Pinal UGGET

FALL 2021

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Resolution Copper – Progressing Slowly

Jennifer Carnes Pinal Nugget

Pop culture and science fiction have always driven American innovation. The communicators that Mr. Spock and Captain Kirk used strangely resemble the flip phones of the 90s. While we don't have hoverboards or time travel a la Marty McFly, we do have electric and hybrid vehicles which are becoming more and more commonplace.

NUGGET

Covering the Copper Corridor Communities of Globe, Miami, Superior, Kearny, Hayden, Winkelman, Dudleyville, Aravaipa, Mammoth, San Manuel, Oracle, SaddleBrooke and Catalina.

James Carnes	Publisher
Jennifer Carnes	Managing Editor
Michael Carnes	General Manager
Mila Besich	Advertising Director
John Hernandez	Reporter

Email:

Editorial: jenniferc@MinerSunBasin.com
Advertising & Questions: michaelc@MinerSunBasin.com

CopperArea.com

Find us at Facebook.com/PinalNugget Follow us on twitter.com/CopperAreaCom

Published three times a year. Business office is located at 139 8th Ave, P.O. Box 60, San Manuel, AZ 85631.

Telephone

San Manuel Office: (520) 385-2266 San Manuel Office Fax (520) 385-4666 Kearny Office: (520) 363-5554 Kearny Office Fax (520) 363-9663

"We sure could use a little good news today."

— Anne Murray

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President Joe Biden announced on Aug. 5, 2021 his plan to drive American leadership forward on clean cars and trucks.

A fact sheet released by the White House states:

"President Biden's Build Back Better Agenda and the Bipartisan
Infrastructure Deal invest
in the infrastructure,
manufacturing, and
incentives that we need to
grow good-paying, union
jobs at home, lead on
electric vehicles around the
world, and save American





CEO

Jakob Stausholm is the CEO of Rio Tinto, Resolution Copper's parent company. consumers money. Today, the President will announce a set of new actions aimed at advancing these goals and increasing the impact of his proposed Build Back Better investments – positioning America to drive the electric vehicle future forward, outcompete China, and tackle the climate crisis.

"Specifically, the President will sign an Executive Order that sets an ambitious new target to make half of all new vehicles sold in 2030 zero-emissions vehicles, including battery electric, plug-in hybrid electric, or fuel cell electric vehicles. The Executive Order also kicks off development of long-term fuel efficiency and emissions standards to save consumers money, cut pollution, boost public health, advance environmental justice, and tackle the climate crisis."

(https://bit.ly/3mjGJtB)

A big part of implementing President Biden's vision will mean that manufacturers must have access to raw materials including copper. Copper can be found in mobile devices, medical equipment, vehicles, computers and more.

A report in May 2020 by the World Bank estimates that global copper demand could rise by as much as 200% by 2050. "It also notes that even if we scale up recycling rates for minerals like copper and aluminum by 100%, recycling and reuse would still not be enough to meet the demand for renewable energy technologies and energy storage." (https://bit.ly/3FccSM9)

Copper mining is nothing new to folks living in the Copper Triangle (Superior to Winkelman to Globe to Superior) and Copper Corridor (Superior, Globe, Miami, Kearny, Hayden, Winkelman, Mammoth, San Manuel and Oracle). We have been mining for copper for more than a century – from the underground mine in San Manuel to the open pit mines in Kearny, Globe and Miami.

A new mine, a modern one governed by new laws and regulations, is poised on the brink of becoming this country's biggest and best source of copper. Resolution Copper Project has been steadily working its way through the permitting rules set by the Environmental Protection Agency and the other governmental agencies overseeing new mining operations. For the better part of two decades, the project has progressed from testing core samples

to completing a rigorous assessment by the US Forest Service, which approved the Project's environmental assessment and plan of operations.

In 2014, the Southeast Arizona Land Exchange was approved by Congress as part of the National Defense Authorization Act. It was passed by Congress and signed into law by President Barack Obama. According to the agreement, Resolution Copper would give the federal government 4,500 acres of environmentally sensitive land in exchange for the 3,000 acres for the proposed mine site, which includes Oak Flat.

The Draft Environmental Impact Statement (EIS) was issued in 2019.

The Final EIS was issued just days before President

Continued on page 4





Resolution

Continued from page 3

Donald Trump left office. It was withdrawn in March 2021 to allow the USFS to consult with Tribal Nations to understand concerns raised by the Tribes and the "the project's impact to tribally important and sacred resources within the project area." (https://bit.ly/2WxsW9Q) Tribal Nations have maintained that the area is a culturally significant place they named Chi'chil Bildagoteel.

In June, the Biden administration argued in federal court that the land exchange should not be stopped by a lawsuit filed by the Apache Stronghold – in spite of the administration's previous move to pause the project.

In late September,

Representative Raul Grijalva, a Democrat from the Tucson area who has long been an opponent of the project, and several other elected officials submitted language for "Save Oak Flat" in the the House of Representatives Reconciliation Bill. The \$3.2 trillion dollar budget reconciliation package will bring tremendous opportunities for communities large and small, urban and rural across America. This bill if passed will need American copper to fulfill its intended benefits. If it passes with the "Save Oak Flat" language intact, it will block any mining from the Oak Flat area and make it impossible for Resolution Copper Mine to open.

Elected officials from Pinal County and Superior as well as local business leaders began a letter writing campaign to Arizona's federal delegation to try to remove the language from the reconciliation bill.

This information became public at the same time Resolution Copper and its sister corporation Kennecott Copper welcomed the CEO of their parent company Rio Tinto to the United States.

Jakob Stausholm joined Rio Tinto in September 2018 as Executive Director and Chief Financial Officer. He became Chief Executive in January 2021.

He started his visit in the United States in Washington, DC and New York, spending time with people in the Biden-Harris Administration to determine what their end goal is.

Biden's plan, Stausholm told Copper Area News, will require more copper to implement than what is being produced today. Stausholm flew the Copper Triangle and right now there is only one big project on the horizon – Resolution Copper. The country needs a mine that is sustainable. Rio Tinto, he said, is building "something for the next 60 years."

