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Until it was mothballed and put up for sale in December 1987, a small paper mill in Hyde Park, a neighborhood on the outskirts of Boston's city limits, was the oldest continuously operating paper mill in the United States. This particular plant closing occurred at a time manufacturing employment in the state had fallen off precipitously. It also coincided with an awareness among some policymakers that recycling programs were urgently needed to combat a garbage glut, in Massachusetts and states across the nation, attributable to an increasingly wasteful society and dwindling landfill capacity. Efforts to reopen the Hyde Park mill served to illuminate a host of public policy concerns, including deindustrialization, economic development, and recycling. This episode in the life of the Hyde Park mill is a story of public and private interest and the complexities that emerge when reconciling the two, as well as of a community institution, partnerships renewed, and a commitment to carry both into the future.

> Whereas the Making Paper within this Province will be of Public Benefit and Service; But inasmuch as the Erecting mills for that purpose and providing Workmen and Materials for the Effecting that Undertaking will necessarily demand a considerable Disburse of Money for some time before any profit, or gain can arise there-from; And Whereas Daniel Henchman, Gillam Phillips, Benjamin Faneuil, and Thomas Hancock, together with Henry Dering are willing & desirous to Undertake the Manufacturing Paper: Wherefore for the Promoting so beneficial a Design; Be it Enacted by His Excellency the Governour, Council and Representatives in General Court Assembled, and by the Authority of the same, That the sole Privilege and Benefit of making Paper within this Province shall be to the said men, and to their Associates, for and during the Term of Ten Years . . . Provided the aforesaid men shall make or cause to be made within this Province, in the space of Twelve Months . . . Two hundred Rheam of good Merchantable Brown Paper, and Printing Paper, Sixty Rheam thereof at least to be Printing Paper, and within the space of Twelve Months next coming, shall cause to be made within this Province Fifty Rheam of good Merchantable Writing Paper, of equal goodness with the Paper commonly stampt with the London Arms, over and above the aforesaid Two hundred Rheam of Brown Paper, and Printing Paper.

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An act passed by the Massachusetts General Court on September 28, 1728, to "encourage the making of paper in New England" granted a ten-year monopoly on local production of paper to five prominent Bostonians — an early precedent for public participation in private ventures deemed to be in the best interest of the commonwealth.

Papermaking in the city of Boston originated in small mills built along the Neponset River more than two hundred fifty years ago. The fledgling American paper industry, spawned in the colonies, matured in mills scattered throughout the Northeast. The Hyde Park paper mill is Boston's last remaining claim to a share of colonial New England's paper manufacturing heritage. The year 1989 marked its one hundred eighty-eighth anniversary and "the mill," as this plant is popularly known, a widely recognized institution in the local community.

Hyde Park, a small Boston neighborhood bordered on the north by the Neponset River, is approximately eight miles southeast of the state capitol. The mill sprawls along River Street between Mattapan and Cleary squares in a largely residential area. From the road the mill takes shape as a rambling assemblage of single-story red brick buildings that appear to have been tacked on gradually over the years. The facility houses more than ten acres of shop space on its twenty-acre site. Inside, two vintage "fourdrinier" papermaking machines form the centerpiece of the manufacturing area in the rear of the plant.[1] The machines stretch across the shop floor, where continuous sheets of newly formed paper pass through a long series of steam dryers that generate enough heat to keep the huge area warm in the winter and hot in the summer.

Until the plant was idled in December 1987, it was the oldest continuously operating paper mill in the country. In fact, the Hyde Park mill is a contemporary of the papermaking operation begun with support from the Massachusetts General Court in 1728. Beginning in December 1987, this case study chronicles the plant's first protracted shutdown. Throughout this period the future of the mill remained uncertain despite the fact that two hundred paperworkers were off the job, that the mill had operated continuously for 186 years, and that several parties appeared willing to purchase the operation with hopes of reviving the manufacture of paper on the Neponset River.

The public policy implications of this case concern the Hyde Park community, the city of Boston, and the Commonwealth of Massachusetts. Given the mill's long-term ability to provide stable jobs, a permanent plant closing would have major economic repercussions in the Hyde Park community. Another plant closing in Hyde Park would also underscore the gradual decline of manufacturing in the state economy in recent years. City economic development officials first involved themselves in the case when the James River Corporation, after four years of ownership, announced in July 1987 that they were putting the mill on the market and intended to cease operations in three months whether or not a buyer was found. The immediate future of the plant's jobs were of vital concern to Hyde Park's public leaders, Boston mayor Raymond Flynn, and of course, the paperworkers.

Apart from compelling economic and social motivations, efforts to reopen the mill also focused attention on environmental public policy issues relating to the state's solid waste disposal crisis. The mill possesses a rare physical asset in the paper industry: an on-site de-inking facility whose machines allow for the removal of ink from wastepaper. Once ink is extracted from wastepaper it may then be repulped (forming the feedstock or "furnish" in the production cycle) and recycled. Given the mill's urban location far from the virgin pulp forests of northern New England, de-inking wastepaper is an abundant alternative to virgin pulp feedstock in the manufacturing process.

Shortly after the mill was put up for sale, one potential buyer came forward with plans to capitalize on wastepaper de-inking in the manufacturing process. But to implement this plan the buyer needed publicly guaranteed financial support, assurance of a reliable supply of low-cost wastepaper, and — as became increasingly clear as months passed by — political leverage to help secure the purchase of the property. Financing, wastepaper, and leverage were all variables considered to be within the realm of city or state control. Just how much control and to what extent public officials could be expected to push the proposed plan became the nexus for debate surrounding the future of the Hyde Park mill.

This particular company was not, however, the only party interested in the mill. Throughout the fourteen-month shutdown several potential buyers were said to be formulating business plans. One would-be purchaser even appeared to have reached agreement with the James River Corporation, only to be forced to withdraw its offer after a questionable financial transaction. In an effort to screen potential buyers and evaluate the ability of each to retain jobs, the city's Economic Development and Industrial Corporation (EDIC) requested the right to review any proposals that came forward. EDIC was also prepared to help a prospective buyer coordinate financing should the need arise.

The paperworkers union, meanwhile, growing increasingly concerned that James River was not acting in good faith to sell the facility, organized a plant-closing campaign and adopted the theme "Don't Kill the Mill." This effort galvanized wide-ranging public support that included a City Hall rally and eventually the specter of arrest at a downtown picket line. The union's defense of their jobs served to polarize the issue of corporate responsibility in Hyde Park. James River's decision to cease operations may also be viewed within the larger context of "deindustrialization" or the trend among burgeoning corporations to cast off mature assets in the interest of short-term profits and reinvestment.

The revitalization of the Hyde Park mill was heralded by some to be a model opportunity for the governor and one-time presidential hopeful to demonstrate his commitment to ensuring "good jobs at good wages," to combating urgent environmental issues, and to reinforcing Massachusetts's frayed industrial base. Others would say that plans for the Hyde Park mill simply represented too great a public risk — a challenge best left to the private sector. At a ribbon-cutting ceremony celebrating the reopening of the mill in April 1989, one state official speculated that without a "partnership" born out of public involvement, the mill might never have resumed operations. Mayor Flynn termed the experience a "model for any future plant closings in Boston." The genesis of these public pronouncements is the subject of this case study.

Origins of the Hyde Park Paper Mill

The history of papermaking in Massachusetts begins with a tale of publicly granted privilege and private initiative. As the eighteenth century dawned in New England, Boston had become a hub for printing and bookbinding commerce in the colonies — trade that relied on a steady supply of paper imported from Europe. In an effort to reduce dependence on imports, lawmakers were instrumental in helping the infant paper industry take hold in the New World by granting exclusive contracts and production subsidies. The manufacture of paper was regarded as a basic public necessity, and government officials employed their powers to help underwrite development of the craft in these early industrial policies.[2]

The five partners in the publicly "encouraged" mill project of 1728 included Thomas Hancock, uncle of John Hancock, the Massachusetts governor and signer of the Declaration of Independence, and Benjamin Faneuil, father of Faneuil Hall developer Peter Faneuil. Henry Dering, the first superintendent of this mill, was the only member of the group who had any experience running a paper mill. Shortly after being awarded their production contract, the proprietors bought an ad in the *New England Weekly Journal* requesting citizens to "save or procure linen rags" for which they would pay cash. This was still many years before wood pulp would be used in the manufacturing process. Cotton fiber was the primary feedstock for these early mills, and recycling rags offered the most readily available supply. The men leased a mill building along the Neponset River in Dorchester and set about the business of papermaking.[3]

Ten years passed, but the quality of paper produced at the mill could still not rival that of the European imports, a deficiency the owners blamed on the lack of skilled paperworkers in the area. Ownership of the mill changed several times in subsequent years, and elected officials again had a hand in its future in 1764, when the Massachusetts legislature was petitioned for a £400 grant to repair the mill, which was granted.

In 1801, two "practical papermakers," Edmund Tileston and Mark Hollingsworth, established a mill on the Neponset River in Mattapan, the first of many mills the partners would own.[4] The site of the Tileston and Hollingsworth mill was not far from a spot in Dorchester where the town, with an interest in collecting taxes on the property, had granted land to a Milton papermaker to establish a mill in 1773.[5] The Tileston and Hollingsworth company leased this mill in 1806 and purchased the facility thirty years later. The mill was destroyed by fire in 1837 and the partners built a new facility adjacent to the old site and chose to remove their Mattapan operations to the location as well. This is the site of the Hyde Park mill on the Neponset River, its origination commonly traced to 1801.

The Tileston and Hollingsworth Hyde Park mill was noted for its fine plate paper, which the U.S. government once adopted as its standard, and for high-quality printing paper favored by the likes of *Scribner's Magazine.* Ownership of the Hyde Park mill passed from Edmund and Mark to their sons Edmund Jr. and Amor, to the sons of Edmund Jr. and Amor, and remained in the Tileston and Hollingsworth families until the mill was sold to the Diamond International Corporation in the 1950s.

