

Chapter 15 : Hang Down Your Head John Campbell

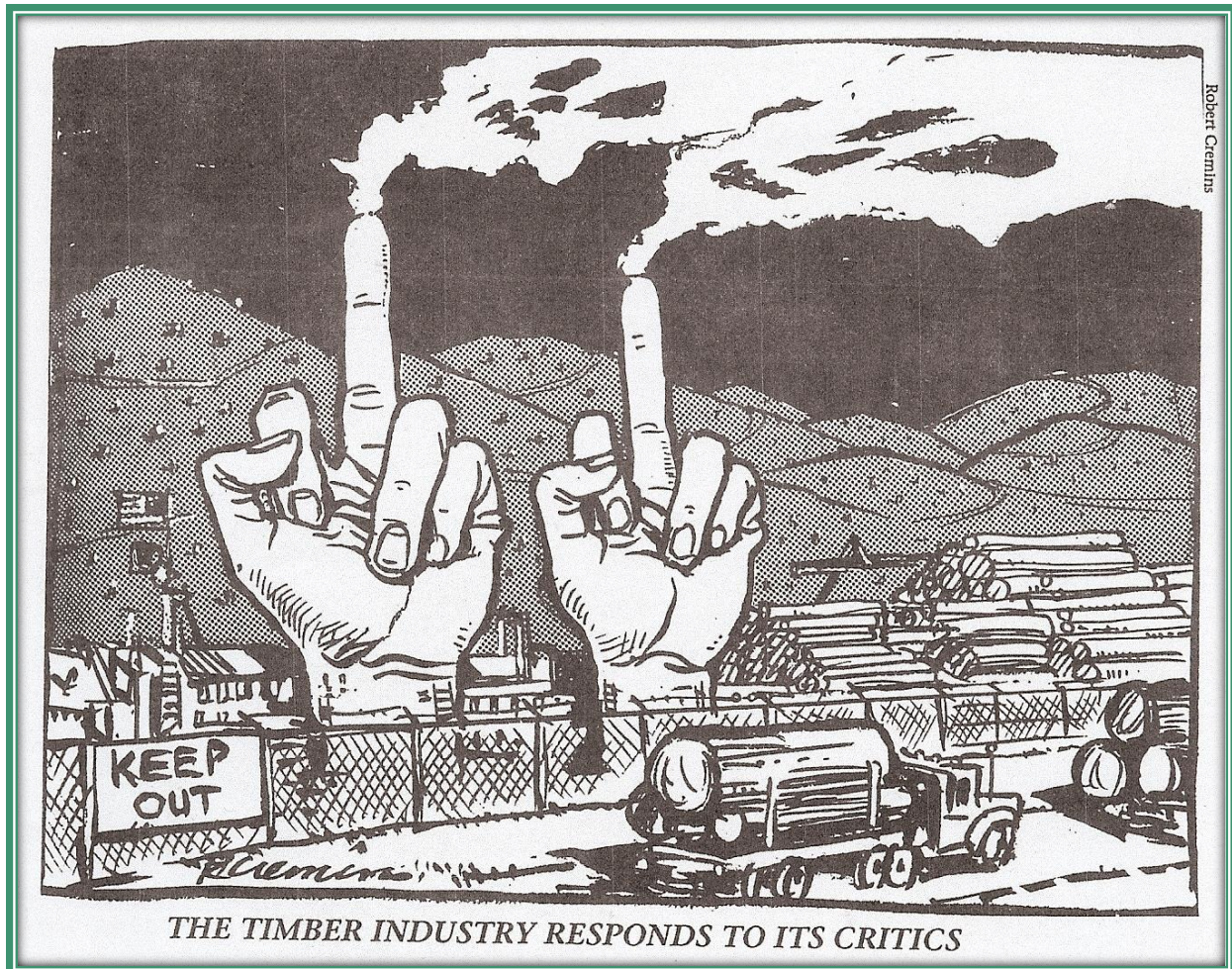


Image by Robert Cremins

*You came from Australia, You married one of the Murphys,
They owned Pacific Lumber, And all of the redwood trees...
As soon as you hit the big time, You made good your life,
You didn't need the Murphys, So you divorced your wife.*

—lyrics excerpted from *Hang Down Your Head John Campbell*, by Darryl Cherney, 1990.¹

¹ Harris, David, *The Last Stand*, New York, NY, Times Books, Random House, 1995, page 350.