Stausholm pointed out that Resolution Copper is building a modern mine in the footprints of the historical mine. They have spent the past years cleaning the historical mine site, mitigating the old tailings and demolishing the old smelter and smokestacks.

Keeping open communication with stakeholders in the project is Stausholm's goal.

"We have to speak up and tell our story," he said. "This is a crucial time. We need that next step."









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Excavating Hidden Treasure – **The Great Magma Copper Company Turnaround**

Frank C. Pierson, Jr. Special to the Pinal Nugget

II

It was a dramatic send-off to a company that had supported thousands of workers and their families with high wage jobs for over half a century.



People like to see things explode – whether it's the dynamiting of a dysfunctional housing development in St. Louis or a rocket launch at Cape Canaveral. So it's no surprise that hundreds of onlookers parked their cars and pick-ups along Veterans Boulevard in San Manuel, Arizona, and watched as the demolition crew hired by the Broken Hill Proprietary Properties (BHP) made the final preparations before blowing up the last remaining structures of the Magma Copper Company. Long a symbol of muscular industrial enterprise, the two towering stacks dominated the skyline of the low-slung company town built by renowned American developer Del Webb at Magma's behest. For 50 years, like clockwork, they had raised fumes and particles from the mine's smelter high above the town and often far beyond.

With two gigantic blasts, the twin towers crumbled and fell. When the dust cleared, a pile of heat-resistant liner brick and concrete was all that remained, promptly bulldozed into pre-dug trenches. It was a dramatic send-off to a company that had

supported thousands of workers and their families with high wage jobs for over half a century. And it was the end of the copper mining era in the region.

Many of the onlookers, their parents. and even grandparents

had worked for Magma— either underground or at the surface in the mill, smelter, refinery and railroad. Some had been management, but most were members of the labor union locals that had organized for better wages, benefits and safety.

There were a few tears and a bit of applause before the mostly subdued crowd turned to walk away. The VIPs finished their steak lunch from an observation point in front of the defunct company hospital.

One of Magma's leading executives described the spectacle as "a stab in the heart". Some watched the video that played and replayed in slow motion on the evening news. There may have been a few silent cheers in recognition that the mill and smelter would no longer spew pollutants into the atmosphere... But mostly it was a slow motion corporate funeral witnessed by working people and their families as their BHP overlords walked away from the final scene of the company's last act.

My wife Kaz and I moved to Oracle, ten miles up hill from San Manuel in 1979. We bought a house that had been built in the early 1950's by Henry Nichols, the founding assayer/geologist of the San Manuel Mine claim.

Often we woke to a harsh, sulfuric odor. One of our neighbors who worked for the company said that was the price we paid for living so close to the smelter.

The road to San Manuel from

← JAN. 17, 2007

The San Manuel Stacks come down. View a video of the demolition: https://youtu.be/K7bSBVWw2xU

Oracle was a dirt track that took 15 minutes to navigate in good weather. On our trips there we couldn't see the head frames of the mine, but the mill and smelter with its twin stacks were front and center. The townsite development was impressive: There were two swimming pools, one Olympic size— a golf course, six tennis courts, five schools including a high school, several ball fields, a football stadium, a movie theater, sewage treatment system and two shopping districts. San Manuel was a complete, self-contained community that sprouted from nothing we were told; in just a handful of years.

Children and families were everywhere, all over the place. Schools were packed. High school sports were a thriving enterprise. There were even lights on the tennis courts, and team matches every Saturday morning. Shiny new pickup trucks abounded, most bearing the imprint of the local Ford dealership.

Labor unions had a lot to do with the local prosperity and community spirit. About 80% of the 3000 or so hourly wage earners at Magma were union members. Wage and benefit packages negotiated every three years rewarded hourly work. High-wage jobs translated into

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↑ UNDERGROUND

Men working underground San Manuel Copper Mine circa 1970 - http://www.azgs. arizona.edu/photo/workingunderground-san-manuelcopper-mine

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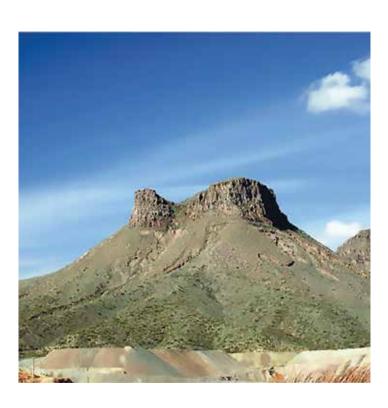
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TEAMWORK

Clark, Shelton and team members at work - Shelton private collection

Magma

Continued from page 7 profitable local businesses selling everything from guns and those Fords to hardware, loans and groceries. The economic spillover to our town of Oracle was visible and loud; bounteous. Vans packed with loads of plant and mine workers stopped daily at Pat & Mike's package store for six-packs after each shift change. Magma money sustained the town.

Flowing in and out of community life, like tides responding to distant gravitational pulls, were the peaks and troughs of the price of copper. Magma, its unions, and the public sector built buffers to weather the ups and downs with complex stratagems embedded in contract negotiations, grievance filings, product diversification, workman's comp, unemployment payments, and strike funds.

In 1996, Magma Copper Company was thriving. Wages and productivity were high, infrastructure was state of the art, and profits were setting records and growing. In 1996, Broken Hill Proprietary (BHP) based in Australia, bought Magma for \$2.4 billion. Three years later, it was a corporate corpse. Some uncertainties lie in parsing the reasons BHP so quickly threw in the towel, but doing so feels like beating a dead horse. Three years later, the largest underground copper mine in the United States

of America was flooded, the plant decommissioned.

It was all so sudden. Like in a science fiction movie when a mass extinction event occurs out of nowhere. One day everything is grand, birds are singing, children are playing in the streets. The next day a mysterious, seemingly alien power like a death ray ends it all...

The story we have to tell here is not the obvious one. We don't pay much attention to the "mysterious" force that killed a thriving company because it's not mysterious at all.