The Best Little Paper Company in America

The James River Corporation was founded in 1969, when engineers Brenton Halsey and Robert Williams completed a leveraged paper mill buyout from their employer, the Ethyl Corporation. Over the next ten years the men developed the company by seeking bargain-basement deals on antiquated mills owned by larger corporations while carving for themselves a niche in the market for specialty papers.[6] In 1981 the company's sales exceeded $500 million, a figure that would surpass $1.5 billion by 1983. *Forbes* magazine named James River "the best little paper company in America" in January 1984, noting that for the previous five years the company had boasted a 26 percent average return on shareholders' equity.

James River acquired the Hyde Park mill on July 11, 1983, as part of a five-mill package purchased from Diamond International Corporation for approximately $160 million. In addition to the Hyde Park facility, the deal included plants manufacturing towel and tissue products, communication papers, a pulp mill, wood-chipping operations, and assorted pulp and paper inventories. In their fiscal year 1984 annual report, the company estimated that the Diamond acquisition would add $200 million to James River's annual sales base. Acquisitions such as this were part of a deliberate strategy to integrate James

River operations more fully by acquiring major pulp reserves and to diversify the company's product line.

In the fiscal year ending April 24, 1988, James River devoted considerable resources to international development with the purchase of four European entities. Such aggressive corporate expansion had transformed the company into a $5 billion multinational corporation, owner of 133 plants worldwide, the industry's second-largest paper manufacturer. But despite record-breaking sales, the company's profitability had begun to slip. James River's corporate growing pains were aggravated in the mid-eighties as the value of the dollar dropped and pulp prices rose. In a two-year period beginning in mid-1986, virgin pulp prices had increased more than 65 percent. For a nonintegrated paper company like James River — one that did not own 100 percent of its pulp supply — increases in the price of raw materials would cut into profits. Return on shareholders' equity in fiscal year 1988 dipped to 10.7 percent, a healthy return but well below the industry average of 18 percent.

In the United States the company continued to expand and moved to sell smaller "nonessential operations" — a category that included the Hyde Park mill in the early months of fiscal year 1988. Later that year James River acquired new assets in Michigan and Mississippi, and a groundwood directory business producing telephone book paper was sold in Washington for $75 million. At the close of fiscal 1988, James River reported that a "letter of intent," with an option to purchase, had been signed with a third party for the Hyde Park mill. After deducting losses incurred from the December 1987 Hyde Park shutdown from the sale of the Washington mill, officials estimated the transactions would yield a net favorable gain of approximately $.02 per share

Ironically, James River's Hyde Park venture first appeared to offer the Boston paperworkers a new beginning. In the months preceding the 1983 sale of the mill, paperworkers had begun to worry about the future of their jobs. Diamond International had recently been bought by the notorious British corporate raider Sir James Goldsmith, a man who had amassed a fortune selling such acquisitions piece by piece. The union assumed that the mill would be sold, possibly closed, and for eight or nine months morale had been "as low as it could go" in the plant.

James River Opens and Closes a Chapter

The sale of the Hyde Park mill to another paper manufacturer was a positive sign for the workers. But from the outset, James River's long-term plans for the mill were never completely understood. Union officials recall being told by company management that they "didn't want the mill" and were much more interested in the integrated mills (those with a virgin wood pulp supply on site or nearby) they had acquired in Maine in the Diamond deal. One of the first decisions James River managers made in Hyde Park was to shut down the de-inking facilities. In a prospectus of the mill made available to potential buyers when the plant came on the market three years later, James River attributed the decision "to the narrow cost of pulp and the cost of wastepaper" at the time.

De-inking and recycling had been standard procedure in the Hyde Park mill for decades. During periods when the price of virgin pulp was running high, the de-inking equipment ran at full capacity; as the price of pulp fell, de-inking use slacked off. The machines also allowed the plant to maximize its pulp feedstock. Any scraps, trimmings, or wastepaper generated in production could always be recycled.

Industry professionals estimate that only five or six paper mills in the United States are currently manufacturing recycled paper from de-inked wastepaper. The de-inking mill nearest to Hyde Park is in Miami, Ohio. Owing to the chemical processes involved and the necessity to treat wastewater, the cost of de-inking and recycling paper had previously been comparable with that of paper produced from virgin pulp. During the mid-eighties, however, the price of virgin materials steadily increased, de-inking technologies improved, and many state and federal officials became interested in recycled paper procurement. Recycling wastepaper was suddenly more economically viable than ever and offered a partial solution to the nation's garbage glut.

James River began operations in Hyde Park with a backlog of orders for heavyweight paper (index card stock) that had been placed with Diamond. Following the first six months of operation, the mill reportedly exceeded James River's profit targets more than threefold. The union contract came up for renewal after eight months of work under the new corporate owner. The Hyde Park mill had been a union shop since around the time of World War II, with workers represented by Local 121 of the United Paperworkers International Union. On July 1, 1984, James River secured a three-year contract with union paperworkers, who reported that in negotiation "everything went beautifully . . . there were no problems whatsoever."

Pay in the mill has historically been good. Production personnel typically work a three-week cycle known as a southern swing shift: seven days on the job followed by one day off, then seven days on with two days off, and finally, seven days on and four days off. Shifts alternate with each passing week between 8:00 A.M. and 4:00 P.M, 4:00 P.M. to midnight, and midnight to 8:00 A.M. Workers accept the tough schedule because weekend shifts bring premium pay or time and a half on Saturday and double time on Sunday. Shift work and premium pay afford paperworkers a decent living — annual pay for Hyde Park paperworkers averaged $33,000 in 1987. Still, paperworkers are quick to acknowledge that among the prices they pay for shift work are schedules that don't often match those of families and friends.

With only two medium-capacity fourdrinier papermaking machines on site, the mill is now considered small by industry standards. Daily production output when both machines are up and running has averaged 195 tons per day, with a combined annual production capacity in the range of sixty thousand tons. James River began varying the Hyde Park mill's product mix after the company met back orders for heavyweight paper. James River management moved the mill's product concentration away from the card stock that Diamond had been selling in favor of communication papers to meet the needs of commercial printers and book publishers in the New York and Boston areas.

Over the next three years the corporation invested considerable money on equipment in the plant, including the installation of a paper analysis computer that automatically measures the ash content, opacity, and weight of newly formed paper. But the largest piece of machinery to come into the plant, a complex $3.7 million project begun in the summer of 1987 and never fully operational, was a state-of-the-art computerized paper sheeting (cutting) system from West Germany. Paperworkers were excited about the potential of the new equipment, figuring it would boost their efficiency and allow the mill to bring in outside paper to convert during periods when their machines were down. James River had also been tidying up the exterior of the mill, planting shrubs and painting. Overall, the plant was in good repair.

Union officials knew that the paper industry had been reckoning with increased prices for pulp and energy supplies in recent years and that by 1987 their mill had not been profitable in many quarters. After a banner first year in fiscal 1984, James River had reportedly been posting consecutive losses at the mill. Production had dropped off at the plant by almost 25 percent in fiscal years 1985 and 1986, with a corresponding drop in sales of about 30 percent.[7] These figures accompanied James River's decision to pull out its Hyde Park sales force and centralize company operations out of state. But despite tough times, James River had not allowed the Hyde Park mill to deteriorate, and the presence of new equipment seemed to be proof that the company was committed to Hyde Park operations over the long haul. At the close of its fiscal year on April 26, 1987, there were signs that the mill was regaining its past form: production and sales totals were approaching those of fiscal 1984, although the new equipment expenditures would obviously cut into profits.

When James River's first union contract came up for renegotiation in July 1987, it was quickly apparent to workers that the future of the plant was uncertain. The company's proposal had eliminated the premium pay for Saturday and Sunday work. Union officials were never willing to budge on the issue of premium pay, and one spokesperson labeled the contract an attempt to "break the union."[8] Union guidelines called for a ten-day negotiation period with a provision to strike the day after it ended on July 17, 1987, if a contract was not signed. The union refused the James River "final offer" — with its cuts in weekend pay — and voted instead to walk off the job. The company vowed that if a work stoppage occurred, the mill would be shut down.[9] Contract negotiations had broken off, but on July 16 the union was offered, and accepted, a ninety-day contract identical to that of July 1, 1983. A strike was averted and the mill remained open — for the time being.

Following the aborted contract negotiations, James River began complaining publicly that the mill was a money loser and announced its intent to sell the plant in ninety days — by October 16 — or shut down. Despite efforts to shift production from "commodity paper grade to high return premium paper," according to a company spokesperson, "efforts were thwarted" by a tight market, cost increases for materials, and the fact that the mill was nonintegrated.[10] The company made clear that the proposed sale was not a contract negotiation tool and that it had every intention of leaving Hyde Park. Some two hundred workers, most of whom lived in Hyde Park, Dorchester, or Roxbury were on the job at the time. The mood on the shop floor was grim; a spokesperson for the union noted, "Morale is very, very low, particularly with the older workers . . . We've all been here a long time."[11]

While workers were faced with an uncertain future, James River's commitment to bringing in another paper manufacturer and leaving the community the way it was found — the oldest paper mill in the country up and running — appeared tenuous. A company spokesperson told a reporter, "We are actively looking for buyers and hoping that the interested company will be a manufacturing firm that can continue employment opportunities for the workers . . . It's up to the buyer and whatever deal they can make."

EDIC Becomes Involved

The nonprofit Economic Development and Industrial Corporation of Boston (EDIC), one of several quasi-public development agencies in the commonwealth, was established by the city in 1971 to help Boston manufacturers initiate or expand industrial operations. The agency offers a wide range of development services, including the power to act as banker — issuing industrial development bonds or matching firms with state or federal funding sources — broker, developer, and job trainer.

