ARBITRATOR

From Page 1

of the employees would lose their jobs. Hoodes may re-hire all of the workers back, he said.

But Gavin was skeptical of the prediction. He said Hoodes could not hire back all of the workers, but instead "pick and choose individuals that they want."

Gavin said he was told the Springfield plant could be shut down at the time of the turnover to Hoodes so inventory could be taken. When asked if there could be a complete shutdown of the facility, he said, "I don't know."

At the hearing Thursday, which Bertelli described as an informal court proceeding, testimony was given, evidence presented and cross examinations conducted by attorneys from Textron and the union.

Those who gave testimony on behalf of the management included Charles Chapin, group vice president for Textron, Robert Jones, a longtime worker at J&L and a former general manager there, and Bertelli. For the union, past business agents for the union testified, including Hugh Harley, Henry Hicks, and Alex Mac Gavinalso testified.

Arbitrator to make dicision on J&L buyout plan May 10

SPRINGFIELD, Vt. — Past and present officials from Textron Inc., Jones & Lamson, and the local union testified Thursday in an arbitration hearing designed to settle a dispute over the buyout of the machine tool company.

Written documents outlining each side's arguments are scheduled to be filed by May 3, and a decision by Massachusetts arbitrator William Fallon is expected by May 10, the new target date for the purchase of the company.

Arguments Thursday centered on the current contract between Textron and Local 218 of the United Electrical, Radio and Machine Workers of America, which represents about 100 employees at J&L. Emmett Gavin, business agent for the union, said this morning a centerpiece of the argument was the "successor and assigns" clause contained in the current contract.

The union has argued that the clause would pertain to Donald Hoodes, a California investor trying to buy the ailing turret lathe manufacturer. The contract states that the agreement would be continued to "successor and assigns."

Textron, the multi-million dollar conglomerate trying to sell J&L to Hoodes, states the clause does not pertain to Hoodes, therefore the new owner would not have to honor the current contract until it expires in November.

The union has fought bitterly that Hoodes should be required to carry on the current contract. Part of the reason for the scrappy fight, Gavin said this morning, is so Hoodes cannot buy the company, shut the plant down, and "do away with the union."

Gavin pointed out that many workers at J&L have seniority rights, and doing away with the union would wipe out the privilege.

Union officials were told in a meeting with Textron officials Tuesday that they might be notified this week that all of the unionized J&L employees would receive layoff notices.

Kathy Bertelli, personnel manager for J&L at its headquarters in Cheshire, Conn., said this morning that the company is obligated to notify workers of a layoff one week before the action. The Textron officials thought the "blanket" layoff notice would come Thursday, but later realized the sale would not be completed until about May 10.

The company still expects to give out the notices one week before the sale, she said, which would be about May 3.

The reason Textron is laying off all of the unionized workers, Bertelli said, is because its contract with the union will be void after a sale of the company. Even if the arbitrator decides Hoodes has to honor the existing contract, Textron still would layoff the workers because they are no longer employed by the Providence, R.I.-based corporation.

"It's a procedure you go through," she said.

Hanspeter Schwartz, president of J&L, said Thursday the procedure of carrying out the layoffs would be followed, but it could turn out none

(Please see ARBITRATOR-Pg. 10)

Wall Street Journal article critical of plant, city, other Textron operations

Fafnir pulling operations out of NB within 3 years, Textron official says

By ROBIN SPENCER
(Herald Staff Member)

The New Britain plant of the Fafnir Bearing Division of Textron Inc. will be closed within three years, according to a high executive at Textron Inc., who is quoted in a Page 1 story in today's Wall Street Journal.

Fafnir had an estimated 2,500 employes at its manufacturing plants in New Britain and Newington, according to an article in The Herald in July, reporting on the naming of Harold M. Brodsky, 59, as Fafnir's new president.

Fafnir was said to have approximately 4,500 workers before a 1979 strike.

Within the lengthy article, modern Newington facilities, the spokesman said.

One of Textron's most powerful group vice presidents, Charles F. Chapin, is quoted as saying the New Britain operations will be closed within three years.

Fafnir has a relatively new — and large — bearing plant in Newington

The article spoke of the power play between group vice presidents and allegations of incompetence within what the Wall Street Journal termed the first modern business conglomerate.

Extent of power

Chapin, machine tool and bearings, and Robert S. Ames, Bell Helicopter group, are the two group vice presidents reportedly entrusted with turning the giant conglomerate's sagging financial picture around. Together, the divisions controlled by Chapin and Ames account for more than half of Textron's sales.

CHAPIN

These group vice presidents, the article stated, hire, fire and recommend which businesses to buy and sell, yet are virtually anonymous to outsiders.

Textron's 1982 profits reportedly declined 42 percent to $84.4 million on a sales slide of 12 percent.

Textron has 24 divisions, making everything from ball bearings to helicopters, Sheaffer pens and air collision avoidance equipment.

Chapin's group lost $8 million in 1982, compared with a profit of $59 million in 1981 and $92 million in 1980. Last year, Bell, Ames' division, earned $57 million on sales of $741 million. This year's projections are a profit of about $50 million and sales of about $775 million.