The bottom line is simple enough: BHP was "inept". That's how Hector Lovemore, longtime Magma employee, put it. Not mean spirited, not evil, just "inept". The ineptness of BHP's board and executive team, Lovemore says, was rooted in arrogance. They were know-it-alls who hired other know-it-alls who didn't know how to run a copper company in San Manuel, Arizona and they lacked the humility and patience to learn. Peter Thompson and Robert Macklin in The Big Fella, a prizewinning history of Broken Hill Proprietary, echo that view. They write that, "Bill Walls, brought in by BHP to run the company, represented everything Magma Copper had fought to overcome during '93-'96. Described by executives who worked with him as an arrogant know-it-all, he flipped the script on employee relationships from, "Employees are good: empower and develop them to become as productive as

ASARCO

possible" to, "Employees are bad: eliminate as many as possible and still be able to operate." (p.189)

In the march of folly recorded in the annals of multinational corporate takeovers where American companies have certainly made more than their share of disastrous decisions, ineptitude and hubris figure prominently and regularly. And not surprisingly, ineptitude and hubris, like so many dynamics in modern economic and social life, are not limited to the United States. Those tendencies, like capital flows, are global.

So Magma Copper Company is dead and gone, as are its unions—but burying Magma's years of success before its demise would deny labor unions, corporate leaders, and communities vital knowledge about job creation, productivity, healthy politics and economic viability.

In an industry marked by high profile strikes, extended standoffs, and sporadic violence, the experience of Magma and its unions stands out. The Ludlow Massacre, the Bisbee Deportation, and the Phelps Dodge defeat of Morenci Miners Local 616 formed a template of sorts that Magma and its unions, through hard work and creative thinking, blew sky high. Management and unions- United Steel Workers, Boilermakers, Machinists, Electrical Workers, rewrote corporate history in the most unlikely of places. In the process they proved that supposedly fated outcomes could be avoided—over-topped by talented leadership, union strength and a different kind of politics. Now, at this moment when public support for organized labor is surging, the Magma Story is hopeful and rich in relevance.

When Ronald Reagan and his conservative cronies completed the revolution Arizona's own Barry Goldwater had begun, Reagan and his party put a target on union backs nationwide. Conveniently overlooked by the free marketeers were the basic truths of wage, health and safety gains unions delivered in coal, steel, autos and copper. Union-busting initiatives kicked into high gear with Reagan's dismissal of the Air Traffic Controllers in 1981. Gone

too was any respect or appreciation for the communities where union members lived that thrived due to union-driven wage, benefit, health, and safety gains.

A struggle to the death in southeast Arizona reverberated in Oracle three years after we moved in, as Phelps Dodge and the Morenci Miners Local 616 entered a cage fight in the tiny twin towns of Clifton and Morenci. But union toughness and resolve wasn't enough—the Morenci unions ultimately lost after the governor summoned the National Guard. Along with defeat came decertification of the Morenci locals. Widely understood around Oracle was that the defeat decimated the surrounding community, its leadership and at least three generations that benefited and helped sustain a thriving working class culture. Families departed in droves, businesses closed, churches emptied and finally even the inconceivable happened -- the union hall of the mighty Morenci Miners Local 616, the most important and seemingly stable heart of local civic structure, closed its doors.

Like most Oracle residents, we wondered if Magma would be next as storm clouds gathered over local operations and negotiations.

A consensus had emerged among copper industry analysts that Phelps Dodge was sweeping the table as the dominant low cost copper producer. Magma, they said, was at a competitive disadvantage not just with PD but also with other non-union companies. Negotiators, management and union alike, had to reckon with both a staggering corporate debt load and the high cost of labor. Bankruptcy, liquidation or a PD Morenci-style strike followed by union decertification seemed in the cards.

Strike talk culminated in 1989 at huge rally that year in Oracle Park, a half block from our house. The local unions were led by Steel Workers President Don Shelton and Unity Council President Harry Clark. Shelton, a bull of a man with a booming voice was the primary leader of the event. He knew and greeted

everybody, including a coterie of allied politicians while chairing the proceedings. Clark, craggy handsome with a working man's calloused hands and all decked out in his trademark cowboy hat, worked the crowd. Both looked tough, talked tough, and carried themselves with union tough swagger.

Shelton introduced Edgar Ball, head of the Copper Conference of national unions, and a high ranking official with the United Steelworkers of America. He hit town to support a settlement with Magma and brought with him a pile of USWA cash and credibility if such were needed when push came to shove.

At the time of the rally the negotiating atmospherics had turned poisonous, making a difficult situation much worse. Union negotiators led locally by Shelton and Clark and nationally by Ball and USWA District Director Bob Guadiana, were embittered by Magma's human resource practices—the worst of which included manipulations of

disability and pension benefits in cahoots with the Magma-owned San Manuel Hospital. The anger of unions was palpable, a slow burn on a long fuse. Trust had been destroyed by what unionists believed were repeated deceptions and broken promises by the company. Shelton called Magma's Human Resources Director and lead negotiator, Bob Skiba, "the most deceitful man he ever met". That about summed up the trust level between the two sides.

Don Shelton was seasoned by 25 years in the union movement. First with the legendary International Union of Mine Mill and Smelter Workers, and later with the United Steel Workers of America (USWA), he had come up through the ranks from an entry level chute tapper to election as President of Local 937.

Harry Clark, born and raised in Mammoth, fought and negotiated his way to union prominence as President of the Boilermakers local and the Magma Unity Council. For both Clark and Shelton, tension ran high not only with Magma men like

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Magma

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Skiba, but also with their own union higher ups. When the new USWA President Lynn Williams tried to sell out wage and benefit positions fiercely advocated for by union locals at a big regional meeting in Albuquerque, Clark threatened to break off the finger of Williams' armed bodyguard if he persisted in poking his chest. No one who knew him thought he was kidding. The two local leaders left Albuquerque with their negotiating position in tact, along with their standing among their Arizona peers.