James River's ultimatum that it would close the plant in three months, whether or not a new owner was found, grabbed the attention of EDIC and a number of city officials. By the end of July, EDIC director Marilyn Swartz Lloyd convened a meeting with her staff, Hyde Park councillor Thomas Menino, resident manager of the Hyde Park mill James Matheson, and a James River controller. The fate of the mill's two hundred jobs was of immediate concern to city officials. Swartz Lloyd came to the meeting prepared to put James River in touch with professionals who could help with union negotiations, or to discuss financing options available to stabilize the company's Hyde Park operations. However, the company's decision had become a foregone conclusion: the corporation was pulling out of Hyde Park regardless of any change in union position. EDIC, learning that Kidder Peabody had been retained by James River to screen prospective buyers, contacted the company to request copies of any purchase proposals so that each could be evaluated on its own merit for retaining jobs.

Saving jobs in the Hyde Park community became the primary concern of many local officials. The city of Boston and local community had been stung by the recent $20 million sale of the Hyde Park Westinghouse plant, which left one hundred people out of work. In response to speculative real estate pressures to purchase industrial space and convert it to more lucrative uses, such as office space or condominiums, EDIC had been working for months to create an addition to the city's zoning code. The new classification, to be designated Light Manufacturing Zone (LMZ), was intended to protect existing manufacturing jobs and identify areas where "job-intensive light manufacturing operations" could develop or expand. LMZ zoning would prevent the sale of a manufacturing facility for conversion to nonmanufacturing uses. EDIC would be seeking approval for the new zoning category from the Boston Redevelopment Authority in the fall of 1987.

James River's decision to close the Hyde Park facility by October 16 left little time to secure the sale of the mill (this was still more than a year before federal plant-closing legislation mandating a six-month notice became law). In an effort to gauge the mill's viability, EDIC staff queried plant management, union representatives, local paper distributors, and commercial printers. Even though former customers expressed concern that the quality of James River products had been inconsistent in recent years, EDIC concluded that a solid management team could iron out such problems and that the local business community was supportive of the Hyde Park mill. Late in the month of August, EDIC's Swartz Lloyd wrote James River chief executive officer (CEO) Brenton Halsey to express concern that the October closing would force unrealistic consequences on mill employees and to request that the company keep the mill open until a new buyer was found.

On Monday, October 12, James River vice president of corporate planning Phillip Henns announced that the company would postpone the October 16 closing of the mill until mid-January. According to a James River spokesperson, it was "important to keep Hyde Park open to allow the continued transfer of paper grades to other mills in the area and to continue operating while trying to find another buyer."[12] Workers in the mill agreed to extend their original 1984 contract for a second three-month term. Henns also stated that the company was considering two proposals put forward to purchase the mill: one from the Massachusetts-based Cleer River Corporation, the other from the Conservatree Paper Company of California.[13] EDIC, in conjunction with Kidder Peabody, was working to finance a purchase with industrial revenue bonds and, according to Swartz Lloyd, "a local company tied to a local market, as opposed to a national market [had] a good chance to succeed."[14]

Both these early proposals were concerned with the same end — to continue making paper in Hyde Park — but each was radically different in means. Conservatree president Alan Davis first met with James River's Phillip Henns in October and later submitted a letter of intent to purchase the mill dated December 23, 1987. Davis's proposal was based on what he believed was the mill's unique asset — the on-site de-inking equipment necessary to produce recycled paper products. The other proposal was from Joseph Ardini, a former Hyde Park mill worker, president of Cleer River in Centerville, Massachusetts. Ardini's business plan reportedly stated his intent to run the plant as a "virgin" mill, making paper from wood pulp without the benefit of the de-inking facilities.

Ardini had worked for many years at the Hyde Park mill. At one time there were said to be four Ardini brothers working in the plant, dating back to the fifties when the mill was owned by Tileston and Hollingsworth. At the time he left in the mid-seventies, Joseph Ardini had worked his way up to mill manager. Union officers didn't see him again until 1987, although he had a reputation for having opened and subsequently closed two paper mills in the interim.[15] Then, in late 1987, reportedly backed in part by foreign investors, Ardini filed an application sponsored by EDIC for financing with the American Development Finance Corporation (ADF) to apply toward the purchase price of the mill. The Ardini application was pending approval in mid-December.

Because the James River Corporation was pulling out of Hyde Park on the basis of its assertion that the plant was not profitable as a virgin mill, it struck Conservatree owner Alan Davis as ironic that a former plant manager would come up with a proposal to buy the mill for precisely the same type of operation. At a meeting with EDIC officials attended by Rob Bauman, Mayor Flynn's environmental affairs adviser, Ardini claimed that the plant would succeed only as a virgin mill. Further, Ardini chastised "the environmentalists" in the room for their youthful naiveté and flatly dismissed the notion that recycling was economically viable in Hyde Park.

Bauman had given considerable thought to the economics of operating the mill and concluded that the de-inking equipment was the plant's most important asset. He was also working hard to sell EDIC on the concept of recycling while explaining the role the Hyde Park mill could play locally. But Bauman found it hard to argue with someone who had actually worked in the mill. The Ardini business plan had given development officials reason to believe that recycling wasn't viable in Hyde Park. For a time it appeared that the Ardini proposal would meet the requirements for ADF program financing and James River's asking price. Rumors swirling around the mill were that a sale was imminent. The company's finances, however, were not completely in order. After a Cleer River Corporation check was rumored to have been presented against insufficient funds, the company's proposal was withdrawn.[16]

Conservatree's plan to revitalize the mill's de-inking equipment and manufacture paper from recycled feedstock represented what some public officials believed to be the best environmental use of the mill: to manufacture paper from the city's wastepaper and simultaneously begin to address Boston's mounting solid waste disposal problems. Rob Bauman was the most articulate advocate to emerge from the early EDIC meetings and lobby for renewing recycling operations in the mill. Bauman had set up pilot recycling projects around the city, as well as in City Hall, and quickly understood that the mill could fill an important void in the local recycling puzzle. Bauman was aware that to secure recycling's long-term economic viability, new markets had to be developed to absorb the increasing supplies of paper, metal, and glass collected through developing municipal and commercial recycling programs.

Recycling planners are quick to concede that successful recycling ventures must be built with an economy of scale which ensures that collection strategies, processing centers, and markets are part of an integrated whole. Implementing a full-scale recycling operation at the Hyde Park mill would create steady demand for a large supply of locally generated wastepaper, a vital link in any local recycling program. Boston area real estate values combined with neighborhood concerns associated with new development make the siting of another paper mill within city limits unlikely. But without new industrial capacity to absorb recyclable feedstocks, Bauman's recycling initiatives could easily fail — a scenario with potential to cripple future recycling programs in the city.

The Conservatree Plan

Conservatree president Alan Davis first learned of the Hyde Park mill after union negotiations with James River had broken down, and he came to Boston to see the facility in September 1987. Davis founded Conservatree in 1977 after leaving his job as an attorney with an environmental foundation. In ten years his company had become the largest wholesale distributor of recycled printing and writing paper in the United States. With sales nearing $8 million in 1987, Conservatree had made the *Inc.* magazine list of fastest growing companies in three of the previous four years. Record sales growth was attributable in large part to Davis's efforts to stimulate market demand for recycled paper products, particularly in the public sector. The company was largely responsible for laws in California and Oregon that extend state procurement preferences for the purchase of recycled paper.[17]

Conservatree was also quick to tout the environmental benefits resulting from the manufacture of recycled paper. Having sold more than 36,000 tons of recycled products since its inception, Conservatree translated that volume of material into savings of more than 350,000 trees, 108,424 kilowatt-hours of electricity, 180 million gallons of water, 14,000 tons of waste diverted from landfills; a reduction in air pollution effluents of 746 tons; and $566,588 in taxes saved.

The Hyde Park mill presented an ideal opportunity for Davis to create a new company to manufacture the products Conservatree had been so successfully marketing. The heart of Davis's business plan was recycling: "The Hyde Park mill will be historically significant, both as the paper mill with the longest record of continuous operations in the U.S. and as the first mill to completely integrate the full cycle of the recycling concept, from waste supply to marketing programs." The primary components of the Conservatree plan for the Hyde Park mill included:

- Revitalizing the mill's de-inking equipment to allow the plant to process high-grade wastepaper bought from commercial brokers; and to later upgrade de-inking facilities to accept low-grade wastepaper with the understanding that this paper would be available in quantity from a proposed Boston materials recovery facility at low cost.

- Reducing energy costs associated with paper manufacturing by installing electrical cogeneration equipment capable of meeting the mill's energy needs and generating revenue by selling surplus electricity to Boston Edison.

- Restructuring management and streamlining production in an effort to maximize productivity; creating an employee stock ownership plan (ESOP) extending workers 30 percent plant ownership and representation on the executive board with veto power over investment decisions. The ESOP would be financed through employee payroll deductions approximating $5,000 per worker.

- Marketing activity directed at creating a niche for the mill's recycled paper (to be the only such producer of recycled printing and writing paper in the Northeast) drawn from an internal sales group and existing Conservatree distribution channels.

Davis knew that the Hyde Park plant had great potential as a recycled-paper mill and that it presented a formidable financial challenge. The Conservatree business plan was premised on the notion that the mill could be acquired before James River shut down operations. Once the plant was idle and boilers were turned off, pipes would begin to corrode. Davis estimated that rehabilitating equipment after a shutdown would add $1 million to start-up costs. Another important consideration for keeping the mill open had to do with labor. Once the mill was down for a prolonged period, any new owner would risk losing the old work force, and skilled paperworkers are a scarce commodity in the Boston labor market. Davis's operational priority was to get in the mill before it was mothballed, but should the mill have closed, he believed, James River must assume responsibility for absorbing start-up costs.

Davis made his pitch for the mill before an employees' meeting on November 21 and again at a union meeting on December 20, 1987. At those gatherings Davis illustrated his vision for the mill by explaining the ESOP while projecting that two hundred workers would be back on the job, that $2 million would be invested to revitalize the plant, and that a planned materials-recovery facility could supply 60 percent of the mill's furnish. The scope of the Conservatree plan initially caught union members by surprise, but they quickly warmed up to the proposal: "When Davis came on the scene, even though it sounded a little farfetched, we thought maybe he had something here . . . It would have been a fantastic deal for us in the long run."