Bridgeport Machines in that city is referred to as "a greasy cavern filled with yellow machines and oily men."

'Barely competent'

Of the Waterbury Farrel Division leadership, Chapin commented, "These guys are barely competent. Sometimes I feel I should put my head down and cry."

Within Chapin's corporate group, the Bridgeport milling-machine operations and Fafnir are expected to have a combined profit of $11.7 million for 1983, but the Waterbury division is pro-

(See FAFNIR, Page 14)

approximately 4,500 workers before a 1979 strike.

Within the lengthy article, which deals with the $3 billion conglomerate's group vice presidents and the role they are playing in Textron's future, sharp criticism is reported about corporate operations in Waterbury, Bridgeport and New Britain.

When contacted today, the Wall Street Journal refused to comment on the story.

A Fafnir spokesman today said the long term decision about how many of the main plant operations will move to Newington has not yet been made: "We have previously announced the planned phaseout of the John and Grove street plants."

The John street plant manufactures balls for bearings and it was announced last November it would be moving to Newington, probably sometime in 1984. Other operations will be moved from the Grove street plant to the more

Extent of power

Chapin, machine tool and

hire, fire and recommend which businesses to buy and

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(See FAFNIR, Page 14)

New Britain reacts with anger to Wall Street Journal story

By NEIL E. CALLAHAN
(Herald Reporter)

Writing in a Page 1 article in today's editions, a Wall Street Journal reporter described New Britain as "grimy."

To make things worse, the group vice president of Textron Inc., Fafnir Bearings' Providence, R.I.-based parent company, was quoted saying of New Britain, "I hate this place. It has nothing going for it."

Other revelations were also made in the article.

Group Vice President Charles F. Chapin said the New Britain plant "will close within three years."

The article also quoted Chapin as saying that he asked former Fafnir president Thomas E. Sherer to quit prior to Sherer's resignation in July.

City officials, residents and businesses responded quickly and angrily to Chapin's comments and none was more cutting than The Stanley Works, whose new world headquarters are being built in New Britain.

Stanley irked

"We're appalled that a guy who's seen a limited view of the city can make such a vicious comment that he hates the place and that it has nothing going for it," said Peter J. Kilduff, corporate communications manager.

"We think the city has a lot going for it," he said. "We're indignant and resent him zipping in on a helicopter and making a vicious offhand comment," Kilduff said.

Stanley vice president Ronald F. Gilrain took the response a step further, writing to Mayor William J. McNamara saying, "I don't think we should let this insulting remark go unanswered."

McNamara responds

McNamara was steaming when contacted this morning.

"I think it's obvious from Stanley's commitment to New Britain that Stanley has an absolutely opposite opinion of New Britain and its hardworking people," McNamara said.

"Stanley would certainly not have made such a longlasting commitment with the estblishment of the new world headquarters in its home city if the the board of directors agreed in any way with Mr. Chapin.

"It's no wonder that Textron sales are down," he said. "I don't think it's because of the world market. I think it's because of attitudinal problems with management as exemplified by Mr. Chapin."

The mayor termed as "insensitive, poor and crass" the announcement made in

(See NEW, Page 14)

★Fafnir (Continued)

jected to lose $7.5 million. Of Waterbury, Chapin is quoted as saying "I wouldn't invest in this business. I suggest they (Textron) sell it."

Word from Chapin

Today, Chapin refused to comment on the story. "I have tremendous respect for Fafnir," he said. "It's long and proud history is the result of the dedicated efforts of a lot of New Britain people."

He had been poring through economic reports during a recent visit to Cheshire and had been handed reports that contained pages out of order and copies duplicated so poorly that key figures were missing.

Much of the article focuses on the corporate views of Chapin, who, after a recent visit to the Fafnir Bearing Division plant in what the article called "grimy New Britain" said "I hate this place. It has nothing going for it."

He further stated Textron would close the plant in New Britain within three years, adding "I'm the first guy at Textron to say, 'I don't see this business."

Relations with Sherer

Fafnir's profits fell 93 percent to $1.9 million last year and bearing production is down this year, the article reported, adding Chapin's harsh views of New Britain might also be colored by his relationship with former division president Thomas E. Sherer.

Sherer only "grudgingly admits to Textron's existence," Chapin is quoted as saying, while Sherer's reaction reportedly was that he preferred the old days when group vice presidents rarely asked questions. Sherer also reportedly claimed Chapin was meddlesome and "simplistic."

Chapin's visit to New Britain recently ended with "a tour of a smelly, noisy factory," the article continued, and Chapin "struts knowingly to remote corners, asking executives about machine performances and shipping schedules. At one point he spies a crumpled piece of cardboard and complains, prompting Mr. Sherer to ask privately: 'Is that all a Textron vice president has to worry about?'"

Several weeks later, Sherer resigned, citing "personal reasons." Chapin was

Fafnir (Continued)

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Several weeks later, Sherer resigned, citing "personal reasons." Chapin was quoted as saying he asked Sherer to quit.