With Magma negotiations at loggerheads, strike preparations accelerated. Magma's playbook was strictly standard-issue industry hard core. Corporate tactics included pushing any future picketers far from the mine entrance, installing trailers to house workers in the mine compound, locating an observation trailer on high ground at a critical highway junction, bringing Wackenhut Security on board, retaining an attorney group that specialized in strike breaking, and encouraging the Arizona Highway Patrol to harass union members. Union leaders, like company security guards, routinely traveled armed.

Burgess Winter was calling the corporate shots. (Former Magma CEO, Brian Wolfe, dropped dead of a heart attack in 1987.) No one was surprised when Winter's Tucson home took a bullet through its front window. Winter was well thought of in the rarefied world of copper industry executives before his hiring by Magma's Board of Directors. His international experience was extensive. But his personal profile was a bit unusual because he had grown up in a hard scrabble union family in Belfast, Ireland.

Like Clark and Shelton, he had studied the Morenci strike history. He knew if he could secure a promise from Governor Mofford to intervene on the company's behalf by calling out the National Guard, his position in the negotiations was immeasurably strengthened. "Winter," as Clark remembered, "sent Magma

Harry Clark
Shelton private collection

lobbyists crawling all over the state capitol bashing the unions." Clark, Shelton and other union leaders feared they would be wiped out. For them,

"It was a very scary time." As tensions grew, both sides worried about the same question: If push came to shove, what would the Governor of the State of Arizona, Rose Mofford, do?

Would the Morenci/Ludlow template apply? Would she step in to break a strike called by USWA Local 937 and allied unions?

Memories of the recent past actions of former Governor Bruce Babbitt towards the Morenci Miners/Phelps-Dodge strike were troubling. Although elected by union votes, the Clintonstyle triangulator and scion of a rich Northern Arizona merchant family caved to the ruthless exercise of corporate PD political power. Like Governor Elias Ammons of Colorado (in the Southern Colorado coal field strike that culminated in the Ludlow Massacre), Babbitt put his finger on the corporate side of the scale and sent in the National Guard. The results were crushing, and the towns of Clifton and Morenci never recovered.

Edgar Ball, Shelton and Clark knew Morenci Miners Local 616 strike leaders like Angel Rodriguez. Both were painfully aware of that history. In Governor Rose Mofford's case, she had inherited the Executive Tower after Evan Mecham was impeached for obstruction of justice and misuse of government funds. They intended to make sure that Governor Mofford wouldn't "pull a Babbitt".

Magma union leaders sent Harry Clark on a mission to Globe— a mining town an hour north of San Manuel, to implore a top Highway Patrol official to back off harassment of their people. "Why are you doing this to us?", he wanted to know. But he never got a chance to ask that question. The top cop refused to meet, let alone answer his question.

As Magma further tightened down strike preparation screws and the Arizona Highway Patrol pressed in on the company, union leaders knew that they needed to meet with Governor Mofford. Edgar Ball tried desperately to secure



Don Shelton

Shelton private collection

such a meeting. When he failed, he turned to Clark. Clark delivered— but when he told Ball he got the meeting, Ball did an about face and tried to disinvite him. Angry and insulted, Clark relayed Ball's stunt to Mofford's staff. When the Governor heard about it, she threatened to cancel any meeting that Clark couldn't attend.

Sweet of disposition, Mofford was known statewide for her gentle demeanor. With a trademark beehive hairdo and lilting voice, she was seen as every Arizonan's grandmother. Mofford had been involved around the fringes of Arizona politics most of her life before finally winning a statewide race for Secretary of State. Her victory put her in position to rise to a job she had never sought and didn't much want, namely, governor, Raised by a family of modest means in Globe, home to a rich mine history, Mofford had a gut level appreciation for the role of organized labor in fighting for workers and their families in the copper industry. No fake populist, she had rubbed shoulders with local labor and community leaders in a career that stretched back decades. She wasn't an attorney. She had no ambitions for higher office. She was no Bruce Babbitt.

When Governor Mofford finally met with the group of 20 labor leaders in her Executive Tower office, Clark was present. A mortified Ball sat across from Clark at the polished mahogany table. All present stood as the Governor entered the room. Once seated, she led a round of affable introductions with no hair of her beehive out of place, or hint of a smudge to her bright red lipstick as she nodded and smiled. When she asked about concerns, they poured out. Front and center were company strike preparations and State Highway Patrol harassment of union members (though technically no pickets were out because a formal strike vote hadn't been taken).

Through it all she sat stone faced, her smile and affability gone. Turning to the Director of the Arizona Highway Patrol, she said quietly, "This has to stop right now." The Director mumbled something in response that no one could understand. Standing up, glaring in his direction, her voice rising almost to a shout, she repeated, "There'll be no more of this. Do you understand?" Long gone was the grandmotherly demeanor and tone. The head cop was stunned, along with everyone else in the room. He flushed with his response. "Yes."

"What?"
"Yes!"

As the meeting was breaking up, Clark and several others hung back as Mofford made a "stick around gesture" with a sweep of her hand. Then she asked for a telephone. "Call Burgess Winter," she demanded of her staff. The union leaders were all ears when he picked up. "If you get your chestnuts in the fire, don't come running to us," she said in a voice Clark later described as "granite hard". She reinforced her point in a follow up letter to both Ball and Winter demanding that negotiations continue

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↑ TEAMWORK

Bob Mueller, Burgess Winter, Don Shelton, John Kerrigan - Shelton private collection

until a settlement could be reached.

On the last day of bargaining, the observation trailer set up by Magma was blasted apart by company explosives – a sudden and stunning event. Shelton, Clark and other union leaders found out about it from the news media. Both sides blamed the other.

"That was what helped move the parties to settle," Shelton said. "The blast was a catalyst. We didn't do it, but it helped convince everybody that the stakes along with the potential for violence were high." It also helped convince Winter that violence was a likely outcome of failed negotiations.

With the signing of a three-year contract, Magma and its unions backed away from mortal combat. But the daunting corporate fundamentals remained unchanged, along with the toxic relationship between Magma and its unions. Relationships were so bad that the 1989 contract had to be signed by the two parties in different rooms. In the meantime, Magma teetered on the edge of bankruptcy.