Davis's initial offer to James River was rumored to be in the neighborhood of $5–$6 million, far short of James River's asking price of approximately $15 million. That figure was regarded by Davis to be oriented to the company's book value for the mill, rather than a fair market appraisal; at auction he estimated the mill would sell for $3.5–$4 million.

Alan Davis had won the support of Hyde Park paperworkers for his plan. The task before him was to try to convince James River to accept what he considered to be a fair offer. In effect, Davis was hoping to acquire the mill the same way Halsey and Williams had built the James River company. "Our job in the next few days," he wrote union members in January, "is to make it clear to James River that selling the Hyde Park mill to its employees and Conservatree has significance, and the potential to generate tremendous goodwill for James River, that far outweighs the dollars that keep us from reaching agreement. Moreover, their decision to walk away from the Hyde Park mill will have negative public relations consequences which makes that decision even more uneconomic." James River never formally responded to this first Conservatree offer and the bid subsequently expired.

Oldest U.S. Paper Mill Closed

On December 18, 1987, the James River Corporation appeared to have made its last roll of paper in Hyde Park. The company closed the plant for the holidays and later negotiated a three-week severance agreement with the union. Staff at EDIC who were monitoring James River's progress in selling the mill had begun to grow concerned that the company was not doing all it might to "solicit good prospective buyers." These concerns must certainly have been exacerbated after the mill was closed and workers were off the job.

In an effort to evaluate the mill's potential as a full-scale recycling operation, EDIC commissioned a study by Arthur D. Little, Inc. (ADL), the Cambridge consulting firm. EDIC also collaborated on an additional study contracted to the Industrial Cooperative Association (ICA) of Somerville. The ICA evaluated two options for worker ownership in the mill: the feasibility of a 100 percent worker buyout, and the Conservatree 30 percent joint ownership plan. The ICA study was paid for by the union's international office with additional funding from EDIC and the state's Industrial Services Program (ISP).

If Rob Bauman felt professionally vindicated when the Ardini proposal to acquire the mill collapsed, the ADL study confirmed his belief that revitalizing the mill's de-inking equipment and manufacturing high-grade recycled paper was economically viable: "The report showed that marketwise you could seize a really nice niche selling that paper and the mill was set up to do that . . . The de-inking was the critical link." Bauman commissioned a study of his own in early January that was performed by Anne Scheinberg, a recycling consultant, to critique the economics of the Conservatree business plan and its potential impact on the development of recycling in Boston. The report supported the Conservatree recycling plan in concept but raised questions regarding its implementation, including:

- the importance of continuity in technical management at the mill;
- the disposal of effluent and sludge generated by the de-inking equipment;
- the ability of the city or state to generate a reliable supply of wastepaper; and
- inadequate state procurement policies that could inhibit Conservatree's government marketing efforts in the commonwealth.

It was up to Conservatree to fine-tune the technical considerations of these concerns, while the state's participation was a matter of existing legislation and policies outlined in the Solid Waste Act of 1987.

The Role of Recycling in a Solid Waste Master Plan

In addition to a prolonged state fiscal imbroglio precipitated by falling tax revenues, an economic slowdown, and neglect, Massachusetts is reckoning with severe environmental problems, including hundreds of hazardous waste sites, the infamous Boston Harbor, and a solid waste disposal "crisis." Estimates peg the volume of trash generated in the commonwealth each year at 6.1 million tons. Of this, only 7 percent was recycled in 1988 — attributable largely to the bottle bill; 31 percent was burned in private incinerators and waste-to-energy facilities, and the remaining 62 percent was landfilled in and out of state. By the year 2000, the amount of municipal waste generated in the commonwealth is expected to top 7 million tons a year.[18]

In 1988, Massachusetts landfills could accommodate only 3.4 million tons of trash and nearly one million tons were trucked out of state. The prognosis for the immediate future is alarming: by 1996 most of the municipal landfills now in operation will be closed. To help make up the difference in lost disposal capacity, the state is looking toward incineration and recycling. Incineration capacity grew to 48 percent in 1990, with more likely to be added. The Department of Environmental Protection has estimated that even with a 10 percent reduction in waste, and with recycling and composting projected to absorb 34 percent of the waste stream in 1996, the state still faces an 8 percent landfill capacity shortfall in 1992, with the potential to rise to 12 percent by 2000. Such statistics point to the realization that there are no easy or cheap remedies for the disposal debacle now confronting the commonwealth.

In 1985 Governor Michael Dukakis and Secretary of Environmental Affairs James S. Hoyte issued a report entitled *A Solid Waste Plan for Massachusetts.* That study outlined a goal to adopt a "50-25-25" disposal scheme in the commonwealth by incinerating 50 percent of all solid waste, recycling 25 percent, and landfilling 25 percent. Proclaiming that "this is the year of the environment . . . this state's economy depends on a clean and healthy environment," Governor Dukakis signed the Solid Waste Act in December 1987. This legislation was intended to put some muscle into efforts to combat the disposal crisis by allocating funds to close leaking landfills, open safe landfills and incinerators, and by charging the Department of Environmental Quality Engineering (DEQE) with a mandate to draft an integrated solid waste master plan for the commonwealth. Toward that end, the $260 million package appropriated funding for immediate action that was to include development of five or six regional resource recovery facilities.

Given the pollution and storage concerns associated with town landfills and the astronomical costs associated with cleanup, municipalities will be hard pressed to cope with their disposal problems independently in the years ahead. The unique characteristic of the regional recycling program in the Solid Waste Act is that it charted a *regional* approach to solid waste disposal. The essence of the program was to redirect a portion of the solid waste stream back to materials production and thereby reduce the quantity of material to be disposed of. To implement this concept the state would construct a regional network of materials recovery facilities (MRFs). These could serve populations of up to 450,000, functioning as large-scale collection and sorting facilities for glass, metal, paper, and plastic. As outlined in the Solid Waste Act, MRFs represent a three-way partnership among participating communities, private contractors, and the state to forge a materials recovery infrastructure.

Six MRFs were planned in the first phase of the statewide program, with twelve plants projected to be operational by the end of the century.[19] Each facility would be designed to recycle up to 50,000 tons of materials per year. Operating at full capacity, six MRFs would process 300,000 tons of materials per year; twelve MRFs would handle 600,000 tons — approximately 10 percent of all waste generated in the state. The DEQE has since scaled back plans to build the MRFs. The first draft of the solid waste master plan (one of three requested by the legislature, to be accompanied by one year of review and public dialogue), released by the agency in December 1988, called for only three MRFs: in Springfield, Cambridge, and Boston.

The commonwealth's regional recycling plan has served as a model for other states and is being successfully duplicated in Connecticut and Rhode Island. But the implementation of the program in Massachusetts has been prone to criticism. The first materials recovery facility, slated for Springfield, was to be operational by the spring of 1988 but didn't come on line until January of 1990. A *Boston Globe* editorial of February 3, 1988, characterized the state's solid waste policies as "half-baked ideas, mixed signals, abrupt turns, missed opportunities and the failure to produce . . . Optimism about regional recycling centers (and the promise of one for the Springfield area by year's end) is merely talk in the absence of a marketing strategy for the products of these centers."

The Conservatree business plan called for reactivating the Hyde Park mill's de-inking equipment with the assumption that a state- or city-operated materials recovery facility would ensure a steady supply of wastepaper. Alan Davis expected that MRF-supplied wastepaper could be purchased for approximately $30 per ton, a price well below market value for high-grade "brokered" wastepaper (office and computer paper collected from cooperating businesses by private firms).

But with the state well behind schedule on the regional recycling program and no Boston MRF on the immediate horizon, Conservatree could not bank on any MRF-supplied wastepaper. However, the Scheinberg study concluded that the Hyde Park mill might well develop wastepaper supplies from the very businesses to which it hoped to market recycled papers — at a cost equal to or below the $30 per ton budgeted. Such a plan would effectively create a closed recycling loop between waste supplies, remanufacture, and a secured market, a concept symbolized in the three interlocking arrows that form the universal recycling logo. These three components are the essence of any viable recycling operation.

Local 121 Organizes to Save the Mill

In the beginning there hadn't been much talk of fighting the James River plant closing among its workers. Following the December 1987 shutdown and severance agreement, Hyde Park paperworkers were on their own (some participated in job retraining programs set up by the state's Industrial Services Program while others waited and hoped the mill would reopen). James River was also downplaying the idea that the mill would ever produce again. At the close of 1987 a company official told union members that the plant would never reopen and that it was in their best interest to drop any idea of a plant-closing protest and find new jobs.

Local 121's international representative had been in contact with international headquarters, as had Alan Davis. Top officials at the international subsequently made a decision to commit union resources to the Hyde Park local in an effort to secure the livelihood of the mill and its jobs. A veteran union organizer from New Bedford, Ron Carver, was enlisted to help the paperworkers develop a campaign to save the mill. With many years' experience as a union representative and planner of numerous plant-closing campaigns, Carver may be best known for orchestrating a multiyear effort to prevent a closing of New Bedford's Morse Tool Company in the early to middle eighties. The Morse Tool campaign proved that a union could successfully fight a parent company's claim that local operations were not viable and further demonstrated that a corporate parent could be held accountable for the future well-being of its plant.

There are many remarkable similarities between the Hyde Park paper mill and the Morse Tool plant. Each is more than a century old and had passed from generations of family ownership to large corporate interests in recent years. When profits lagged, management in both plants had asked their unions to concede to wholesale salary and benefit cuts. Failing to win major concessions, and perhaps inevitably, management at each facility warned of an imminent sale or plant closing, a pattern characteristic of the ongoing phenomenon of deindustrialization among America's aging industries. Given the uncertain future, state economic development assistance would be necessary in proposals to revitalize the Morse Tool Company and the Hyde Park mill.

As a result of his organizing the Morse Tool union, Ron Carver had consummate knowledge of the machinations of Massachusetts's economic development agencies. He came to Hyde Park in February 1988 and revived a theme that had been the lifeblood of the Morse Tool campaign: this was not an anonymous factory that was closing, but a vital resource — a "community institution" and bastion of "good jobs and good wages" for generations. As he had in New Bedford, Carver was preparing the Hyde Park union to fight the plant closing on a "moral, if not legal" foundation.