While the G-P and L-P mill workers faced uncertain futures in Mendocino County, Charles Hurwitz was having his way in Humboldt County. Indeed, the first third of 1989 did not go well for the adversaries of Maxxam. For his services in helping facilitate the takeover and convincing the Texas raider to boost lumber production to help service the takeover debt, Hurwitz promoted John Campbell to the role of Pacific Lumber president, effective January 1, 1989, replacing the retiring William Leone. Campbell would remain in Scotia, thus making it the first time in almost 15 years that the P-L president would have his office in the capitol of its lumber operations. Executive vice president for sales and marketing at the company's Mill Valley site and Hurwitz supporter Thomas B Malarkey was promoted to company vice chairman. Both Campbell and Malarkey were elected to the board of directors. The moves signified Hurwitz's determination to retain his hold over Humboldt County.² It no doubt appealed to Hurwitz that under Campbell's watch, P-L's operating income had increased to approximately \$54 million in 1988.³ Hurwitz himself had made a hefty sum that year, earning over \$3.95 million—up from \$723,150 the year before—and the total didn't even include an additional \$668,345 he received when he terminated P-L's bonus plan or the \$309,375 worth of stock he received on top of everything else.⁴

At least there was some semblance of independent thought in Humboldt County. TEAM co-founder Gary Gundlach had, on February 7, approached the Rio Dell City Council at its meeting on that night at the invitation of the town's mayor, Patricia Moranda. Gundlach gave a presentation on his organization's work so far (serving as a front group for Corporate Timber, particularly Maxxam), regurgitated the standard talking points about “unwashed-out-of-town- jobless-hippies-on-drugs” fifth columnists, and outlined TEAM's plans to expand their propaganda and phony “grassroots” campaign to target audiences in the San Francisco Bay Area and Los Angeles. Gundlach evidently expected universal approval and was shocked to discover that he didn't get it. Although Rio Dell was anything but sympathetic to Earth First!, councilman Wayne Mayhall repudiated Gundlach and TEAM, declaring that Rio Dell was not

a member of it, that he objected to sentences in one of TEAM's form letters suggesting otherwise, that the timber tax revenue received by Rio Dell was negligible, and that as a governing body, the it was not the town's council's place to express opinions on such matters. Mayhall concluded by recommending that the council note the presentation and take no action, which is how the matter ended.⁵

It may well have been the ESOP campaign that had created the political room for Mayhall to speak out, but the campaign was beginning to falter. Back in December of 1988, just before the Christmas holiday, Shannon and a group of ESOP supporters had appeared unannounced at the monthly Humboldt County Board of Supervisors meeting to request a formal hearing on the matter of P-L's overcutting, warning them if left unchecked, Maxxam would cut it all down and by extension eliminate all of the timber workers' jobs. The board responded by asking the ESOP committee to request in writing that the matter be placed on the agenda of their January meeting, which was done. Unbeknownst to the P-L employees, Shannon wrote a letter to Hurwitz requesting that the two meet to discuss a mutually beneficial arrangement. He declared:

“There have been grave misunderstandings regarding our proposal to purchase Pacific Lumber. (P-L) has responded emotionally and lacks the perspective to analyze the overall social, political, and economic ramifications of an ESOP buyout. Let us not be enemies. Our ESOP proposal benefits everyone concerned, including Maxxam and yourself by perhaps the greatest measure of all—economic profitability.”⁶

This would prove to be a tactical mistake. Hurwitz did not respond directly to Shannon, but the latter would soon get an answer.

On January 10, Lester Reynolds, Patrick Shannon, Jim Steeves, and at least two other organizers appeared before the Humboldt County Board of Supervisors requesting hearings on Pacific Lumber's recent practices under the new regime, hoping to prove that the accelerated timber harvests would ultimately doom the local environment and economy. Steeves, a thirty year P-L employee who was concerned about his son and son-in-law who were also

² “Campbell Garners PL's Top Position”, *Eureka Times-Standard*, January 7, 1989.