Short on options, deep in debt and lacking the Ace-in-the-Hole card of gubernatorial support, Winter called a very different play and went in a different direction. Maybe collaboration was a better gambit than conflict. In a move that shocked the old guard Magma executives, he pushed for an approach that would put both sides closer to being on the same side. If labor and management began pulling together toward the same goals he speculated, the company, its shareholders and employees might be the beneficiaries. No guarantees, but given the precarious situation of the company, there was not much to lose. So he decided to roll the dice and took a flyer on trying to organize preliminary conversations for a new future working together as unions and management.

"Let's have a meeting," he announced to all parties.

The first gathering was held in far-away California. It was convened without Shelton, who by coincidence or plan, was out on vacation. Winter and USWA District President Robert Guadiana may have had good reason to keep Shelton at a distance. His suspicion of Magma executives, inflamed by 1989 negotiations, coupled with the loyalty of his following in local labor circles, meant he could kill any reorganization before it reached the starting gate. Guadiana's confidence in the good faith of Magma's executives was grounded in prior experience with Marsh Campbell, Skiba's successor in Human Resources. Campbell had already tried to refashion union management relationships with limited success.

A new player entered the scene in California — a labor consultant named Bob Mueller. Mueller had forged his reputation in the high stakes world of labor/management conflict resolution with the firm, King, Chapman and Broussard. His interventions first with Ford Motor Co. and then Manville proved his mettle to Burgess Winter, who propositioned him to help Magma figure out what to do. Wary of taking sides, Mueller took up a space as a facilitator between the two.

Mueller brought some very peculiar ideas foreign to the copper industry. Chief among them was that labor and management could learn to get along to the benefit of both. His primary operating mode was equally peculiar: "listening" to what individuals had to say, encouraging others to do the same, and then even "co-creating a new future".

Winter and Guadiana scheduled a two-day meeting for October in Scottsdale. Guadiana pushed Shelton, still pissed that he was cut out of the first gathering, to attend. Guadiana had in hand a letter from a previous contract that Shelton had signed vaguely endorsing the idea of a collaborative corporate reorganization.

Shelton agreed to go, fully intending "to blow it all up".

Plan particulars weren't the issue; trust was. Shelton resolved to kill any scheme not built on evidence of commitments made and kept. It was a plus that Bob Skiba, a source of much of the bad blood in negotiations past was gone, but CEO Burgess Winter was an unknown. So the core issue for Shelton was whether Winter's word was indeed his bond. Because no plan forward could get off the ground without leaders from the union locals "being ok with it" and no local leaders would be ok with it if Shelton didn't buy in, the President of Local 937 had veto power. This was known to company management and international leaders like Ball.

"If the point of this plan forward was to change the nature of the relationship," Shelton wrote, "trust mattered more than anything else. It would only exist with promises made and kept between the parties."

Whispered conversations around union tables anticipated an explosive confrontation. Both Winter and Shelton had their reputations and livelihoods on the line.

As Shelton later reported, "I interrupted the Scottsdale meeting, stood up and stared at him (Winter). I said, "Look— there is no reason for us to be here unless you are willing to commit to us all that dealings with us will be done honestly and with integrity." I was convinced

this would end the whole thing. I never in my wildest dreams thought Winter would ever commit in pubic to us—in front of his managers—to something like that."

"When Winter said, "we can do that," I nearly passed out in shock. It was a dramatic thing that happened in that moment with no less than twenty people in the room. I was looking at him straight in his eye, and he stared right back as he answered me the same. I had the feeling I was putting on a good show for the other union guys in the room I must say— but when he took up the challenge, well, he called my bluff and I had no place to go but forward with him and the others."

Much later Shelton confided, "as far as the road with CEO Winter, I was the very last person on earth anyone would suspect to join in such an organizational transformation effort—but the thing over the years that bugged me the most was the lack of honesty in the relationship. It can't work when it's based on lies. Negotiations with Magma had never had any integrity to it in all my years. That's why when Burgess answered my challenge and he responded with a clearly unexpected answer, I was kind of bound to give it a chance. Having dealt with the Skiba outfit for so long, I knew Burgess would never give me a straight answer and that's how I put it to him so I could end the whole thing right there and then. But he said, "Yeah, we can do that," and knocked me off my ass in the chair. So now I was stuck. I had to accept it but with the caveat it was one chance, and only one. If they fucked it up we would not be back.'

The confrontation helped clear the air. Real conversation became more possible. Attendees paired off—labor and management-for frank conversations about working conditions and relationships. With Guadiana and Winter in the lead, two intense days of unprecedented talk produced what Mueller described as a "shift in mind and heart," along with actions for moving forward. The actions had a focus: The restructuring of corporate governance through the formation of what they agreed to call the "JUMCC" (Joint Union Management Cooperation Committee).

To get there they resolved to convene the very individuals who for decades had operated as adversaries -- union stewards and company managers -- at Sunspace retreat center (now called Biosphere 2, just down the road from Oracle). Winter and Guadiana prioritized the exploration of different perspectives on what wasn't working and which projects could and would be tackled jointly.

For his part Shelton said, "I did not expect it to work— but I dedicated myself to making sure that if it blew up, it would not be the unions that did it— and, yeah, I put my ass on the line and my reputation with it." Shelton wasn't operating alone. Other key leaders who headed their locals - Lonnie Wilson of the International Association of Machinists (IAM), Al Laguna of the International Brotherhood of Electrical

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Learn more at FlorenceCopper.com/videos



Fall 2021 Pinal Nugget |

Magma

Continued from page 11

Workers, and Boilermaker Harry Clark, comprised the team.

With the proposed direction resolved, the Scottsdale group faced a monumental challenge. How to inform the workers at the plant and in the mine. They needed to find a way to tell the troops about it and fast. With delay, rumors would run rampant and the opportunity lost. They began hammering out a statement together and resolved to distribute it "like the day after we got back to San Manuel".

