Union Challenges Former Montana Gov.'s Mining Takeover Bid

BILLINGS, Mont. (AP) — Union leaders representing workers at a Montana mining company say an attempted corporate takeover by a group including former Gov. Brian Schweitzer could harm employees.

United Steelworkers representative Steven Gentry said in a public letter Sunday that the union supports Stillwater Mining Co.'s current leadership and wants it to remain in place.

Schweitzer and the Clinton Group, a New York hedge fund, are seeking to oust Stillwater Chairman Frank McAllister and other company directors for alleged mismanagement that has led to an erosion in the company's stock price.

They've launched a proxy fight in which shareholders are being asked to decide if a new board of directors is needed to change the company's direction.

The issue will be decided at the company's May 2 annual meeting.

Schweitzer said Monday that the union's support was not surprising given that Stillwater pays the salaries of its members.

Billings-based Stillwater is Montana's largest publicly traded mining company. It spent hundreds of millions of dollars in recent years on foreign ventures in Canada and Argentina, drawing criticism from some investors including the Clinton Group.

McAllister said in a letter to shareholders that the company will spend most of its money in Montana in 2013, as it seeks to expand its platinum and palladium mines in the Beartooth Mountains southwest of Billings.

Gentry cited the company's Montana plans in explaining the union's backing for McAllister.

"This means job security for current employees, more job opportunities for other Montanans, increased production and profits for the company," Gentry wrote in the letter.

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