, commented how Reynolds Tobacco dominated the city and that "the wealthy always make sure they get their cut at the expense of the workers."

Afterward, there was a march through downtown. Office building windows were crowded with curious people (including at Reynolds headquarters) observing the placards, signs, flags, and a giant puppet of a farm worker in chains (with a ball on one end representing Reynolds and a ball on the other end representing British American Tobacco).

At the following rally at Lloyd's Presbyterian Church, Baldemar Velásquez told supporters, "I wait for the day when Reynolds CEO Susan Ivey will sit down with the farmworkers who make her wealth. In all our previous campaigns, everybody said that the corporate heads would not talk with farmworkers... but they did." In the closing prayer, Rev. Cathy Larrow reminded everyone that victory "will not come easy, but it will come."

At that point, the sun came out, and supporters enjoyed BBQ and refreshments.

"This was a day for Reynolds to hear the voices of justice for the workers on whom its wealth is based," said Sarah Zoen. "Their attempts to silence the truth only made it more obvious. Reynolds has an obligation to sit down with FLOC to ensure the rights of tobacco pickers in their supply chain. This was history to remember."

We ask why does Reynolds Tobacco try to repress the voices for farmworker justice, including its own shareholders? We note that the Reynolds CEO received \$5.2 million in incentives in addition to her salary last year (up by 12% from the previous year), and the Omnibus Plan passed at the shareholders meeting without questions or discussion will allow her to receive up to \$60 million in incentives this year. When a corporation's top executives are afraid for its own shareholders to have a voice in its business affairs, it is no wonder that they are afraid for any field workers who supply their products to have any voice in their own conditions.

For more information on the Reynolds shareholders meeting and FLOC activities, see:

- [Resolution for Reynolds to Comply with Human Rights Standards for Workers in Its Supply Chain.](#)
- [Resolution to Declassify the Reynolds Board.](#)
- [Questions that Ray Rogers Were Not Allowed to Ask.](#)
- [RAI Statement on FLOC.](#)
- [From the tobacco fields to the board room, YES! Weekly.](#)
- [Hundreds rally for rights of farm workers, Ch. 14 Greensboro.](#)
- [Ivey compensation up 12%, Winston-Salem Journal.](#)
- [More shareholders support annual election, Winston-Salem Journal.](#)