John P. Carver, Textron spokesman from Providence, said "As far as Textron is concerned, we're standing behind our original statement that Sherer resigned for personal reasons.

One aspect of story

Fafnir and developments in New Britain are only one aspect of the lengthy article that deals with the views, and the personalities of the top echelon at Textron.

Much of the burden for improving Textron's fortunes hinge on Chapin and Ames, the article noted, and both had hopes of becoming chairman or president of Textron, though neither thinks that is likely now.

"Drive by pride," the story noted, "they find little glamour in playing second fiddle, a position that makes each a tempting target for sniping by subordinates and second-guessing by higher-ups. While each is paid $250,000, the two men once shared a secretary; and frugal Textron only recently gave them a staff: One financial aide each.

"With such limited corporate assistance, they must spend 70 percent of their time on the road checking on divisions. Even their offices at Textron headquarters in Providence, R.I., seem inconsequential; Mr. Chapin's measures about 15 feet by 15 feet, no larger than some executive washrooms.

"Such spartan surroundings aside, Messrs. Chapin and Ames are high-stakes players at Textron. As several days travelling with them indicates, their success often depends on world economic and political situations and their ability to demand top performances from their subordinates.

Cheshire meeting

At one point, Chapin reportedly attended a meeting in Cheshire to look over a five-year plan for the lathe-making operations, where sales have fallen off 70 percent in three years. Few solutions were offered, the report notes, but pages were out of order in the report and "sloppy photocopying" lopped off key report figures.

Chapin reportedly observed: "Hell, we're talking about world domination and can't get it together to put the report in the right order."

'Thin as paper clip'

Chapin, 54, is a former stockbroker, the article noted, who jogs daily and relaxes by racing a 35-foot sailboat, the Vigilant, with which he won his class in a Newport to Bermuda yacht race three years ago. He was described as "thin as a paper clip and with a craggy Lee Marvin face (who has)...built a reputation over nearly 20 years at Textron for hard work and straight talk."

Francis H. Ellis, who became acting head of Waterbury Farrel, observed "When I first met Charlie, I told him three jokes and he just stared at me." Chapin had fired the unit's president a year earlier.

In the recent Waterbury Farrel meeting, called to consider realignments to improve the earnings and operations of that division, business of the meeting was considered so secretive that proposals were made "from hand-written drafts to avoid leaks from secretaries."

Chapin, concerned about splitting off the metrology and political complexity of Bell and doesn't disdain for what he sees as the inability of Textron's two chief officers (Chairman Robert P. Straetz and President B.F. Dolan) to grasp the nuances of Bell's business.

Ames has to help make decisions for the Fort Worth-based helicopter operations on issues that are so complicated "they'd scare the hell out of" Textron's chairman and president, he was quoted as saying.

He has to help decide whether the company will build more 214ST helicopters, each of which takes 18 months to build and costs $4.3 million.

Corporate insiders, the article said, maintain Ames has been on the outs with Straetz and Dolan since they took over three years ago. Ames recalled the big gamble Bell took when it unveiled the prototype XV-15, a tilt-rotor combination helicopter-airplane, at a Paris air show. At stake were millions of dollars of Textron development funds and much of Bell's future.

The craft reportedly performed flawlessly and the Pentagon awarded a group that comprised Bell and Boeing Co's Boeing Vertol Co. a $69 million preliminary design contract for a bigger troop-carrying version. A production version of that craft could be worth as much as $43 billion in the 1990s, as much as Textron's combined sales for the past 20 years.

Bell's predicament, Ames is reported as saying, is that the economy is picking up and Bell doesn't have enough helicopters to meet the demand, while Textron is cutting inventories all along the line. Additionally, government-financed competitors, such as Aerospatiale in France are cutting into Bell's market share by making comparable models for $800,000 less.

Bell plans to make 230 helicopters this year, compared with 744 in 1980.

Another reported difficulty is pressure not to sell helicopters to politically sensitive nations, such as "Latin American despots," to which Ames responded:

improve the earnings and operations of that division, business of the meeting was considered so secretive that proposals were made "from hand-written drafts to avoid leaks from secretaries."

Chapin, concerned about splitting off the metrology division that makes measuring devices for machines and tools, at one point was quoted as saying about a union problem: "They've held a gun to our head. Someday we'll take that gun and shoot them."

Hanspeter F. Schwartz, a Waterbury vice president, the article noted, said he and Chapin weren't "on the same wavelength." Schwartz was miffed, he was quoted as saying, because the only time he received praise from Chapin was when he was told he wouldn't be named division president, to which Chapin responded, "I don't get pats on the head. I don't do it to others." Chapin later named Schwartz president.

'Touchy' Bridgeport

Referring to Bridgeport, the article notes that foreign competition is such a "touchy subject" that the division "refuses to buy from salesmen who drive Japanese cars."

Yet, the division boasts about a five-year-old plant in Singapore and Chapin reportedly thinks more overseas operations might further reduce costs. He also reportedly favors more joint ventures with foreign manufacturers.