While Hyde Park union members had been in contact with city officials in the months prior to the mill closing, the local had begun to lose momentum. Some city and James River officials believed that the members had in fact resigned themselves to the closure and to James River's claim that the plant was not profitable. At his first meeting with members of the Hyde Park local, Carver outlined his "bottom line" belief that "unions and their communities should be highly skeptical of an owner's view that a plant is not viable." In New Bedford, he said, the union had proved that while many of their competitors were continually reinvesting in operations, their facility had been allowed to lag far behind and become outmoded. In Hyde Park, the union never understood James River's rationale for shutting down the de-inking equipment and in recent years felt that the company was using this mill as a training ground for rookie managers and executives. Viability, Carver told the union, is influenced by management decisions beyond the short-term scope of quarterly earnings and annual profits.

Carver was also concerned, as were many city officials, that James River was not doing everything within its power to come to terms with potential buyers for the mill. "What we had to do," Carver explained, "was raise the stakes so that it would be more advantageous for James River to get rid of it . . . Our campaign was based on the proposition that James River should cut the best deal they could and do it quickly while the plant remained viable and the workforce reasonably intact." The ultimate fate of the mill, Carver believed, could be influenced by the union but would depend on the members' willingness to work for it. The local's commitment early in the winter of 1988 appeared tentative. Following the first organizational meeting with Carver, the local's president and vice president never returned. (The president reportedly left the area and the vice president took another job.) Local leadership had to be totally rebuilt. John Connolly and Matie Shiel, each with more than seventeen years in the mill, were elected president and treasurer, respectively, and Joanne Gaines, with eight years' experience, was elected sergeant at arms.

At a State House reception on February 19, ten days before the Maine presidential caucus, Governor Michael Dukakis signed a proclamation presented by the Jay, Maine, local of the United Paperworkers International Union endorsing their "struggle for justice." The governor was introduced at the gathering by state secretary of labor Paul Eustace as "a friend of labor" and a presidential candidate with organized labor on his White House agenda. Members of the Hyde Park local were no doubt counting on the governor's support for their agenda to reopen the Hyde Park mill. Despite repeated attempts, including letters and telegrams of support sent from union leaders around the country, the Hyde Park paperworkers were never able to meet with the governor.

Conservatree Rallies Support

Conservatree was in the news again following a Hyde Park community meeting on February 29 to discuss the environmental concerns associated with the company's de-inking and recycling intentions. Former plant workers arrived at the packed meeting with green and white ribbons pinned to their chests. Alan Davis received enthusiastic support from workers and responded to concerns from neighbors regarding the plant's potential impact on the local community. A former plant engineer and de-inking expert, who had been hired as a technical consultant by Conservatree, explained Davis's plan to build a state-of-the-art effluent treatment plant to deal with wastewater. While Conservatree made clear its eagerness to implement its plans and welcome former workers back to the mill, city officials tempered the meeting with the realization that "there is no deal on the table, no purchase and sale agreement between the two companies."[20]

It was nearly three months since Conservatree's first bid to James River had been presented, and Davis's latest offer was reportedly in the range of $8 million. James River, meanwhile, dropped its asking price for the mill to $11 million, a figure some private-sector appraisers still felt was unrealistic, given the costs associated with restarting the facility.

Conservatree was looking to the state for a loan guarantee and for a commitment to help influence James River to sell. By this time, following many discussions with economic development staff and financial consultants, Conservatree had refined its Hyde Park business plan and reduced its state loan guarantee requirement to approximately $4.5 million. Davis had also identified private sources willing to finance upward of $15 million once the state guarantee was in place. Conservatree's total financial package was in excess of $20 million and included capital to overhaul and upgrade de-inking equipment in addition to money needed to build the cogeneration plant and offset start-up operating losses.

State economic development staff agreed that Conservatree's plans for worker ownership and the environmental benefits associated with recycling were commendable, but the package as a whole was considered financially risky and called for "extraordinary" state participation. Compared to similar proposals, such as that made by the Quincy Shipyard workers, some felt that "a disproportionate share of the risk" in the Conservatree business plan would be carried by the state and that "[Conservatree] needed to find ways to share the risk." Rebecca Callahan, a regional coordinator in the state's economic development office, estimated that the state would have been able to provide $1.5–$2 million in loan guarantees, but that was "stretching our authority as far as we could." One newspaper account quoted a state official as saying that the venture might be too large for a company of Conservatree's size ($8 million in sales the previous year).

Conservatree was also asking the state for political support to help leverage sale of the mill from James River. This request proved much more difficult to quantify than a loan guarantee, and many development officials clearly were not comfortable with the idea. More than one staff person acknowledged that it was not their job to pick winners and losers but to help arrange financing.

Conservatree believed, and the union concurred, that its plan was the best to be offered for the mill and that James River was obligated to the workers and community to sell to a buyer that would carry on the business of paper manufacturing while the plant was still operable. But James River appeared to be in no big hurry to cut a deal with Conservatree. Several people involved with the ongoing negotiations speculated privately that because of Davis's aggressive tactics, James River "wouldn't have sold to Conservatree in a hundred years."

It's also quite possible that James River was simply too preoccupied with business elsewhere to devote much attention to Hyde Park and the expedient sale of the mill. Throughout fiscal 1988 James River had been rapidly increasing its manufacturing presence in the

European marketplace: acquiring a 50 percent interest in a French paper company, forming a joint venture in Sweden, purchasing two mills in the United Kingdom and a small plant in Ireland. At the close of that year, just weeks before a lease for the mill was ultimately signed, the company's net income had jumped 23 percent and annual sales cracked $5 billion for the first time.

Appeals to Governor Dukakis

While work was under way to best craft the Conservatree business plan to meet requirements for a state loan guarantee, efforts to win political support and leverage a sale from James River intensified. On Thursday, March 3, Alan Davis elevated the public campaign to focus attention on the mill a notch when he delivered an "open letter" to Governor Dukakis's office requesting the governor's "personal intervention in a project which will have significant benefits to the economy, environment and people of Massachusetts." The letter read, in part:

> Without your leadership, Conservatree Paper Company's plan to reopen the Hyde Park mill and put over two hundred employees back to work transforming up to 20 percent of Boston's trash into printing paper will not reach fruition. Though considerable union, financial, technical and community support is already in place, the project has become bogged down due to a lack of leadership from state officials.
>
> If this project is to reach fruition, your immediate, direct assistance is vital to:
>
> 1. Help persuade the James River Corporation to sell the plant at a fair market price.
> 2. Obtain state loan guarantees necessary to leverage private financing.
> 3. Expeditious, but thorough, processing of our permit applications relating to a new cogeneration facility and authorizations to operate a paper mill.
> 4. A state procurement policy which establishes a preference for purchasing recycled paper. Massachusetts is twelve years behind California and eight years behind New York in establishing such procedures.
>
> State assistance to this project is crucial and warranted because it is the Commonwealth and its citizens who will reap the environmental and economic benefits. For five months, Conservatree has sought help from a variety of state agencies. As yet, we have received no tangible support. It is not clear who is in charge of helping launch a valuable project like this one, what resources are available to aid it, or even if there is a coherent state policy dealing with recycling.
>
> Governor, this is a perfect opportunity to demonstrate your leadership.

The letter was released at a Parker House press conference later that day. Speaking to the press, Davis estimated that "even though state loan guarantees should never be tapped, the state's commitment will produce a payoff of over four million dollars annually in avoided waste disposal costs." A spokesman for the union then announced plans to initiate a petition calling on James River to sell the mill. The laid-off paperworkers would soon be losing their extended unemployment benefits, and Davis was increasingly concerned that former employees would begin to scatter and seek jobs elsewhere.

On Saturday, March 5, a *Boston Globe* editorial charged that "the administration has done little to help the [Conservatree] plan become reality." The column singled out Dukakis economics adviser Alden Raine and urged the Dukakis administration to "encourage James River to sell the plant to a buyer that is best able to set up the recycling operation." The editorial concluded that "the key element is recycling."

While Davis had been working to line up a loan guarantee with the state, there were exploratory discussions among a few city officials regarding leverage the city could bring to bear on James River. One such option concerned the possibility of the city's taking the Hyde Park mill by eminent domain. Talk of such a procedure had previously come up in City Hall — most recently with regard to the Colonial meat-packing plant in South Boston (the city later chose not to pursue the Colonial plant on the advice of legal counsel, a decision some felt was reached with ideological rather than legal precedent).

A classic example of the use of eminent domain being threatened can be found in New Bedford. The Morse Tool Company's absentee corporate parent had indicated that the company would be forced to close the facility and sell to a buyer that might liquidate its assets. The mayor of New Bedford countered that the city was prepared in that case to take the plant by eminent domain and sell it to a buyer who was committed to manufacturing. The company subsequently chose to keep the plant operational while continuing to look for an appropriate buyer.

An eminent domain procedure would have allowed the city of Boston to exercise its bonding authority to raise capital for the purchase of the mill at a price determined to be of fair market value. The plant could then be leased to an operator and the city might provide additional support by stabilizing taxes on the property until the operation was viable. It was estimated that use of city bonds would pose little burden to taxpayers (approximately $100,000 a year), although development staff were divided on the issue. But as months dragged on and the plant remained closed, top city officials were reviewing plans to initiate an eminent domain purchase.

Don't Kill the Mill

Ron Carver was skeptical of the city's commitment to seize the mill by eminent domain. Politically, he figured, it was too sensitive an issue. However, Carver had come up with what he considered to be a reasonable (and politically much less delicate) alternative: rather than pursue eminent domain, city resources (specifically EDIC's) would be better spent shaping the Conservatree business plan. Carver proposed that EDIC again employ Arthur D. Little, this time to rework the Conservatree business plan with an eye toward easing or eliminating its dependence on state loan guarantees. The union, Carver stressed, did not want to work with a buyer that didn't promise financial stability.

