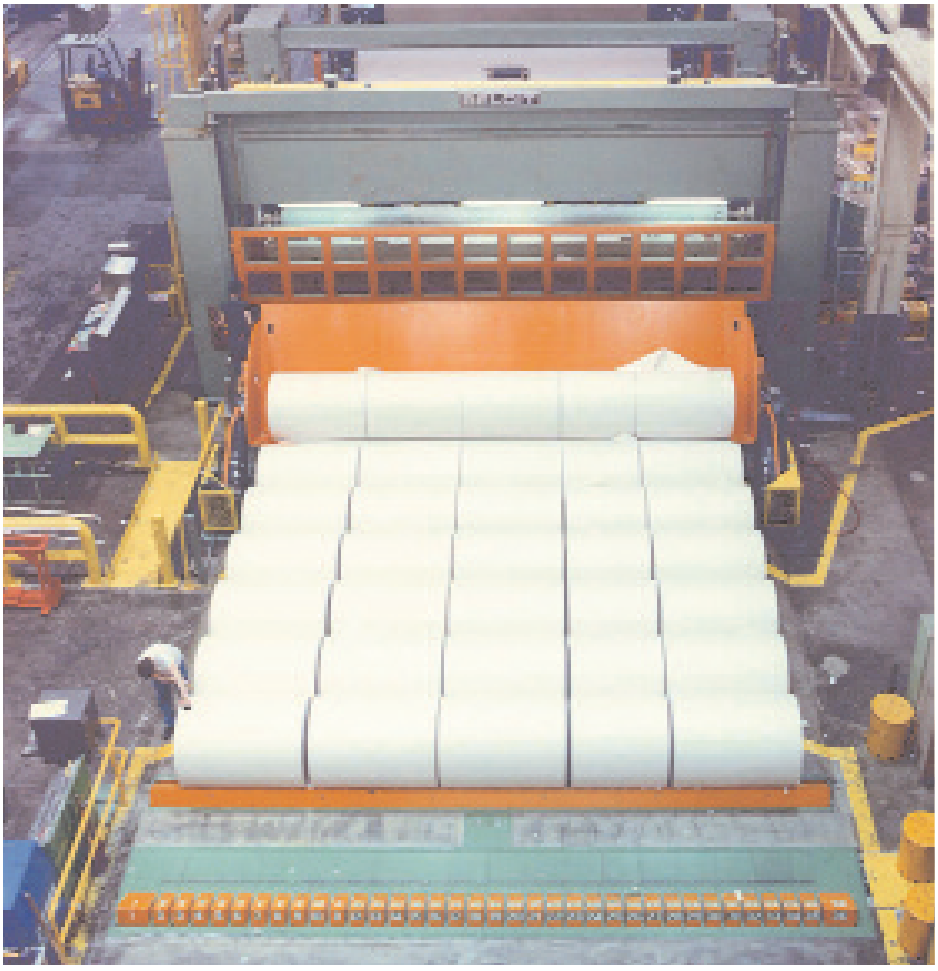


HOW GREAT NORTHERN PAPER FELL PART 2

RAVAGED BY STRIKE, LAND CLAIMS, INSECTS, AND ENVIRONMENTALISTS , GNP'S FINAL DEATH BLOW CAME IN THE NAME OF WORKERS' RIGHTS. by David A. Woodbury

In Part 1 of this article, former Great Northern Paper (GNP) HR manager David Woodbury remembers GNP's "glory days" when he first arrived in 1977, a time of lavish company celebrations, bustling sales, and hefty wages. Almost as soon as he arrived, trouble came—through the strike of 1978, changes in tax laws, a dispute over Indian land claims, and a spruce budworm epidemic. Woodbury continues here with the company's failed bid to modernize its operations through the Big A (Ambejackmockamus Falls) project.

I came to Great Northern as a naturalist, sportsman, and lover of Maine woods and waters, so I could understand some of the environmentalists' concerns over the Big A project. The rapids from Ripogenus Dam to Big A are beautiful, and the dam would have indeed flooded the gorge, but the 857-acre lake planned as a result had recreational advantages, as well. GNP brought in biologists who assured us that the salmon population, as well as the salmon fishing, would not be harmed, and recreation specialists showed how rafting-company owner Wayne Hockmeyer and others could develop profitable whitewater rafting trips downstream. An environmental impact study and mitigation plans were ordered. Town residents and mill workers filled the hearings in support of the project.

The company made its case admirably, but it was a war of words, and GNP's engineering and scientific voices were no match for the shrill and indignant environmentalist forces, who were continually reinforced by fresh, passionate recruits. The opposition presented testimony from its own experts, who, although sometimes refuted, were applauded in the *Bangor Daily News*, *Maine Times*, and other news media, which had their own agenda and also had control of the flow of information to the public.