Another subject Textron is considering is joint Waterbury-Bridgeport sales and service centers that might save both units a total of $2 million and, perhaps, increase sales by as much as $18.5 million, Chapin was told.

Ames' role

Ames, 64, will retire at the end of this year and "revels in the mechanical, financial

Bell plans to make 230 helicopters this year, compared with 744 in 1980.

Another reported difficulty is pressure not to sell helicopters to politically sensitive nations, such as "Latin American despots," to which Ames responded: "Hell, we're not talking about gas chambers."

Straetz, Dolan

Some executives, the story continued, consider Straetz, 61, as indecisive and a 'titular' leader, who is outgunned by Dolan, "the garrulous 55-year-old president."

Straetz reportedly agreed he has been too patient with some divisions, but said he and Dolan work as a team.

The Textron "penny-pinching ways" continue, the article noted, with the corporate staff only doubling to 241 in the last 25 years, while sales jumped 13 times and companywide employment grew from 16,000 to 41,000.

Vermont

RUTLAND DAILY HERALD, THURS

J&L Union Meeting Has

By SUSAN SMALLHEER
Southern Vermont Bureau

SPRINGFIELD — Union leaders loosened the rules Wednesday for a special membership meeting to vote on a wage plan for the Jones & Lamson machine tool company.

The union leaders also agreed to move up the date of the vote, but held fast to the time, 5 p.m., which has been in dispute. The leaders also dropped the requirement that 75 percent of the members who asked for the meeting must attend the special session to make any vote binding.

The meeting will consider a wage and benefit plan offered by a group of investors who want to buy J&L from the multinational conglomerate Textron. Robert S. Jones of Springfield leads the investors' group.

Emmett G. Gavin, business agent for Local 218 of the United Electrical, Radio and Machine Workers of America, said Wednesday the meeting would be held next Tuesday at 5 p.m. Although he hadn't lined up use of Springfield High School, he said he expected to hold the meeting there.

He said the negotiating committee for Local 218 had waived the union's constitutional requirement stating that a minimum of 75 percent of those who petitioned for the meeting had to attend the session. One hundred fifty-seven union members signed the petition.

He said that move was designed to counter criticism. The dissident union members who want the meeting preferred a nighttime hour, to allow laid-off machinists to attend.

Gavin said he thought a nighttime meeting would attract even fewer union members.

"If people are interested they'll take the time off and get up there," he said.

He said he had held evening meetings explaining the Jones proposal, and they had attracted only 25 people.

Gavin also said the negotiating committee had invited Jones, the leader of the investors, and John Jensen of Weathersfield, another investor, to next Tuesday's union meeting to answer questions

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RSDAY MORNING, JULY 12, 1984

s New Date, New Rules

directly from union members.

However, he said that Jones and Jensen wouldn't be able to make the formal presentation on their second offer. That is the union's responsibility.

He said he expected the negotiating committee wouldn't change its stand opposing union acceptance of the investors' offer. Gavin said it contained too many unknowns.

"I suspect the negotiating committee will not recommend the proposal," he said. "We'll present our facts as we know them."

The union leader said those who demanded the meeting had put the union negotiating committee in a "never-win situation."

Dorothy L. Grover is a lontime J&L employee and union member who led the weekend petition drive to force the membership vote. She still was unhappy Wednesday with the time of the meeting.

"How can they defend that time," she asked. "I want an honest, democratic expression from all members."

Union leaders are manuevering the time to defeat the union members who are in favor of accepting the Jones' proposal, Grover claimed.

Gavin sounded a weary note in discussing the J&L takeover proposal, first unveiled two months ago by Jones.

"If it's voted in, we're going to have to accept it," he said.

But he said he worried about union members "two years down the road saying, 'How come that guy with less seniority than me is in there working, while I'm on the outside?'"

"There's no real solution to it," Gavin said. "I want to save jobs. I know what Textron will do to us if Jones doesn't buy the firm."

Gavin admitted "not that many" union members would have to take 60 percent wage cuts, but he said a "considerable" number would take cuts in the 35 to 45 percent range.

Union members, on a 96-78 tally, rejected the wage concessions Jones initially wanted. They said the 25 to 60 percent cuts were unfair.

Workers mark failure of sale by celebrating

By Jim Shelton
Staff Reporter

CHESHIRE — Employees at Jones & Lamson's West Johnson Avenue plant were doing something unusual Monday morning as they arrived for work. They were smiling.

After a two-week, partial shutdown of operations, J&L workers returned to the plant with the knowledge their jobs are no longer in jeopardy. A Vermont investor's bid to buy the company and move production northward had failed.

"There was a celebration here," according to J&L President Hans Peter Schwartz, as workers learned that Vermont businessman Robert Jones had discontinued negotiations with J&L's parent company, Textron. "There are a lot of smiles in here today."

Francis Ells, vice president for administration, agreed. "There's a definite lift in morale," Ells said.

Jones said he and other interested investors could not get the financial backing to buy J&L and move the company's emphasis to its Springfield, Vt., facility. Despite support from union workers in Springfield, Jones could not convince lending institutions that a buy-out was feasible. "They thought a turnaround in ownership would be pretty tough," he said Monday. "We were not able to generate a financial plan satisfactory to all parties."