Having seen buyers for the mill surface in past months only to fall by the wayside, union members felt that any business plan that came forward would need refining, that none would be perfect. Development officials at EDIC contended that any prospective owner serious about its bid should invest its own money in its own business plan. An investment of the nature Carver was proposing appeared to be without precedent at EDIC, and was probably never considered as a low-profile alternative to eminent domain. After all, most of the talk involving the use of eminent domain seemed to be coming from City Hall, not EDIC.

Despite this stalemate, support for the paperworkers emerged from some very unlikely sources. Following a profile of the Hyde Park closing on public television's Channel 2 news, the securities firm of Drexel Burnham Lambert contacted the union with an interest in helping finance the proposed Conservatree ESOP. Although Drexel is best known for its junk bond transactions, the firm also had a reputation for working to develop employee ownership deals, including the plan put together by the Quincy shipbuilders to reopen their shipyard. Drexel's involvement made the overall Conservatree proposal "more attractive" to development officials, but EDIC and Carver remained at odds over the issue of contracting a consulting group to refine the Conservatree business plan at the city's expense.

With the passing of the ides of March the union stepped up its Don't Kill the Mill campaign. Efforts to pressure James River to sell the mill to an owner that would continue manufacturing paper intensified. Ron Carver had charged that James River would prefer to sell the plant as a general industrial property rather than pass it along to another paper manufacturer that would ultimately be competing in the specialty papers marketplace with other James River mills. Avoiding competition with a future owner was a concern James River previously had raised with regard to the theoretical framework for a 100 percent employee buyout. The company had said it was willing to consider such an option only if the workers would agree not to produce text and cover paper, the company's leading products, for a five-year period. The rationale for such an agreement is enigmatic, given that the Hyde Park mill's manufacturing capacity represented only a tiny fraction of James River's total output.

On Tuesday, March 22, Senator William Keating submitted a resolution to the Massachusetts Senate urging James River to "reach a timely sale at fair market value with any potential buyer able to provide the mill workers and the city of Boston with such an employee-owned recycling mill at . . . the Hyde Park location." By the company's own account, James River didn't have any offers on the table at that time — a Conservatree bid could not be officially tendered until the state guarantee was in place, although James River certainly was aware of Conservatree's intent. Union officials were adamant that James River was stalling and insisted that the company was obligated to facilitate a sale: "The company has a social responsibility to treat the mill just like a community resource, just like water, just like air. They have to treat this community resource with respect and leave it just as they found it."

Less than one week later the Boston City Council passed a resolution urging the James River Corporation to negotiate with potential buyers and for EDIC and the state's Economic Development Office to assist any interested parties. City Councillor Rosaria Salerno went one step further and wrote James River CEO Brenton Halsey to "strongly support this Resolution and urge that James River negotiate the sale of the Hyde Park mill to Conservatree Paper Company." Salerno maintained that the mill had been on the market for some time, that Conservatree remained interested in the purchase, and that Conservatree was committed to the union as well as to recycling. The letter concluded, "I also believe the City of Boston should use the resources at its disposal to assist in the equitable sale of the mill to Conservatree. Thus I will continue to urge city officials and members of the City Council to become more involved in efforts to reopen the Hyde Park mill."

The union planned to launch a petition drive at a City Hall press conference on April 5 to build support for its campaign. At that press conference, flanked by a garbage truck with a banner that read "Don't Kill the Mill!" and "Save Good Clean Jobs," the union began collecting thousands of signatures. The petition was coordinated to call attention to the unresolved future of mill jobs and to promote the Conservatree plan as the best solution for saving jobs and recycling paper. The first signature on the petition was that of Mayor Raymond Flynn.

Union officials were naturally frustrated that not all public officials could be as forthright with their support for the union/Conservatree package as Councillor Salerno had been. Some of this frustration turned to anger when it was learned that during the rally a top state labor official had taken a city employee aside and suggested that it would be wise to exercise caution with union involvement. It was intimated that other potential buyers were looking at the mill and that Conservatree was not the only game in town. Why, union members wondered, would a high-ranking labor official fail to throw solid support behind what they regarded as their best option? The offhand remark was viewed contemptuously by the union as an attempt to "scuttle the whole damn thing."

In a news story covering the rally that evening, it was reported that James River had turned off the mill's boilers a week earlier. With the heating system down, the mill's plumbing was prone to corrosion, and future start-up costs would begin to mount. The union campaign pressed on with a new sense of urgency.

Communication Breakthrough

The days and weeks following the City Hall rally were again marked by intense activity on many fronts. State Representative Angelo Scaccia was instrumental in convening a meeting with union officials, Alan Davis, Alden Raine, and economic affairs secretary Joseph Alviani. At that meeting, Secretary Alviani appeared concerned and surprised that the state had been slow to respond and asked Raine to put together a task force to work on the Conservatree plan. Carver had earlier approached the Industrial Services Program for support, only to learn that ISP was juggling many projects at the time and couldn't dedicate a staff member to the project. But following the formation of Alviani's task force, one of the agency's leading staff members was assigned to the Hyde Park case.

The task force then met with Alan Davis to flesh out some of the "difficult assumptions" that were incorporated into Conservatree's bottom line. These included the availability of state-supplied wastepaper, bringing cogeneration facilities on line, and market conditions for paper.

In a follow-up letter to Alden Raine, Davis pointed out that the first two assumptions concerning wastepaper availability and cogeneration permitting were largely within state control. With regard to the paper market, Davis emphasized that "we are today in the best paper market in history, and prices are already 5 to 10 percent higher than they were at the beginning of the year. Nobody can predict what the market will be like in 1989 or 1990, but we do know that we are ahead of the game . . . I might be so bold as to suggest that there are few if any economic development projects that present such an opportunity: maintenance of industrial jobs; employee ownership; clean energy production; and a worldwide model for alleviating the solid waste problem. And all of this can likely be achieved at no cost to the taxpapers of Massachusetts."

In early May, Conservatree submitted its final offer.

Union Message Delivered in Virginia

After weeks spent gathering signatures in support of its effort, the union delivered its petition to James River: large advertisements were purchased in the two newspapers of the company's hometown, Richmond, Virginia, on May 3. The ads were crafted as an open letter to James River CEO Brenton Halsey and president Robert Williams, urging them to expedite the sale of the mill and leave the Hyde Park community the way they found it:

> Four years ago, James River Corporation bought the mill. This January you locked the doors. We realize that legally, as suits your business needs, you can close it, board it up, or tear it down.
>
> But the mill is an important economic resource for our community. And it's our friends, neighbors, and relatives who were put out of work. We know the victims; we see the social costs of plant closings — broken families, substance abuse, and despair.
>
> Sometimes these tragedies are inevitable. But in this case there is hope. By your own account, other companies have indicated that our mill could fit into their future. They have proposed reopening the mill to process recycled paper.
>
> Time is running out. Soon the equipment will deteriorate, the workers will disperse, potential buyers will withdraw, and we will be left with another boarded-up factory.
>
> James River Corporation's commitment to conservation is well known. We hope you will extend that commitment to the Hyde Park mill, and leave it as you found it, a viable functioning business.

The ads carried the names of many prominent city officials, including Mayor Flynn and City Councillors Menino and Salerno; labor leaders such as Arthur Osborn, president of the Massachusetts AFL-CIO, Joseph Joyce, president of the Greater Boston Labor Council, and Joanie Parker, president of the Boston Coalition of Labor Union Women. James Sullivan, president of the Boston Chamber of Commerce, and John Paraskevakos, president of the Hyde Park Board of Trade signed on, representing the business community. The list also included several environmental advocates, community activists, Robert Corrigan, chancellor, University of Massachusetts at Boston, cultural luminaries like Sarah Caldwell of the Opera Company of Boston, and basketball star Bill Walton. Aside from Representative Angelo Scaccia and Senator William Keating, however, state officials were conspicuously absent from the list.

In the event that the advertisements did not draw a response from James River, union officials began coordinating a bus convoy that would travel to Washington, D.C., to meet the New England congressional delegation, then journey on to rally in Richmond, on James River's doorstep. In this phase of the protest, workers planned to draw attention to their Hyde Park mill as a "monument to corporate arrogance."

As the external pressure on James River to deal with the Hyde Park mill reached a fever pitch, the multibillion-dollar corporation began to send new signals. Company officials contacted Alan Davis and asked him to submit another bid for the mill. Davis offered $8.5 million and was told "to expect a decision within 10 days to two weeks."[21] But at the moment it appeared that James River was moving to act on the Conservatree bid, it was learned that another proposal had come forward, from the Tennessee-based Nolichucky Industries Corporation.[22]

In substance, the two proposals were completely different. Under the Nolichucky plan the company would lease the mill with an option to purchase in the future. Nolichucky did not, however, plan to produce high-grade paper in the mill. Instead, the company proposed to manufacture corrugating medium or the rippled liner found between layers of cardboard. This material could be made from recycled fiber although it would not require use of the mill's de-inking equipment. According to one paperworker, you could sweep the streets, bring that material in, and make liner out of it. Nolichucky also did not extend a worker ownership offer to the union, although the company was said to be willing to work with the local. Union members would later claim that James River had "gone out and found Nolichucky."

State development officials reviewed the Nolichucky proposal and in a conversation with James River officials (one that was repeated with Alan Davis and union officials) indicated that both proposals were equally viable as far as the state was concerned. A statement such as this was in keeping with assertions by state development staff that they were in no position to choose or designate a buyer. Again, the union felt that their interests were being ignored.

Drexel Burnham Lambert staff who has been working with union officials to discuss the framework of their Conservatree ESOP were interested in discussing financing options with Alan Davis. Drexel had called a meeting with union and Conservatree representatives for Thursday evening, May 5, to work out an agreement on paper. Union members John Connolly, Joanne Gaines, and Matie Shiel stepped off the elevator at Drexel's downtown headquarters that night and were greeted with the news that James River had leased their mill to Nolichucky.