It was a risky move. Informing hundreds of mine and plant workers that a handful of union and management leaders conspired to create a new collaborative direction (in effete Scottsdale, no less!) was outside everyone's experience. No one had a clue what would happen except that it might end badly.

The next day, as B-Shift workers approached the plant, standing out front, leaflets in hand, were Winter and Clark...

The ship hit the fan.

Shock soon gave way to curses that gave way to charges of sell-out.

Threats of violence abounded. No copper company leader had ever participated in such a public display of commitment to collaboration with unions.

No labor leader had ever reciprocated in such a public display of reciprocity.

The group that had met in Scottsdale was battered... but they had a plan and stuck to it. The next step, almost as risky as the baptism by fire at the plant gate, involved replicating the Scottsdale experience with hundreds of individuals on both sides of the labor management divide. And so it began.

Victor Forberger, a labor law specialist with Northeaster University now in a private labor focused practice in Wisconsin, describes what happened next in a Case Study he authored: ...starting in November and lasting for the next eight months, the company rented out meeting space at SunSpace (the future location of Biosphere 2) where groups of 50 to 100 workers and managers went through the same two day meeting that had taken place at Scottsdale. Around 700 employees attended these teambuilding meetings. Winter and Guadiana kicked these meetings off by discussing the importance of cooperation at the company. For managers, Winter also pointed out that the company was fully committed to a new future -- that there was no going back to the old relationship -- and that managers

not comfortable with this new relationship should probably find jobs someplace else."

It may have looked messy to outsiders but it all worked. The relationship-building rotated to development of small groups centered on solving choke points and production issues. The list of specific, immediate, concrete changes actually addressed and successfully implemented grew. With it grew trust in what everyone now blithely calls a 'culture change.' But this was a real cultural transformation co-created by management and union leaders - a shift of management and the refashioning of employee habits and practices that upset the former previously dominant mode of command and control.

The same study chronicles subsequent labor/management achievements that flowed from years of collaborative work: "Through these efforts, productivity at the company skyrocketed and costs plummeted. In 1988, productivity was under 370 pounds of copper per worker's shift. By 1991, the figure had climbed to around 520 pounds of copper. And, in 1994 productivity peaked at over 650 pounds of copper per shift. In six years, productivity had nearly doubled, almost entirely through the efforts of the workers themselves in redesigning their jobs and work routines. These gains translated into a sharp decline in production costs. In 1988, it cost Magma roughly 77 cents to produce a pound of refined copper. By 1991, it had knocked the cost down to around 72 cents. After another five cent drop in 1992 and nearly an eight cent drop in 1994, the cost of producing copper at Magma dipped below 60 cents a pound, averaging around 58 cents for that year. And, while costs rose in 1995 back to 64 cents a pound, this decline of over 20 cents during these years was a remarkable achievement. Magma, despite its poor ore quality, was among the lowest cost copper producers in North America, ironically when other companies were giving up on underground mining as being too labor-intensive and hence too expensive. Moreover, Magma's gains in productivity and declines

in costs were not because of reduced employment. Throughout these years, the number of people working at Magma increased. In 1988, Magma employed 4,059 people. By 1992 that number had expanded by nearly 500 to 4,548 employees."

Of particular note, as impacts are toted up, was the success of a gain-sharing program implemented in contract negotiations that spread financial rewards that flowed from the cultural transformation of management and workers in the mine, mill and smelter. Efficiencies suggested by these workers were the engine of corporate productivity improvements.

A rich vein of promise for labor, management and community is embedded in the Magma Story. The focus on relationship-building and inventing new futures, including the teaching and learning of relational skills, proved out in the most challenging of circumstances. Many of the habits and practices advanced by corporate and union leaders, prodded along the way by Mueller and Shelton, have wide application. They parallel efforts in institutions and organizations affiliated with the Industrial Areas Foundation whose commitment to "relational work" has helped reimagine what's possible in their respective spheres. Collateral benefits spilled into San Manuel, Mammoth, and my own town of Oracle. Families prospered, a generation of students gained access to higher education, businesses flourished. Unions saw to it that health care plans were protected, pensions were funded, and contracts honored. Benefits continued to flow for decades even after the mine was flooded and the stacks blown up. In what looks at first glance like simple coincidence, citizens in Oracle organized themselves in a "town hall" underwritten by some of the same methods advanced by the Magma transformation.

Labor leader Shelton describes the turnaround years as the highlight of his working life. His journey from hard-ass copper union leader to hard-ass advocate for collaboration is its own kind of morality tale. He, along with

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OVERLOOK

San Manuel Aerial 1973 -© P.K. Weis, https://www.southwestphotobank.com

Magma

Continued from page 13

other key players actually traveled the world as evangelists for the habits and practices designed and implemented by Magma Copper Company and its unions.

Burgess Winter, Don Shelton and Bob Mueller hit the road to share their story of relational work that brought a great American copper company back from the brink of bankruptcy. Their work inspired a host of like reinventions in far flung places like Peru, New Zealand, Australia and South Africa, even in other BHP outposts, where conflict between unions and corporate executives seemed a fated outcome.

Shelton, Clark, Winter, Guadiana, Campbell and Mueller dared to jump the fated channels of their respective roles to gamble on a different path forward. Forged in a series of confrontations, arguments, planning sessions and ever widening conversations they disorganized, reorganized and transformed a major American corporation.

If such a phenomenon can happen in San Manuel, Arizona in a hidebound copper company, it can happen pretty much anywhere in any institution in any part of the globe looking for a new lease on life

Sadly, this mixed and complex success story of conflict and collaboration has been almost entirely buried, like the bricks of the demolished stacks. It's interment makes emulation nearly impossible. Because it doesn't fit neatly into theories of the free market or big government propagandists, opportunities for replication lie only in the telling and retelling of the Great Magma Copper Company Turnaround Story.

Author's Note: Many thanks to Don Shelton, Bob Mueller, Harry Clark and Hector Lovemore for their service to a great American company and their collaboration in crafting this article.