Jones cited two other negative factors: gradually climbing interest rates and declining prices for foreign machine tool products. "Our analysis of the costs of getting things back on its feet was not high enough," Jones commented. The machine tool industry has been in dire straits nationally for the last two years.

"We regret discussions with Textron have been discontinued," Jones added. "We are all extremely disappointed."

In Cheshire, Schwartz noted that the jubilation of workers is justified. "Everyone here knew that in one way or the other this would've meant their jobs," he said. "This takes things out of limbo."

Schwartz said morale problems at the plant were compounded by an inability to hire personnel in key areas. "It had been almost impossible to hire anybody," he remarked, because J&L could not guarantee any sort of long-term job security.

"We were really starting to struggle," he said. Schwartz estimated that about 10 positions are open in the Cheshire plant, mainly for electrical engineers.

Nearly 300 people work for J&L in Cheshire, with about 700 other employees in Vermont and overseas in Belgium. Under Schwartz's leadership, J&L began shifting its focus to Cheshire last year. Schwartz asserted that the wisdom of his decision was borne out by Jones' aborted takeover.

Although Jones' purchase plan failed, Textron officials have hinted they are willing to listen to other offers. Schwartz would not comment on the possibility of yet another prospective buyer but stated: "J&L will remain a Textron division."

Re-elected union president opposes pay-cut proposal

By ALEX WOOD

CHESHIRE — Members of United Steelworkers Local 3381 re-elected John Bly as president Tuesday to lead the union through a contract negotiation his opponent called the most important in the history of their company.

Bly defeated Paul Fontaine, a past president of the local, by a vote of 111-54. He also carried the rest of his slate of officers to victory.

The local represents 177 blue-collar workers at the Jones and Lamson division of Textron Inc., formerly known as Waterbury Farrel.

A group of investors that has agreed to buy the division from Textron is asking employees to take a 35 percent pay cut.

There was no disagreement on that issue in the union election. Both Bly and Fontaine made clear that they strongly oppose the cut. Bly predicted that the membership will reject it unanimously at a meeting with the investors Thursday evening.

Donald Hoodes, the California-based industrialist who heads the investment group, has said the pay cut is necessary to make the company competitive. He said the Jones and Lamson's losses are "equivalent" to those of a machinery company he bought in New Hampshire a year ago, which he said was losing $1 million a month at the time.

Although Hoodes hasn't threatened to shut down the plant here, the possibility that Textron might do so if the sale falls through has clearly occurred to workers.

But Bly and other union leaders interviewed Tuesday evening said the possibility of a shutdown doesn't frighten them.

"We can get jobs anywhere," said Bly. "We're all skilled help."

He added that Pratt & Whitney Aircraft and Avco Lycoming recently got big orders and have plenty of work.

John Caldeira, one of those who won election on Bly's slate, said he has seen Avco Lycoming advertisements in the newspaper offering $14 per hour for machinists and sheet-metal workers. By contrast, he said, a machinist makes $10.50 an hour at Jones & Lamson and a sheet-metal worker makes less.

Jones & Lamson makes machine tools.

Asked to comment on his defeat, Fontaine said, "I wish John luck in negotiating with Mr. Hoodes or Textron. Our main enemy is the company and not each other. This is the most important contract in the history of Waterbury Farrel."

The union's current contract expires at the end of August, but Hoodes is apparently hoping to reopen it before that.

The only disagreement between Bly and Fontaine on how the union should deal with Hoodes concerned a tactical issue. The local's executive committee, led by Bly, has agreed to let Hoodes present his plans to a meeting of the local's membership at 7 p.m. Thursday at Dodd Junior High School.

Fontaine held a meeting of workers in the plant parking lot at noontime Friday, arguing that the membership shouldn't even meet with Hoodes. But he said his intention was that — whether or not the union decided to attend the meeting — it should act as a unified group.

"I wanted to bring the membership together and let them know what was going on," Fontaine said. "John Bly capitalized on it and made it look like I was trying to divide the union, which I was not."

Fontaine said he has worked for the company for 22½ years.

"I would hate to leave the place," he said. "I grew up as a kid there and learned the trade there. ... But I will rather than work for $7 an hour."

Union heads oppose request f

By ALEX WOOD

CHESHIRE — An investment group that is planning to buy Jones & Lamson is asking the workers for a 35 percent cut in wages, but union leaders say they will recommend that members reject the proposal.

"There's a very big economic need here to become competitive with the product lines that are confronting these people," said Donald Hoodes, who heads the investment group that has agreed to buy the Jones & Lamson division of Textron Inc. The Jones & Lamson plant here, formerly known as Waterbury Farrel, makes machine tools.

Hoodes said the division's losses are "equivalent" to those of a machinery company that he bought in New Hampshire a year ago, which he said was losing more than $1 million a month at the time.

Hoodes said the New Hampshire firm, Sullivan Machinery Co., is now making a small profit and that employment has doubled — from about 200 to 400 workers.