At a preliminary meeting the night before, Local 121's international representative had met with Nolichucky president Jim Montgomery. Montgomery had indicated that his company had no plans to recognize the union if it won the lease. When Ron Carver learned Thursday that Nolichucky had indeed signed the lease, he was outraged that state officials had not uncovered Nolichucky's anti-union posture. The Drexel meeting that was to have been another step toward clinching the Conservatree plan became instead a "strategy" session for dealing with the latest setback.

Earlier that day, Montgomery had bluntly stated that union workers would receive no preferential hiring consideration in the Nolichucky Hyde Park mill: "We are an equal opportunity employer; whether or not a union will eventually represent the workers will depend entirely on the workers. This is the way it is in the United States."[23] Predictably, those comments drew quick response. Mayor Flynn's spokesman, Neil Sullivan, said, "If this is how they're responding, then we're obviously off to a bad start." Ron Carver was more direct; "If Nolichucky thinks we will walk away from our jobs and union, they are sadly mistaken. We will stand and fight." Before the strategy session adjourned, union members agreed to rally at the Federal Street office of Nolichucky's Boston attorney, David Weinstein, the following day at noon.

On Friday, May 6, Alden Raine and Paul Eustace wrote Robert Williams, president of James River Corporation, to voice concern over Nolichucky's intentions and to update the company on their progress with Conservatree.

> Throughout our discussions we have emphasized two important public policy concerns: that the new operator be committed to restoring union jobs, and that the mill be used for recycling . . . .
>
> We have been actively negotiating an offer of state financial assistance to the Conservatree Company in its proposal to buy the mill. As of this week, those negotiations appeared to have borne fruit. One reason for our strong interest in Conservatree is their clear commitment to work with the paperworkers' union.
>
> The Hyde Park facility has been a union mill for decades, and should continue to be one. Since James River will continue to own the property, we need and expect your help in resolving this matter.
>
> We are urging Nolichucky to work closely and cooperatively with the union in reopening the mill, and to welcome its operation as a union shop. If Nolichucky is unable to make such a commitment, we would strongly urge you to resume negotiations with Conservatree.

For Conservatree, this affirmation of financial support from the economic development office came too late. Commenting on the unsuccessful Conservatree proposal to a *Boston Herald* reporter, Alden Raine said, "I was disappointed. I had been expressing to James River that our discussions with Conservatree about state assistance were down to the short strokes." Another top state industrial development official was more optimistic about Nolichucky's prospects and told a union representative that Nolichucky personnel had been running other manufacturing plants and knew what they were doing: "You know in your gut when you're working with good capable people," the official concluded, implying that the "gut feeling" hadn't been there for Conservatree. Nolichucky's business plan didn't call for any state financial support.

The following Monday the City Council had scheduled a hearing, ostensibly to deal with the environmental impact of solid waste disposal. Actually, the meeting had been booked in advance to provide a forum for more discussion on the Hyde Park mill, long before anyone imagined what was to transpire. With representatives from Nolichucky in attendance, including David Weinstein, along with union members, the hearing turned into a contest among councillors to defend the union. Remarks made by Hyde Park councillor Menino directed to Weinstein characterized the prevailing mood: "If you think you're going to come into my neighborhood with 500 trucks and not rehire the good people who worked there, and you're going to get city and state permits, you're dead wrong."[24] The City Council then passed an ordinance prohibiting the city from buying any Hyde Park paper products until Nolichuky agreed to "respect, recognize and negotiate" with the union.

In an effort to salvage its by now badly tarnished image, Nolichucky brought lawyer Dennis Kearney on board. A former Middlesex County sheriff and longtime political player, Kearney was quick to strike a nonconfrontational, conciliatory tone. Less than one week later, Kearney announced that Nolichucky would meet with union officials to try to work out a hiring plan.

Union officials insisted that these meetings take place in City Hall rather than at the State House. As far as the union was concerned, the terms of its contract were open for negotiation but not the issue of whether or not there would be a union. Kearney maintained, however, that there would have to be an election after the plant reopened to vote on union representation. Even though Eustace recommended that the union accept this offer, union members were adamant in their refusal to yield recognition. In final negotiations, the terms of which were worked out in the secretary of labor's State House office, the union retained its recognition, with the specifics of its contract to be decided later. Nolichucky had set a target date of July 1 to bring the Hyde Park mill back into production.

Throughout the summer of 1988, meetings between the union and Nolichucky officials were an on-again, off-again affair. By early fall, rumors had begun to circulate that Nolichucky Industries was in serious financial trouble. Union officials telephoned a Nolichucky plant in Kalamazoo, Michigan, and learned that the facility had been operational for only two weeks and had not reached maximum capacity. They also found that another Nolichucky venture, in Puerto Rico, had yet to open and began to reason that Hyde Park delays were attributable to company problems elsewhere. On September 27, the *Boston Globe* reported that Nolichucky was four payments behind on an $850,000 loan from Michigan's economic development office and that its Kalamazoo mill was closed. The fate of the Hyde Park paper mill was again uncertain.

The Hyde Park mill had now been closed for almost ten months. Reflecting on all the organizing, negotiating, and opportunities that had come to pass, one veteran papermaker summed up the experience as "an emotional roller coaster." Many paperworkers had already taken other jobs, and some in the membership had grown cynical about the mill's ever reopening. Union leadership remained optimistic that the mill would produce again and were confident of their local's ability to manufacture a quality product. "Still, there were times when one couldn't help but doubt."

No Massachusetts Miracle for Conservatree

In a letter to "Friends of the Hyde Park mill" in October, Alan Davis noted that it had been one year since Conservatree had initiated discussions with James River concerning the purchase of the plant. Conservatree's vision of a model employee partnership and recycling mill prototype had begun to fade, but the October update indicated that the company wasn't ruling anything out.

> No one can reliably predict what will happen next. For the record, if the Nolichucky deal falls through, Conservatree remains interested in purchasing the mill under the terms of our last proposal. Under these conditions, we believe our plan would be the only viable strategy for reopening Hyde Park.
>
> Perhaps Nolichucky will arrange new financing or sell its lease to other investors who have enough money to put the project back on track. It's equally possible that the mill will remain closed, a monument to corporate arrogance and the lack of environmental leadership in Massachusetts state government.

Conservatree had strong opinions regarding its failed proposal, and criticism was leveled squarely at the Dukakis administration. An October newsletter published by the company concluded the following:

> Governor Dukakis' Office of Economic Affairs, the linchpin in the financial contract, stonewalled discussions on the proposal, finally dismissing it as too big a public investment. Seeing no demonstrated support from the Governor's office, James River eventually leased the mill to another company which had planned to operate the plant non-union and without de-inking. Months later, with the lessee facing severe financial difficulties from its two prior mill acquisitions, Hyde Park remains closed, its workers still unemployed.

The same newsletter noted that Conservatree was presented an Outstanding Industry Award by the National Recycling Coalition at its fall 1988 Seventh Annual National Recycling Congress.

Hyde Park Paper Inc.

Before the year was out the embattled Nolichucky Industries reportedly sold its interest in the Hyde Park mill to David Weinstein, the attorney who had first represented the company in Boston, and Robert Macy, a man described in subsequent news reports as a Cape Cod developer. Weinstein and Macy formed a new company they named Hyde Park Paper Inc. and planned to have the mill back on line by March 1989. Profiles of the partners included in the company's press packet indicated that neither man had any previous experience running a paper mill or working in the paper industry. The two have had several other business dealings together, including a partnership in another company, Boston Industries Group Inc., of which Weinstein was chief executive office and Macy president.

David Weinstein also retained his position as counsel to the Boston law firm of Perkins, Smith, Arata and Howard. His legal experience, as described in Hyde Park company literature, included corporate and commercial law with "particular emphasis on the design of financial structures in complex commercial and residential real estate transactions." Robert Macy was said to be active in real estate and business development.

In a February 3 *Boston Globe* report announcing the reopening of the mill, Weinstein sounded willing to leave his Nolichucky Hyde Park experience behind: "We're going to run a kinder, gentler paper company." A few days earlier the partners had negotiated a new contract with the union that eliminated two holidays and required members to pay for 20 percent of their health insurance but retained premium pay for Saturday and Sunday work.

Union members heartily endorsed the new owners' claim that "there are things that a small entrepreneurial company can do that a major corporation can't do." During contract ratification meetings, union treasurer Matie Shiel stood before the new owners and explained that the union could not tolerate the same corporate mentality that had prevailed under James River; it was equally clear to union leadership that the attitude some union members had adopted under James River would likewise undermine the success of their new venture.

The new partners planned to create a market niche for recycled paper manufactured at the Hyde Park mill but conceded that their options remained open. Financing for the plan had come entirely from private sources. In an interview on April 12, 1989, the first day the mill had been running steadily since the shutdown, Hyde Park president David Weinstein acknowledged that one of its objectives was to manufacture a product that was at least 70 percent recycled (recycled pulp is commonly mixed with virgin material to give the final product consistency). On this day the mill was producing rolls of paper that were 84 percent recycled and the president was clearly elated. The furnish for this paper was primarily "mill broke" or second-quality paper from other mills that is commonly reused in-house or sold. A feedstock of this sort is expensive but not as costly as virgin pulp. Hyde Park Paper's newly made paper was technically recycled but was not yet being made from wastepaper that had been de-inked and was not "post-consumer" (otherwise destined for disposal) in origin. One of two paper machines was back on line with a daily production output of 123 tons and approximately one hundred workers were back on the job. Weinstein estimated that more workers would be added as the mill stepped up capacity.

Business was brisk for the upstart Hyde Park mill. Weinstein was aggressively courting retail interest from leading office-supply stores, and the company had won bids to furnish recycled paper to the Cape Cod public schools and the state of New Jersey, and would be dealing paper to the Commonwealth of Massachusetts under the state's newly beefed-up procurement legislation. In yet another interesting twist in the rebirth of the Hyde Park mill, Conservatree won recycled paper bids in several states and planned to honor its new contracts with Hyde Park Paper, including some that was to be shipped across the country to California.