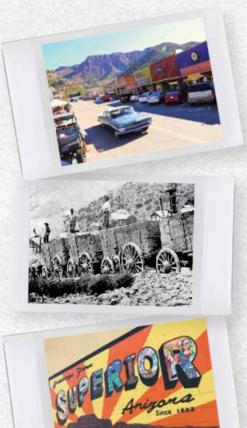
Also thanks to Linda Victoria for her timely interventions and technical expertise.

A condensed version of this story will appear as a chapter in David Wins More Often Than You Think, a forthcoming book by Frank C. Pierson, Jr. to be released early next year by ACTA Publications, Chicago, IL List price - \$19.95 @ actapublications.com.









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Sarah Herring Sorin:

A Woman in the Mining Hall of Fame

John Hernandez Pinal Nugget

On Saturday, Dec. 7, 2019, The Mining Foundation of the Southwest recognized a woman as one of their Mining's Past Greats entries into the Mining Hall of Fame.

The 37th Annual Hall of Fame Awards was held at the J.W. Marriott Tucson Star Pass Resort and Spa. The Hall of Fame honors individuals and companies who have made notable contributions to advance the mining industry. The woman was Sarah Herring Sorin and she was surely deserving of the award for her contributions to the mining industry as well as being a pioneer in Arizona and women's history including contributions in the Copper Corridor.

Sarah Herring was born in New York City on Jan. 15, 1861 to William and Mary Inslee Herring. William was a noted attorney and worked as an assistant district attorney in New York. William inherited some mining claims in Arizona.

In 1880 the family moved to Bisbee, Arizona and later to Tombstone where William opened a law practice. He successfully defended Wyatt and Morgan Earp and Doc Holiday in February 1882 when they were arrested by Sheriff John Behan and held for the killings at the OK Corral after a Judge had cleared them at their preliminary hearing on Nov. 30, 1881. Herring had filed a writ of habeas corpus arguing that no new evidence had been presented on the complaint by Ike Clanton and that the Earps and Holiday were being illegally held in jail. The Earps and Holiday were released and the complaint dismissed.

Sarah had attended college

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in New York at Normal School for Teachers and got a job teaching in Tombstone. She taught school in Tombstone for 10 years, serving as a librarian and principal. In 1891, she quit teaching to help her father in the law office following the tragic death of her 27-year-old brother, Howard, an attorney working with their father. Her brother died of a cocaine overdose administered by his dentist as a pain killer while extracting teeth.

Sarah began to study law with her father. She passed a difficult oral bar exam to become an attorney in 1892, the first woman to become an attorney in the Arizona Territory. She did not begin practicing right away and returned to New York to study law at New York University Law School, where she graduated fourth out of 86 students in 1894.

In 1896 the family moved to Tucson where Sarah married Thomas Sorin in 1898, a rancher and newspaper man who had interests in mining. She practiced law with her father in the firm, Herring & Sorin.

Their specialty was mining law. Among some of the mining companies they represented included Phelps Dodge, Detroit Copper Mining Company, United Globe Mines Company and the Copper Queen Mining Company. They were the representatives for Phelps Dodge's mining interests in Arizona.

In April 1906, Sarah became the 25th woman approved to practice in the Supreme Court of the United States. The Arizona Daily Star reported: "Mrs. Sorin makes the 25th woman to be admitted to practice in the court. Mrs. Belva Lockwood, who was the first woman ever admitted to practice in the court, was present when the motion was made in Mrs. Sorin's behalf."

On July 11, 1912, Sarah's father died at the age of 79.

Some of his accomplishments in Arizona included serving as the Territory of Arizona Attorney General under two governors, Chancellor of the Board of Regents of the University of Arizona and first President of the Bar Association of Arizona. Sarah and her husband then moved to Globe, Arizona where she was the attorney for the Old Dominion Mine.

Sarah got her chance to appear before the United States Supreme Court in 1913, when she represented the **United Globe Mines Company** in an appeal to the court. The case was over the ownership of two mining claims, one which was the Big Johnny Mine. On Nov. 5, 1913, the Evening Star, a Washington, D.C. newspaper reported: "A rare occurrence took place today in the Supreme Court of the United States when Mrs. Sarah H. Sorin of Arizona appeared as a sole representative of a mining corporation in a big mining



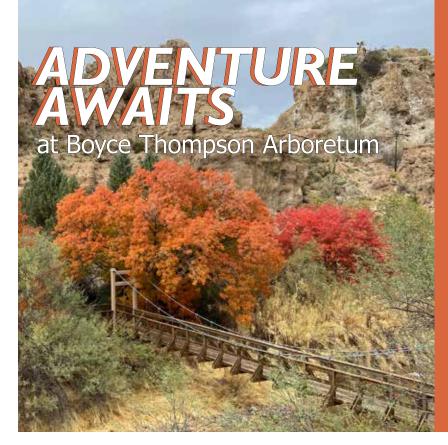
→ HALL OF FAME

Sarah Herring Sorin was named to the Mining Foundation of the Southwest's Hall of Fame.

suit. Only on a few occasions have women addressed the court and then, in nearly every instance, only as associate council.

"Mrs. Sorin was defending the claim of the United Globe

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Hall of Fame

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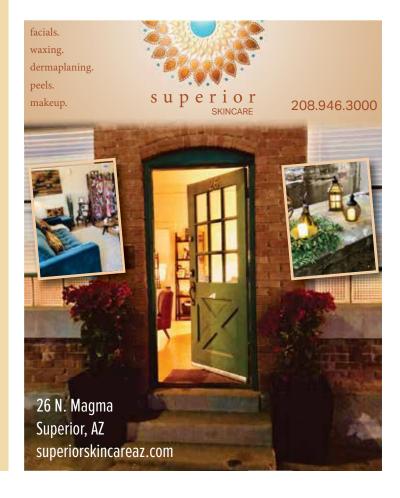
Mines, a corporation of which she is general counsel, to two mining claims in Gila County, Arizona. James H. Work also claims the mines.