He added that if the employees accept the proposed wage cuts, the company will start an incentive program and begin programs to give workers a stake in the company's profitability, such as an employee stock-ownership plan.

Hoodes said that as a result of such measures, the wage cuts at Sullivan Machinery have resulted in "very little loss of income" for the workers.

But John Bly, president of United Steelworkers Local 3381, said the union's executive committee will recommend that the membership reject the wage-cut proposal.

The union has, however, agreed to let Hoodes and other representatives of the investors present their proposal to the workers at a meeting at 7 p.m. Thursday at Dodd Junior High School. Bly said he expects the membership to reject the proposal at the meeting.

Interviewed by telephone from his Santa Barbara, Calif. office, Hoodes said the executive committee of the union in Cheshire hadn't told the investors about its recommendation that the concessions be rejected. "Maybe we just pull the offer," he said.

Asked if he will go ahead with the purchase of Jones & Lamson if the union rejects the proposal, Hoodes said, "How do I know?"

The plant here employs about 450 people, 177 of whom are union members, according to Hanspeter Schwartz, president of Jones & Lamson. Union wage rates range from $6.85 to $11.36 an hour under the current contract, which runs through August, he said. Bly said the union had nearly 500 members three years ago.

Jones & Lamson also employs about 200 people at a plant in Springfield, Vt. and another 200 at a plant in Lot, Belgium, Schwartz said.

The company already has requested a 45 percent wage cut from workers at the Vermont plant, where average wages are higher than those here, according to Diane Garyantes, a reporter for The Eagle Times, a Springfield newspaper. But members of the union there overwhelmingly rejected the pro-

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Hoodes also said only 75 to 80 people attended the meeting at which the Vermont union rejected his proposals and that laid-off workers weren't invited.

Ms. Garyantes said the plant in Springfield employed about 1,200 people in 1981, and that large numbers of workers have been laid off in recent years. Jones & Lamson's management had been moving various parts of the Vermont operation to Cheshire, but Hoodes has said he will try to freeze movement out of Springfield, she said.

In an unusual move, Hoodes invited all the employees of the Vermont plant — union members and non-union employees — to a meeting on his proposals and asked them to vote on the ideas, Ms. Garyantes said. The proposals were approved by a substantial margin at that meeting, she reported. But that didn't stop the union from rejecting them later.

Neither Hoodes' group nor Textron has revealed the price to be paid for Jones & Lamson. But Vermont newspapers have reported the amount at $31 million, which Hoodes called "darn close."

Hoodes said the investors will take over Textron's pension plan for Jones & Lamson workers but won't offer a pension plan to any workers who aren't already covered. He said the company will offer a pension plan to new workers once the company starts making money.

The investors group's proposal for wage concessions comes on the eve of a union election at the Cheshire plant. Paul Fontaine, a past president of the local who is challenging Bly in an election planned for Tuesday, conducted a meeting of workers in the plant's parking lot Friday, urging them not to attend the meeting with the investors group Thursday.

Fontaine estimated attendance at his meeting at 90, but Bly put it at about 25.

Fontaine said the membership is almost certain to reject the concessions the investors are requesting.

Workers tell investor: No givebacks

By ALEX WOOD

CHESHIRE — Jones & Lamson's union employees made clear to investor Donald Hoodes Thursday that they won't accept the 35 percent wage cut and other contract concessions he is asking.

The meeting was frequently marked by angry shouting at Hoodes from the crowd, according to union member Randy Govertsen. Reporters were excluded from the half-hour session at Dodd Junior High School.

Nevertheless, in informal conversations afterward, Hoodes established a surprising personal rapport with the workers — talking and joking easily with many of them.

At one point Hoodes asked employee Ronald Rivard of Waterbury where he got a soda he was drinking. "Want one?....I'll buy you one," Rivard replied.

Although there had previously been talk that the workers would vote on Hoodes' proposal at the meeting, no vote was taken, according to John Bly, president of United Steelworkers Local 3381, which represents the 177 blue-collar workers at Jones & Lamson's local plant, formerly known as Waterbury Farrel. "They just told him they didn't want it," Ely said.

"Hoodes said he'll go back to the drawing board and get back to the committee" he added, referring to the union's executive committee.

Hoodes heads a group of about 15 investors who have agreed to buy Jones & Lamson from its parent company, Textron Inc., for about $31 million. In addition to the plant on West Johnson Avenue in Cheshire, Jones & Lamson has plants in Springfield, Vt. and Lot, Belgium. All three make machine tools.

Hoodes said his group's final purchase of the plant from Textron has been postponed until May, but added that the chances the deal will go through are still "pretty good."

"We're in a tough haul here, yet this plant does have an increased backlog," he said.

Hoodes' proposal to the union included not only a 35 percent cut in wage rates but also elimination of cost-of-living adjustments and a two-year moratorium on wage increases. In addition, it called for elimination of the pension agreement for new workers, reduction of the night-shift differential from 17 percent to 10 percent and renegotiation of various contract provisions to allow more flexibility in operations.