For the time being, the owners were "appreciative of the state's interest in recycling" and had not ruled out the possibility of seeking public financing at a later date. Enthusiasm for the reopening was shared by workers, management, and the Hyde Park community. On the morning the plant came back on line, a paperworker stopped at a local coffee shop and ordered seven dozen doughnuts for the crew at the mill. The waitress wondered out loud where such a large order was headed, so the worker explained that they were for employees who had been working around the clock to restart the "old Diamond mill." Customers gathered around the counter broke into a round of applause.

Epilogue

Even though Hyde Park Paper Inc. had won contracts worth $800,000 with the U.S. Government Printing Office, $2.5 million in California, and was reportedly generating $500,000 in weekly revenues, the mill was shut down in June of 1989, just three months after its reopening. Mill executives first explained the closing as a temporary two-week setback resulting from a short supply of operating capital. But as the summer months passed, the mill sat idle while management remained "cautiously optimistic" that additional money could be acquired to help ease the plant over this one-time hurdle.

On October 17, 1989, the *Boston Globe* reported that Hyde Park Paper owners David Weinstein and Robert Macy had filed an eight-count lender-liability suit against the Boston Trade Bank, the three-year-old institution that is said to have invested $3 million in the mill venture. The $25 million suit alleged that the bank "precipitously and wrongfully," with "deceit" and "misrepresentation," cut off funding to the mill in June: "Seven months after the bank asked Weinstein and Macy to start Hyde Park Paper, promising sufficient financing to support the company, and 12 weeks after the start of mill operations, the bank unilaterally ceased to provide any additional money and put 115 people out of work." The company's claim seeks to prevent the bank from liquidating the mill's physical assets to recoup its investment and would award $75 million in damages — triple the mill's projected annual profit.

Relations between Weinstein, Macy, and Boston Trade Bank president Daniel Ciotti were irreparably damaged. The papermaking venture begun by Hyde Park Paper Inc., celebrated as a "model" for future plant closings at its April opening, was finished.

The James River Corporation was again trying to sell the mill. Months later company officials reported that a few prospective buyers had inspected the plant, but no sale appeared imminent. One state environmental official reported that no buyers seeking public funding had surfaced. The plant remained in good repair, the boilers were on, but the papermaking machines sat idle. For the Hyde Park paperwokers who had quit jobs to rejoin the mill the previous spring, the situation was grim. Many were not eligible for unemployment benefits following the June shutdown. According to union treasurer Matie Shiel, "People are hurting . . . I have 85 percent given up, and I would imagine that other people have too . . . I can't see them taking the same chance again."

All the while, city and state officials had made little headway with new recycling initiatives and appeared to be at odds over future direction. In the fall of 1989 an official of the city of Boston's Public Works Department charged that promises of state financial assistance have not been made good while acknowledging that the city is proceeding "cautiously" with plans to expand a pilot curbside recycling program and add monthly drop-off centers in two neighborhoods. The state countered that substantial financial assistance had been offered but that the city had yet to "come back with a response." Meanwhile, in its latest draft of a state solid waste master plan, the Department of Environmental Protection (formerly the DEQE) called for recycling 46 percent of the Bay State's garbage by the year 2000.

Another Chapter

On Wednesday, August 15, 1990, more than one year after Hyde Park Paper Inc. dissolved, it was announced that the mill had been sold for $7 million to an investor group headed by the Tembec Paper Company of Canada. At a press conference in the mill the following day, state and local officials gathered to welcome the Patriot Paper Corporation, as the latest owners are known, to Hyde Park. Governor Dukakis was on hand to salute Patriot Paper's plan to restart de-inking operations, acknowledging that such a mill "helps solve a very, very serious environmental problem." Speaking to the region's fiscal woes, Mayor Flynn pointed to the mill's reopening as a signal that the city is holding its own: "We're getting a lot of things done, even in a period of economic uncertainty." For many of the papermakers who had rejoined the mill for three months in 1989 and endured the latest fourteen-month shutdown, the jobs they left behind would be available immediately.

Patriot Paper's business plan calls for a multiyear, $54 million mill retrofit to install state-of-the-art pulping, de-inking, and wastewater treatment equipment. The investment is being financed in part through the sale of $37.5 million in tax-exempt bonds secured by the Boston Industrial Development Financing Authority. Patriot Paper president Mark Baisch brought the plant back on line September 4, 1990, with one machine operating, and resumed full production in January 1991. With a background in recycled boxboard papermaking, Baisch was quickly able to resume production in Hyde Park by relying solely on several grades of wastepaper blended in a custom feedstock that required constant monitoring and manipulation.

By November 1990, Patriot Paper was manufacturing paper that was 100 percent recycled, approximately 10 percent of which was post-consumer in origin. It appeared that the corporation's ties to a Canadian paper company were particularly helpful with regard to sourcing wastepaper. Much of the feedstock the mill was pulping in November came from a company that had misprinted or otherwise voided a particular job using paper made from Tembec pulp. When purchasing this feedstock, Patriot Paper officials knew exactly what type of paper they were buying. Such a strategy eliminated some of the guesswork involved in buying wastepaper, as there are dozens of grades of paper and various levels of contamination associated with paper recycling. For the plant to routinely accept commercially generated, post-consumer wastepaper, the product will need to be of consistent grade with a minimum of contaminants (such as the plastic windows sometimes used in envelopes, sticky labels, and so forth).

Baisch projects that the post-consumer content of Patriot's paper could eventually exceed 50 percent. By late 1991, with the new de-inking facility complete and employing a combination of flotation and washing technology, the owners believe that the Hyde Park facility will be the most advanced recycling mill in the United States. In the meantime, Hyde Park paperworkers are expertly utilizing existing equipment to perform a combination of chemical de-inking and pulp washing to prepare their feedstock. The new flotation de-inking technology to be incorporated in production will use clay to help separate ink from paper. Many glossy paper stocks, often used in magazines, are typically clay coated, and the city's recycling efforts stand to benefit from new demand for old magazines when the flotation equipment comes on line. The leftover clay sludge from the de-inking process may also play a role in the region's waste management practices, as it is potentially useful as a capping material to seal landfills once they reach capacity.

The Patriot Paper venture in Hyde Park holds new promise for the mill's employees as well. The mill continues to operate as a union shop, and the paperworkers have been extended a 10 percent employee stock ownership plan in addition to a profit-sharing program based on the mill's operating profit, to be distributed on an equal basis as a percentage of hours worked. With the supply of post-consumer wastepaper collected in recycling programs across the country continually expanding and unprecedented consumer interest in recycled products in the marketplace, demand for recycled paper has never been greater. Walking through the mill one evening in November, while bales of wastepaper were steadily conveyed to a watery bath and beaters churned away, a gaping hole in the plant floor waited in anticipation of new equipment, and a ribbon of paper some ten feet wide wound its way continuously through a paper machine gathering finally in huge rolls, this observer saw evidence that a new era of papermaking in Hyde Park was under way.

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Notes

1. The advent of the fourdrinier machine in the mid-nineteenth century "revolutionized" the art of papermaking from a single-sheet process to that of continuous rolls; Herman Melville once described the machine as a "miracle of inscrutable intricacy."
2. Dard Hunter, *Papermaking in Pioneer America* (Philadelphia: University of Pennsylvania Press, 1952), 8.
3. Originally part of Dorchester, Dedham, and Milton, Hyde Park became a town in 1868; in 1912 it was the last district to become annexed to the city of Boston.
4. *The Fairmont Bulletin,* circa 1930.
5. Prior to the Dorchester land grant to Clarke, the site had been home to a sawmill established with like privileges in 1684.
6. "We make dozens of mistakes, but they're all little," *Forbes,* November 28, 1988, 186–187.
7. "James River Corporation Closing Postponed," *Hyde Park Tribune,* October 15, 1987, 1.
8. "James River Corp. to Close Hyde Park Plant," *Hyde Park Tribune,* July 30, 1987, 1.
9. *Boston Herald,* July 25, 1987.
10. Ibid.
11. *Hyde Park Tribune,* July 30, 1987, 1.
12. Ibid., October 15, 1987.
13. "Paper Workers Reprieved from Scheduled Layoffs," *Boston Herald,* October 13, 1987.
14. Ibid.
15. In another of several strange coincidences in this case, Ardini told a union member that he had sold a Kalamazoo, Michigan, plant to Nolichucky Industries, a company that later evinced an interest in Hyde Park.
16. A development referred to by many who were close to the proceedings.
17. "Paper Firm Seeks Profit, Conservation," *Sacramento Bee,* May 4, 1987, 1.
18. Massachusetts Division of Solid Waste Management, *Solid Waste Fact Sheet,* 1988.
19. Ibid.

20. "A Couple of Million Separates James River–Conservatree Sale," *Hyde Park Tribune,* March 3, 1988, 1.

21. "Decision Sought on Mill Sale," *Boston Globe,* May 4, 1988.

22. Ibid.

23. "Tenn. Firm Leases Mill, Plans to Hire Own Workers," *Boston Globe,* May 6, 1988.

24. "Jobs to Ex-Mill Workers?" *Boston Globe,* May 13, 1988.

Sources

Interviews with the following people yielded information for this article.

Mark Baisch, president, Patriot Paper Corporation (November 27, 1990)

Rob Bauman, environmental policy adviser to Mayor Raymond Flynn (April 14, 1989)

Rebecca Callahan, regional coordinator, Massachusetts Office of Economic Development (March 28, 1989)

Ron Carver, president, Outreach (April 26, 1989)

John Connolly, Joanne Gaines, Matie Shiel, members of Hyde Park mill union leadership team (April 20, 1989)

Alan Davis, president, Conservatree Paper Company (April 8, 1989)

Ralph Earle, Department of Environmental Quality Engineering program developer (April 4, 1989)

Amy Goldsmith, Clean Water Action Project; Amy Perry, MASSPIRG (April 20, 1989)

Paul Horn, Economic Development and Industrial Corporation special projects director (April 15, 1989)

Bob Schaeffer, Public Policy Communications, consultant to Conservatree (April 5, 1989)

David Weinstein, president, Hyde Park Paper Inc. (April 12, 1989)