³ “Old Growth: Technical Knockout”, by Andy Alm, *EcoNews*, May 1989.

⁴ “Maxxam and Junk Bonds; Hurwitz Makes Millions”, *EcoNews*, June 1989.

⁵ “Council Informed of Harvest Delays”, by Marialyce Pedersen, *Humboldt Beacon and Fortuna Advance*, February 10, 1989.

⁶ “Harris, op. cit., pages 265-66.

both employees declared, “I’m hoping they have their jobs until they can retire.” Reynolds’s added, “We as the labor force of Pacific Lumber and Humboldt County are caught in the middle between the corporate raider who wants to cut all the trees down for the big bucks and the environmentalists who want to save all the trees.”⁷

The ESOP committee was hopelessly outnumbered, however. Three representatives of P-L’s subcontractors spoke out against the request for an investigation of P-L. An official of one of them, Joe Costa Trucking, argued that such a hearing might discourage other businesses from relocating to Humboldt County—though in all likelihood the company’s actual motivation was to retain accelerated harvesting rates which benefitted the piece-work oriented gypsos. The majority of the board, including Harold Pritchard and Anna Sparks expressed “sympathy” for the workers, but all declared that the board was not the proper place for such a discussion. Only Wesley Chesbro sounded a dissenting note arguing that P-L’s current practices were dividing the community. The fifth supervisor, Bonnie Neeley, was not present. Patrick Shannon protested the Supervisors’ refusal arguing, “You have a responsibility to watch the tax base and job base for planning our future,” but the board was unmoved.⁸

Anna Sparks then made it quite clear that the majority was unapologetically in league with Hurwitz. The supervisor, who was in her second term, claimed to be an environmentalist, and she served as vice chair of the North Coast Regional Water Quality Control Board.⁹ She also claimed to know Shannon’s mother.¹⁰ When she had signaled her intent to run for a second term in 1986, she declared, “I want to promote this area in a sound environmental way but in a way that will bring jobs to the area.” She was, however, no more an environmentalist than TEAM was an employee organization. Her idea of bringing jobs to the region was supporting offshore oil and gas development, a widely unpopular idea that even many local conservatives opposed at the time.¹¹ In response to the ESOP she expressed no ambiguity whatsoever,

⁷ “Shannon Asks for County Hearing on Maxxam”, staff, *Eureka Times-Standard*, December 21, 1988; and “County Refuses to Hold P-L Hearings; Supervisors Hear Workers’ Concerns”, by Mark Rathjen, *Eureka Times-Standard*, January 11, 1989.

⁸ Ibid.

⁹ “Sparks Seeks Second Term as Supervisor”, by Cindy Fonstein, *Eureka Times-Standard*, February 13, 1986.

¹⁰ “Harris, op. cit., page 267.

¹¹ Fonstein, op. cit.

opining, “I don’t feel this board is the place to dissect industries,” and proclaimed that the real enemy of the P-L workers was not Hurwitz, but the environmentalists who were worried more about birds than people’s jobs. If WECARE hadn’t scripted her response, it may as well have, because this was one of the industry’s standard talking points.¹² Leaving no ambiguity, she declared that Humboldt County was lucky to have a man like Hurwitz, who owned lots of companies and a savings and loan, investing in it.¹³

However that wasn’t to be the worst of it. Astonishingly, Sparks announced that *she* had received Hurwitz’s answer to Shannon’s letter. Proving that she wasn’t bluffing, the supervisor read aloud from the communiqué on Maxxam letterhead which declared:

“Dear Mr. Shannon...I am in receipt of your letter of January 3...I am concerned about the misinformation and the blatant falsehoods surrounding the Pacific Lumber Company which appear to be circulating in Humboldt County. I believe that you and the so-called ‘ESOP’ group are partially responsible. Pacific Lumber does not intend to reply each time some irresponsible person starts a rumor. On this occasion, however, I wish to make unmistakably clear to the Board of Supervisors, the employees of the Pacific Lumber Company, and the citizens of Humboldt County, that, contrary to the rumors apparently started by your ‘ESOP’ group: THE PACIFIC LUMBER COMPANY IS NOT FOR SALE...