In return, Hoodes was offering an incentive pay system along with an employee stock ownership plan. He said a profit sharing plan would be added when the company starts making money.

Hoodes has said Jones & Lamson's current losses are "equivalent" to those of a machinery company he bought in New Hampshire a year ago, which he said was losing more than $1 million a month at the time.

Jones & Lamson's union contract currently sets wage rates ranging from $6.85 to $11.36 an hour. But union member Paul Fontaine has estimated that none of the 177 union members still working at the plant actually makes less than about $8 an hour. The union had 500 members three years ago, but its ranks have been thinned by layoffs, according to Bly.

Hoodes said he would like to see a base wage rate of about $6.70.

In discussions with the workers after the meeting, Hoodes stressed over and over that they could earn back through the incentive pay system and other benefits what they would lose through the wage cut.

"Nobody's ever taken a wage cut in the companies I've run that has made less money," he said at one point.

When one worker asked him for the percentage of workers at his New Hampshire plant who are making their previous pay levels through the incentive program, Hoodes said he would provide information on incentive performance, including copies of paychecks.

"When we ask for concessions, all this does is change the method of costing," he added later, saying that base wage rates are used to figure the cost of jobs.

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the meeting.

"You insult us by telling us you want to cut our pay," one worker told Hoodes. "I think you're in cahoots with Textron."

"It's not right," Hoodes replied.

"You've driven this union so close together," Rivard told him later.

Hoodes rolled with all of it. "I asked you if you wanted to give something toward this thing," he said. "You said no. I'm not mad."

Even when workers confronted him, they often made a point of expressing personal respect at the same time.

"If you want 35 percent more production for a 35 percent wage cut, you better go back to California," one worker told Hoodes. "And no hard feelings."

Hoodes replied that he was going back to his California home for Easter and wished the workers a happy Easter.

"Let's straighten out the management first, brother," a worker yelled at Hoodes as he made his way through the crowd toward the door of the auditorium.

"Good advice," Hoodes replied softly, with a smile.

ALEX WOOD photo

Investor Donald Hoodes, left, talks with Jones & Lamson's union workers about their rejection of his request for a 35 percent wage cut and other contract concessions.

Jones, Lamson workers to vote on offered pact

SPRINGFIELD, Vt. (AP) — Unionized workers will vote this week on whether to accept the contract offered by investors who want to buy the Jones & Lamson plant from Textron Inc.

The negotiating committee of Local 218, United Electrical, Radio and Machine Workers of America, scheduled the vote for Wednesday. Union officials said they won't make a recommendation on how members should cast their ballots.

They said they want to help the group's effort to salvage the machine tool operation, but they won't take a stand on the plan because it means a loss of benefits and wage cuts for Jones & Lamson workers.

"It's their responsibility," Local 218 business agent Emmett Gavin said of the unionized workers. "They're the ones that will suffer the most."

The Springfield Investment Group, made up of 23 people, wants to buy the operation from its Connecticut owners, restore the plant and rebuild the workforce.

The group wants to buy Jones & Lamson plants in Cheshire, Conn., and Lot, Belgium, as well as the Springfield operation.

Meanwhile, the chief executive of the Springfield plant was fired on Friday by corporate officials.

Paul McCormack, who was recently named plant manager, was dismissed. He said he didn't agree with company officials about the need for 15 layoffs last week.

"We're getting weakened by the layoffs," he said.

Jones & Lamson to be sold

By CONNIE LEPORE

CHESHIRE — The plant and property of the financially ailing Jones & Lamson Machine Co. will be sold for upwards of $10 million within the next 60 days, it was confirmed today.

Terms of the agreement with Leonard Industries of Cheshire indicate that the company will continue to operate here.

Leonard Paolella of North Haven, principal owner of Leonard Industries, said the purchase price will be between $11 million and $12 million.

"We really haven't set it yet. That will be decided this week," Paolella said.

Jones & Lamson, which is owned by Donald Hoodes of California, will rent back space in the building from Leonard Industries, a real estate development company, Paolella said.

Jones & Lamson, formerly the Waterbury-Farrel Division of Textron Inc., was sold to Hoodes last year. Its workforce is down to less than 30 employees from a high of about 650, union president John Bly said last week.

"Basically, I'm going to buy the 82-acre site, along with the building, and develop the area," Paolella said.

His plans, he said, are to build at least three large warehouses and "probably to put up another office building there. We have some other tenants (in addition to Jones & Lamson), but I can't disclose them yet."

Jones & Lamson laid off 85 union workers in April, but recalled most of them soon after. Eighteen employees, including eight office workers, were subsequently let go.

Thirteen union members retired last week, including Bly, a Jones & Lamson employee said today. Company officials were unavailable for comment this morning.

The town has placed a lien against the plant for $350,000 in taxes. Paolella said his company will pay the back taxes.

Paolella said he could not disclose how much Jones & Lamson will pay for renting the building, or any other details of the transaction. Jones & Lamson, however, will rent approximately a third of the space, he said.

Leonard Industries, Paolella said, recently built five warehouses in town and will put up a five-story office building on West Johnson Avenue.