LURC attached one more condition to the application that, it is generally conced-

PHOTOS COURTESY OF WALLY PAUL AND JOEL NEAL

Far left: Rolls of newsprint from No. 5 paper machine at East Millinocket, weighing from 800–1,400 pounds apiece, await wrapping and shipping. Above: With No. 5 and 6 paper machines stretching toward the indoor horizon, this control room in East Millinocket commands a view like the bridge on a freighter.

Left: GNP sponsored a float in the 1954 Cherry Blossom Parade in Washington, D.C. Miss Maine 1954, Mary Ellen St. John of Old Town, rode the float. Bottom right: Tom Glidden, Charlie Kennerson, Arthur Dentremont, and Bob Morin celebrate the mill's safety achievements in the mid-1980s.

ed, killed the project: no job losses. It's not that Great Northern wanted to reduce manpower. The project would have permitted parent company Great Northern Nekoosa (GNN) to consider other capital projects that could increase production and jobs. But the condition tied future decisions in a way GNN found unacceptable. When GNN took its lawyers and left the state after arriving at an impasse over Big A—it wasn't really shot down, it was simply impeded to death—it was a grim foreshadowing of GNN's ultimate abandonment of Maine.

Workers' comp. In 1983, in the name of working people everywhere, Maine made its own single greatest contribution to the decline of GNP. The firm of McTeague, Higbee, Libner, et al, in Topsham, succeeded in getting a sweeping liberalization of Maine's workers' compensation law through the legislature and signed by Governor Brennan. Then the firm was fortunate to see one of its own partners, Jim Tierney, appointed attorney general for Maine. So the law firm that drafted the legislation was both influential in enforcing the new act and poised to represent a new wave of injured workers seeking redress under the new improved benefits for injured workers.

The McTeague firm set up a makeshift office in Millinocket and began luring customers. It paid off big for them. Employees who had little ambition in the first place began to see quarter-million-dollar settlements, or promises thereof, if they would merely fake it long enough that the company would pay to get rid of them.

In 1984, I was promoted to a position in human resources, just in time to witness the McTeague feeding frenzy firsthand.

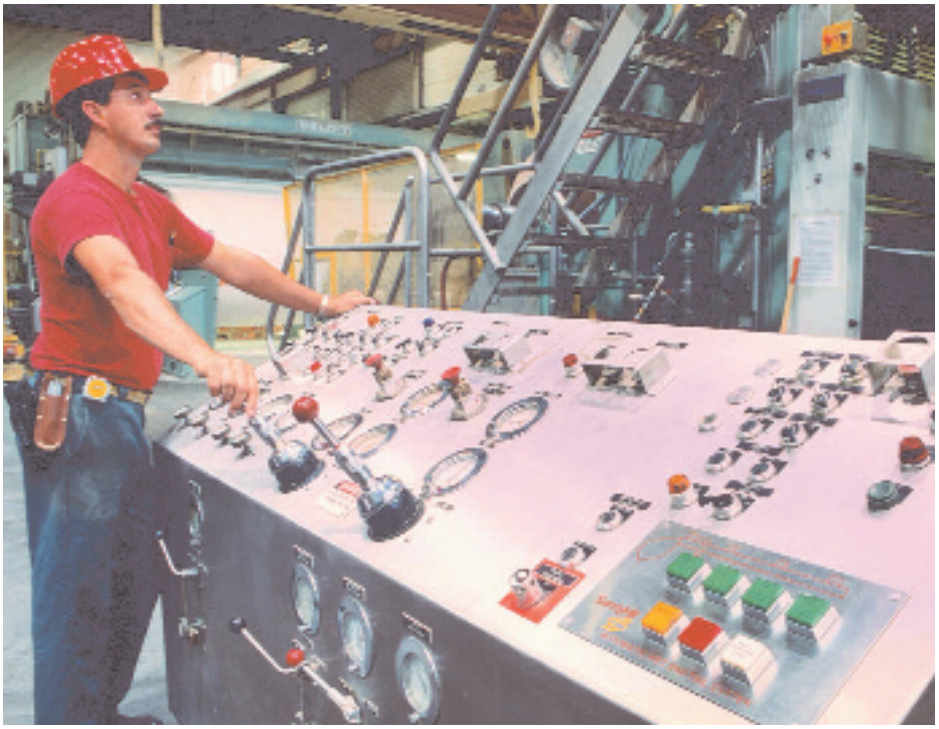
There was the papermaker in his late 20s who sustained a back injury. He went directly from the mill to the hospital, where his blood work showed the presence of cocaine. The fact that he was demonstrably under the influence of an illegal drug while on the job had no influence on the workers' comp commissioner's decision regarding the compensability of his case. Nor could the company take disciplinary action, because the employee was not tested for cause. Instead, he took his total disability settlement and started a business near the coast where he then proceeded to . . . work.