“The Board of Supervisors, the employees of Pacific Lumber, and the citizens of Humboldt County have my best wishes for a happy and prosperous 1989, [But] Mr. Shannon, we have no interest in meeting or carrying on a dialog with you.”¹⁴

This was a devastating revelation. Already Pacific Lumber management had been cracking down on the ESOP activity from within. The supportive workers had counted on outside help, but they certainly weren’t going to get it from their local government.

Patrick Shannon had pointed out that few P-L workers had attended to Board of Supervisors’ meet-

¹² Rathjen, op. cit.

¹³ “Harris, op. cit., pages 267-68.

¹⁴ “Harris, op. cit., page 267. That John Maurer, an ESOP supporter who could potentially have cast the deciding vote the other way had been defeated by Pritchard was salt in the wound.

ing, because the company had cancelled the time off of many other supporters at the last minute. David Galitz publically rebutted this charge in a phone interview with *Eureka Times-Standard* reporter Mark Rathjen, stating, “We don’t play games like that.”¹⁵ These statements were not consistent with Pete Kayes’ experiences, however, and at the time his ULP was still pending with the NLRB.¹⁶ All of the naysayers against Shannon the ESOP campaign were strangely silent about the formation of an ESOP at Eel River Sawmills, however. The fact that the owners, Mel and Grace McLean supported the idea, that ERS was a strong supporter of TEAM and WEC-ARE, and that they mostly specialized in young growth redwoods were probably the strongest factors in the inconsistent opinions expressed by the supporters of Corporate Timber.¹⁷ It wasn’t ESOPs that they opposed, but rather any possible challenge to the economic status quo.

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At least William Bertain was having better luck. On January 22, he announced that legal counsel from several expert security law firms, including Charles Barnhill of Davis, Barnhill, and Gailard of Wisconsin; Lafollette and Sinkin, also of Madison, Wisconsin; Sachoff, Weaver, and Rubenstein of Chicago; and Cornbilt & Seltzer of Los Angeles had joined him and filed still one more shareholder lawsuit against Maxxam in federal district court in New York. All of the firms had agreed to take the case on a contingency basis, which meant that the plaintiffs would only be charged should their suit prove victorious and damages awarded, but Bertain maintained that they would not have signed on had they not thought the case winnable. The suit alleged that the shareholders would have reacted differently to Hurwitz’s tender offer had they been aware of the apparent stock parking by Drexel Burnham Lambert, Michael Milken, Boyd Jefferies, and Ivan Boesky. Both this and the suit filed the previous October sought to void the Maxxam takeover of P-L.¹⁸ The timing was fortuitous,

because that same week, DBL fired Michael Milken who had been accused of plotting several takeovers and reaping illegal benefits of these activities with Ivan Boesky who was now serving a (low security) prison sentence.¹⁹

One week later, Assemblyman Byron Sher decided to reintroduce a bill, AB 390, restricting clearcutting he had pulled eight months earlier (then labeled AB3601) in favor of supporting Dan Hauser’s “compromise”. As before, the bill proposed a ban on clearcutting old growth redwoods in groves larger than 40 acres where the trees were 175 or more years old. The Assemblyman was motivated to do so because, in his opinion, Pacific Lumber had failed to live up to the provisions of bill he cosponsored with Dan Hauser. Further, he declared that P-L had stonewalled his efforts to organize a tour of the company’s land for representatives of the Trust for Public Lands as well as the Nature Conservancy to explore the possibility of purchasing some of them for a park.²⁰ In response, John Campbell suggested that Sher’s actual motivation was for the state to seize “a certain 3,000 acre property”, namely Headwaters Forest.²¹ He added that the company had “fully honored it’s agreement” with Hauser and Sher, that it had modified its THPs changing proposed clearcuts to “select cuts”, and that the CDF had made first hand inspections of the THPs and approved them.²²

This was simply rhetoric, however. Campbell neglected to mention that the so called “agreement” between himself, Hauser, and Pacific Lumber had little actual teeth and that the “select cuts” proposed in them amounted to de facto clearcuts, because only one old growth tree per acre was required by its terms.²³ Sher countered Campbell by stating that he had evidence, provided by Cecilia Gregori and Lynn Ryan, from their foray onto P-L land on October 26 the previous year, that P-L had not, in fact returned to the selective harvesting they practiced before the Maxxam takeover as promised.²⁴ “(P-L is) filing new THPs at a much faster rate, including many more

¹⁹ “Drexel to Fire Milken: Withhold All Earnings”, UPI Wire, *Eureka Times-Standard*, January 27, 1989.