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Jones & Lamson owes more than

By ANDY KEKACS

CHESHIRE — Jones & Lamson Inc., a 130-year-old manufacturer of machine tools once known as Waterbury Farrel, owes more than $800,000 in back property taxes on its plants here and in Springfield, Vt.

Linda Savitsky, director of finance in Cheshire, said Jones & Lamson owes the town about $379,000 including interest and liens. She did not know the date of the company's last tax payment.

Jones & Lamson also owes about $424,000 in property taxes to the town of Springfield, Vt. Paul Ruse, the town manager, said representatives of the company have set up an arrangement to meet the tax obligations.

"We're trying to be as cooperative as we can," said Ruse. "They are a new company and we don't want to kick them in the teeth. But we are beginning to get worried."

Formerly owned by Textron Inc., Jones & Lamson was sold last year to an investment group led by Donald Hoodes of Santa Barbara, Calif.

Hoodes was registered Monday at the Harrison Inn in Southbury. He could not be reached Tuesday, however, and did not return a message left at the inn.

An unusual number of Jones & Lamson employees have called the newspaper in the past five days to discuss recent developments at the factory. The workers say they do not know if the company is still providing health insurance.

Jones & Lamson insures itself against basic medical claims, according to Richard Holdt, director of corporate communications for Blue Cross/Blue Shield of Connecticut.

The company pays Blue Cross to process claims submitted by workers. Blue Cross then collects — directly from Jones & Lamson — any money paid out for medical benefits.

Holdt said he believed the arrangement was still in effect on Tuesday. During the past two days, however, Blue Cross has had lengthy discussions with Jones & Lamson about continuing the plan, according to Holdt.

John Bly, president of Local 3381 of the United Steelworkers, said the Blue Cross arrangement will end March 31. The union represents blue-collar employees in Cheshire.

Beyond the Blue Cross plan, Aetna Life & Casualty once provided 'major medical' coverage to Jones & Lamson, according to Bly. But he said that policy was terminated Feb. 28 because the company did not pay insurance premiums.

Kenneth Colburn, a union representative for Jones & Lamson employees in Vermont, said Aetna would cancel their major medical coverage March 31 unless the company makes a premium payment.

Both Bly and Colburn said they could not get definitive information on the status of the benefits from company officials.

Donald Sherman, vice president of the Cheshire operations, said he has been out of the country recently and was unable to comment on the health insurance.

"Our people are working on it," said Sherman. "I hopes it's resolved at the end of the week, because the company can't continue in business without medical benefits."

He referred further questions about the insurance to Norman Lubeach, a Cheshire personnel consultant who has been hired by Jones & Lamson. Lubeach was not in the office Tuesday.

Workers said medical benefits for salaried workers at the Cheshire factory have also been terminated. But Sherman disputed the claims.

"They could be terminated, but are not now," he said. "This seems to be a confusing situation."

The state Labor Department has begun an investigation at Jones & Lamson, according to spokesman Richard Ficks.

"Details are fuzzy," said Ficks. "We are awaiting company assurances that complete

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"Details are fuzzy," said Ficks. "We are awaiting company assurances that complete payments will be made, so that full medical coverage will be resumed."

Ficks said state law requires employers to give a 15-day notice before terminating medical benefits. If notice is not given, the company is liable for workers' medical expenses to the same extent as if coverage had not lapsed. In addition, the company faces a $1,000 fine for each worker affected.

The ending of health insurance is not the only development which concerns employees of Jones & Lamson. Bly said no one in Hoodes' organization has been able to answer union questions about the future of the Cheshire operations. The union president said machinery is being transferred daily from Connecticut to Jones & Lamson plants in Springfield, Vt., and Lot, Belgium.

"We are all worried," he said. "They are moving production equipment out — every day they take another truckload."

Sherman said some machinery has been transferred. But that was only to locate it at the most efficient point of production, he said.

Workers have been agitating for a strike against Jones & Lamson, according to Bly. But they have been restrained by the possibility that the factory could close.

"There's no work in there," he said. "Maybe they want us to strike so they can clean the place out. At least now, we're getting a paycheck."

Jones & Lamson once had 650 local employees. It was Cheshire's largest employer and taxpayer. By the time the company was bought by Hoodes' group, however, the total number of workers had fallen to about 300.

Currently, about 85 production workers and up to 100 white-collar employees have jobs at the Cheshire plant, according to Bly.

In May 1985 — while they were negotiating to purchase Jones & Lamson — Hoodes' group asked Connecticut and Vermont workers to accept pay cuts to preserve their jobs.

The Cheshire employees refused, winning a new contract last September that called for no pay or benefit cuts. But in Springfield, a new labor pact eliminated an existing incentive system and substituted a flat hourly rate.

Since then, machines from Cheshire have been steadily transferred to Vermont, Bly said.

Sherman said the company intends to stay in business in the Waterbury area. But the sale of the Cheshire factory is a possibility, he said.

"Taking over a company that was losing money, and trying to reverse it, is not an easy task," he said. "We're not exactly in textbook condition. . . . No question we have our problems."