

# Panelists slam big business, mill closures

## Group advocates federal compensation

By YVONNE BEASLEY  
Of the Emerald

In 1977, citizens of the tiny Oregon community of Westfir, near Oakridge, felt the pangs of being a company town. The Hines lumber mill, a major employer of Westfir residents, shut its doors to hundreds of workers.

The Hines mill closure and its aftermath are an example of the power large corporations have on many small American towns. As part of the Eugene observance of national "Big Business Day," a seven-member panel met last week in Harris Hall to discuss plant closures, using Westfir as a typical example of big-business tactics.

A film about the Hines mill closure, "Company Town," was presented by one of its creators, Eugene filmmaker Chris Jensen. The half-hour documentary told the story of Westfir and of the Westfir Workers' Association.

The association, consisting of Hines millworkers who didn't want to lose their jobs when the mill closed, tried to buy the mill from Hines. After months of uncertain negotiations with Hines, the workers were told they could not buy the mill.

An international corporation, the Mitchell-Blacketer company, later purchased the Hines mill and reopened it at half capacity. Some displaced workers got jobs at the area's other mill, Pope and Talbot; many moved; others had to rely on federal assistance programs.

A plant closure is a complex event. Often, unemployment and pension benefits are not available after a plant closes — the company just folds up and moves away, taking its money along. Sometimes, the com-

pany has provided health services and housing as well as jobs; those disappear as well.

"Corporate America has a stranglehold on the American economy," said panel member Jim McCormick, an officer of the retail clerks' local union. He said a plant closure, often the result of "a callous decision on the part of some corporate executive," can wreak havoc on a town.

The "ripple effect" takes over after a plant closure, McCormick said. The closure causes economic ripples in all areas of a small town — laid-off workers cannot afford to buy as much as they did before; many move.

The town's merchants suffer a drop in business, sometimes having to shut down their own stores, McCormick said, thereby creating even more unemployment until a community is economically devastated.

A town's tax base suffers when a large plant or mill shuts down — all the property and business taxes the company paid just dry up, McCormick said. Another problem is the drain on the town's allocation for food stamp and federal aid programs.

Panel members criticized big business' control of small-town economies for nearly three hours as each panel member decried the tax breaks, unfair stock market control and monopolizing tactics available to national conglomerates.

Many small plants actually make profits, said David Lerman of the University's Labor Education and Research Center, but the profits aren't big enough for the parent company, so the plant is shut down.

Legislation is pending in Congress to begin reforms in plant-closure techniques, McCormick said. The legislation contains provisions for notifying

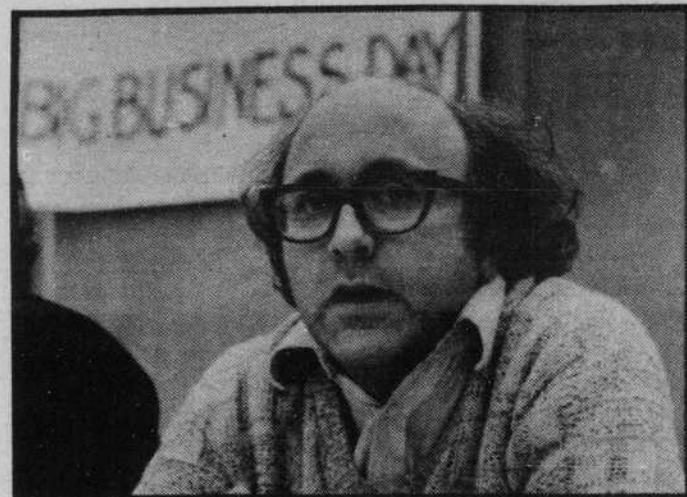


Photo by Tom Detzel

Daniel Pope, University history professor, spoke as part of a Big Business Day panel on mill and plant closures.

workers in advance of a plant closure; federal money for workers to buy the plant as a co-op if they wish; an impact report for the surrounding community and compensation for lost wages, new job training, health services and community tax loss; most to be paid by the company.

But all the legislative lobbying in the world won't heal Westfir's present wounds. The Pope and Talbot mill recently shut down, and plant managers expect the mill to remain closed for about six months. In the meantime, hundreds of Oakridge and Westfir residents are unemployed.

"This is the seventh recession since World War II," said Ken Collins, panel member and second-generation laborer from Oakridge. "It's obvious that something's wrong. It's going to be up to us to do something about it."

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## Speaker says public ownership could help allay mill closures

By LARRY SUTCLIFFE  
Of the Emerald

Every effort should be made to keep the wood products industry operating, said Jerry Lembcke in a Saturday workshop on mill closures.

Lembcke, a Portland representative from the newly formed Coalition to Save Jobs, addressed a small crowd at the University Law School as part of a conference on worker survival, sponsored by the Eugene Chapter of the National Lawyers Guild.

Legislation is needed to allow a takeover of closed mills for public use, Lembcke said.

"Management of the mills should become public property," he said. "This allows people to have more of an active role in management while assuring the plant will remain solvent."

"We need county- or municipally-owned industry (such as EWEB)," Lembcke said. "The profits stay in the community and strengthen the community."

Worker-owned industry must still buy its raw products from private industry, forcing them to keep up with a very competitive market, and it has been shown in the past that most worker-owned plants don't have the capital to remain competitive."

Federally owned plants are also ineffective, Lembcke said, because they take the profits out of the community and replace private bureaucracy with federal bureaucracy.

Because Lane County has publicly owned timber and energy, a historic opportunity exists to develop a municipally owned wood products industry — a first for the nation, Lembcke said.

Public ownership would keep the Northwest competitive in the face of a changing wood-products economy, Lembcke said. Georgia Pacific is planning to move its central office to Atlanta, Georgia, and it's no secret that there's a direct link between foreign politics and

plant closures, he added.

"When a plant closes in Oregon, you can be sure one is opening in a Third World country. The multi-nationals are killing our unions with their overseas policies. A regime supported by U.S. military intervention is usually pro-multinational because it benefits from the money generated by the company, and since labor is cheap and unions are nonexistent, the large multi-nationals are eager to move in."

By publicly buying the plants abandoned by the large wood-products firms, the wood industries' grip on the Northwest economy can be cut, Lembcke said.

"By controlling the factors of production, the energy and the timber — as well as the mills — we keep the profits in the community, which strengthens the community."

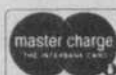
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