In another case, a Great Northern truck driver sustained minor injuries in a motor vehicle accident, but the medical workup for that accident disclosed that he had leukemia. He recovered quickly enough from the accident, but he never returned to work due to his illness, and GNP paid workers' comp benefits for the state's only recorded case of work-related leukemia. This was an honest worker who would have accepted a separation of the two matters but was coached to accept all the law would afford him.

Employees who had little ambition in the first place began to see quarter-million-dollar settlements . . .

By the mid-1980s, Great Northern, self-insured for workers' comp, would be shelling out or reserving $11 million a year for medicals and indemnity, mostly indemnity (lost time), and Patrick McTeague and a couple of his henchmen were the beneficiaries of roughly a third of that money.

The announcement. On a bleak January day in 1986, Bob Bartlett, president of Great Northern Paper, invited all employees to one of several sessions at the Stearns High



School auditorium, where he announced a restructuring of the company that would result in the elimination of 1,200 to 1,400 jobs.

The workforce did shrink to about 2,800 within a year; it would reach 1,700 or fewer by the time I would leave GNP in 1999. Paper machines were shut down and whole "rooms"—spaces within the mills big enough to hide a battleship—fell silent. Each summer for the next several years, the temporary summer help consisted not of recent high-school graduates and college students, as I had been, but those who had recently been "permanently" laid off.

Takeovers. While GNP had once been GNN's darling, GNN had long ago abandoned investing in GNP in favor of its crown jewels in Ashdown, Arkansas, and Leaf River, Mississippi. These were the elements that attracted Georgia-Pacific and resulted in its purchase of the entire GNN in 1990.

But G-P wasn't interested in the Maine mills, either. By the end of 1991, a buyer had been found for GNP, and on the first of January 1992, it became Great Northern Paper, a division of Bowater Inc.

At each takeover, there were debates and lawyered agreements about who would assume GNP's persistent debt. Bowater seemed genuinely interested in developing the productive capacity of the mills, yet if Bowater ever succeeded in realizing a steady profit from the Maine mills, I don't recall it. There were brief periods of respite, but by 1997 and 1998, I was aware that the company was losing money on the order of a million dollars a month. A breakeven month then was cause for celebration.

Finally, Bowater, too, gave up. Once Inexcon had lined up its financing in late 1998, which included the sale of all but 439,000 acres of timberland to reduce debt, its buyout of Great Northern Paper from Bowater had left it with five operating paper machines and an off-machine coater, and $22 million in real or pledged financing to proceed with capital improvements.

Bowing out. Still, as 1999 unfolded, we were losing money at the rate of a million dollars a month. During the year that the company should have been celebrating its 100th anniversary (1998 or 1999, depending on when you start counting), there was not even a mention of a centennial among the employees or in the press.

In the six years since I left the company, the people of the Katahdin region have been through the emotional roller coasters of shutdowns and start-ups, suitors and buyouts. Katahdin Paper is now at the helm; we can only hope and pray this company can shake off the demons of the past.

Whatever the outcome, the towns where the mills still stand are still home to men and women who know how to make the best groundwood printing paper ever. As before, they simply want to make paper when it's their turn to work and then be left to themselves to go to camp or go to their kids' basketball games. Once upon a time, they were pretty sure the politicians would make things right, and there would always be greatness in GNP, but the politicians understood neither what was killing the company nor their role in enabling the process.

Thirty years ago, folks in Millinocket and East Millinocket could boast that half of the people in America regularly held something in their hands printed on paper that had been produced in one of those two towns—a newspaper, a catalog, a school book, or a phonebook.

While a skeleton crew is still making paper today, the once-proud stewards of the forest must accept the realization that their towns now serve, not as the envy of Maine industry, but merely as a remote gateway to its controversial wilderness. □

Above: Papermaker Lamont Ouellette operates the dry-end controls on No. 6 paper machine at East Millinocket. Right: In 1994, employees were invited to design a safety slogan for the East Millinocket mill entrance. Darrell Davis, shown with others, won a canoe for his winning entry.

David A. Woodbury is human resources director at Penobscot Valley Hospital in Lincoln. His memoir of his 23 years at Great Northern Paper, excerpted here for Bangor Metro, *can be found on his website, www.damnyankee.com.*

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