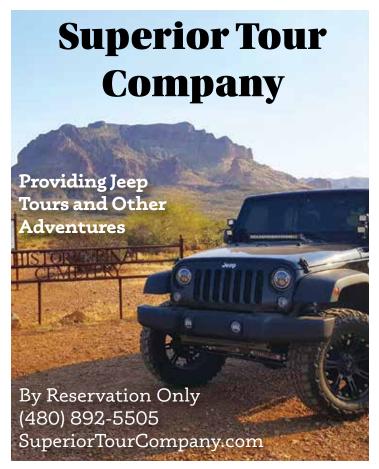
"When the case was brought to the Supreme Court, Mrs. Sorin was associated with her father, William Herring, as counsel. Since then Mr. Herring has died and Mrs. Sorin has fought the case to the end. The decision in the supreme court of Arizona was in her favor."

She also won the case in the U.S. Supreme Court becoming the first woman to appear before the court without male council assistance.

On April 30, 1914, Sarah passed away in Globe from bronchial pneumonia. She was 53 years old. She was laid to rest at the Evergreen Cemetery in Tucson. The Arizona Daily Star said of her: "She was universally respected and admired for her common sense and intellectual gifts, and in her death, Arizona has lost one of its strongest representatives of Southwestern womanhood."

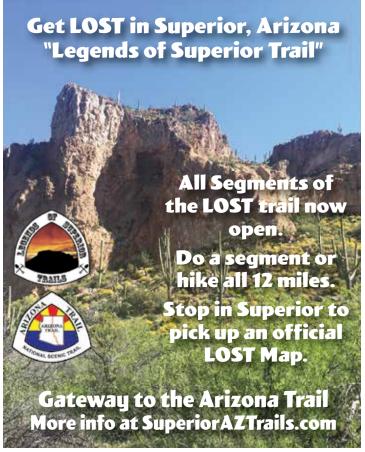
Besides the recent award honoring her by the Mining Foundation of the Southwest, she has garnered other awards and honors. She is a member of the Arizona Women's Hall of Fame. University of Arizona Women's Plaza of Honor, and Arizona Women's Heritage Trail (visit the Tombstone Courthouse where she passed her oral exam). The Arizona Women Lawyers Association presents an annual award "Sarah Herring Sorin Award" to an attorney who has demonstrated support and encouragement for the advancement of women in the legal profession. NYU has a Professor of Law faculty chair named in her honor.











Local Eatery: Silver King Smokehouse & Saloon

Mila Besich Pinal Nugget

The Silver King mine has a storied history, and was the first mine in the area that determined the riches of the ore bodies in and around the Superior. Once Silver was no longer the king mineral, prospectors mined for copper and other minerals to make their riches.



While most in the restaurant, bar and travel sectors struggled to navigate the pandemic, Superior as a community actually saw new businesses open, a wine bar, a new diner and a new restaurant moved into the old Porters Saloon. Over the last decade the former home of the Porters Antiques and car repair shop, has been the home of many restaurant most recently the Silver King Smokehouse and Saloon.

Justin Evans and his business partner

SMOKIN'

The Silver King Smokehouse & Saloon offers some tasty food and delicious drinks.

Tony Fatica, found an opportunity in downtown Superior and with their friend and colleague Dell Morris decided to open a barbeque restaurant in their portfolio of bars and restaurants, in Superior. They are the owners of several concepts throughout the State of Arizona, including The Golden Pineapple, The Theodore, Hops on Birch, The Wandering Tortoise and the Sleepy Whale. Justin and Tony have been working in the Food and Beverage industry since they were in their teens, and developing these concepts have become natural to them. Chef Dell Morris, hails from the Four Seasons, and the menus at the Silver King Smokehouse and the Golden Pineapple in Tempe.

Justin explained that when they found Continued on page 21















Hiking the Arizona Trail

Tuesday, Sept. 21, 2021, was officially the first day of Fall. Fall kicks off the official Arizona hiking season for the Copper Corridor. It's the prime time for hiking and getting outdoors in Arizona.

Backpackers and hikers are being seen on the Arizona Trail from Oracle through Superior and hiking on the trails at Oracle State Park and the Arizona Trail.

Recent forest fires such as the Telegraph and Big Horn fires have created some navigation challenges on trails along with post fire flooding, please be mindful of recreation advisories

Silver King

the location in Superior it was

and showcase the history of the

area, they chose the Silver King

mine as part of the history they

they wanted to call it the Silver

Queen, but after talking with the

wanted to showcase. At first

important to them to honor

Continued from page 20

issues when planning your

When hiking and camping in recently burned areas, please be aware of falling trees, unstable soils, and the increased possibility of flash floods during storms.

In 2020, the Town of Superior and the Legends of Superior Trails Inc. announced that their 12mile gateway to the Arizona Trail community has

opened. The trail connects the original US 60 Claypool Tunnel to the Picket Post AZT trailhead. The 12-mile trail traverses Queen Creek Canyon, Arnett Canyon and downtown Superior.

If you are looking for a less rugged adventure, consider visiting the Biosphere, **Boyce Thompson** Arboretum or the Besh Ba Gowah Park, all in the beautiful Copper Corridor.



HIKERS

These two hikers are hiking on the Oracle section of the Arizona Trail, near the Oracle State Park.



Their first craft beer bar concepts in the Valley only sell drinks and do not offer food; the Golden Pineapple the Silver King Smokehouse are the first food and beverage concepts they have opened. For the Silver King Smokehouse, they offer a variety of craft beers, domestic beers and many custom drinks from their full bar. The local drink the "Supie Splash" is a custom drink on the menu designed to represent Superior. Across all of their concepts they have a team of 75 to 80 staff members, some of which rotate

across each of the businesses which includes four craft beer bars and two restaurants. They will be opening another craft beer concept in Gilbert, called the Beer Barn. The Silver King Smokehouse, located at 404 Main St., is open Thursday through Sunday 11 a.m. to 8 p.m. They do close at 6 p.m. on Sunday for their Summer Hours. They plan to open more days per week beginning in mid-October.

You can follow the Silver King Smokehouse on Facebook, Instagram or online at www. silverkingbbq.com. They can accommodate take out or preorders by calling 520-689-7100.





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