²⁰ “PALCO has honored agreement”, guest editorial by John Campbell, *Humboldt Beacon and Fortuna Advance*, February 3, 1989.

²¹ “Twin Moves Stymie Pacific Lumber”, by Andy Alm, *EcoNews*, March 1989.

²² Campbell, February 3, 1989, op. cit.

²³ “New Battles in the Maxxam Campaign”, by Greg King and Berberis Nervose, *Earth First! Journal*, Litha / June 21, 1988.

²⁴ “Bill Would Restrict PL Clearcutting of Virgin Redwoods”, by Charles Winkler, *Eureka Times-Standard*, January 31, 1989.

¹⁵ “Shannon Asks for County Hearing on Maxxam”, staff, *Eureka Times-Standard*, December 21, 1988; and “County Refuses to Hold P-L Hearings; Supervisors Hear Workers’ Concerns”, by Mark Rathjen, *Eureka Times-Standard*, January 11, 1989.

¹⁶ “ESOP Update”, *Takeback*, Volume 1, #1. February 1989.

¹⁷ “Eel River Sawmills Inc. Announces Formation of Employee Stock Plan”, by Glenn Simmons, *Humboldt Beacon and Fortuna Advance*, February 10, 1989.

¹⁸ “Expert Security Lawyers Join Bertain in PL Takeover Suit”, by Marie Gravelle, *Eureka Times-Standard*, January 27, 1989.

aimed at the heart of the old-growth ‘islands’ considered for negotiation,” Sher declared.²⁵

In the case of two contested P-L THPs, Humboldt County Superior Court Judge John Buffington seemed to agree with EPIC. Shortly after Sher introduced AB 390, Buffington issued a TRO on the THPs that proposed logging in the Lawrence Creek and Shaw Creek watersheds, ordering the California State BOF to determine what mitigation measures proposed by the DFG to offset cumulative effects on wildlife should be implemented, and whether adverse environmental impacts were being trumped by economic considerations. These were the same THPs that had been initially rejected by Jerry Partain the previous May (which subsequently inspired P-L to facilitate the formation of TEAM), and were later approved by the BOF when it overrode Partain’s sudden willingness to enforce the spirit of Z’berg Nejedly. The judge accused the agencies involved with “playing Russian roulette with the state’s resources and environment”.²⁶ In his decision, Buffington declared that the ultimate answers to the questions being brought to his court needed to be addressed by the California State legislature, which brought further attention to Byron Sher’s proposed bill.²⁷

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With all that was happening, there seemed to be no shortage of attempts by P-L management to cover up evidence of Maxxam’s malfeasance. In February, photocopies of an anonymous letter were distributed all over Scotia claiming that when Maxxam took over P-L, it cut corners in the construction of its new cogeneration plant, and compromised the plant’s safety in the process. Part of the letter read:

“...Now it ended up the plant don’t work. We have had turbines ‘blow up’. We didn’t put the proper vibrators in the silo and the steel got twisted up pretty good when it got hot. The welds on the high pressure steam lines don’t look all too good. The plant can’t run at full power and keeps breaking down.”²⁸

Although OSHA had reportedly already conducted a preliminary inspection of the plant and had found no substantial safety violations, the letter went on to urge residents to contact OSHA or state and federal legislatures, express their concerns, and request another inspection. Violations or no, at least one resident, Leona Bishop—whose husband, Grant, had made the initial contact with Patrick Shannon, and whose daughter was enrolled in the sixth grade at the local school—was alarmed at the possibility that the plant, which was located near the school, could be a hazard. She therefore requested that the local school board take up the issue on its agenda at its monthly meeting on February 21, 1989. The board agreed, in spite of the reservations by Board President Brian Schapper (who was also a project leader and senior analyst for Pacific Lumber, which was not uncommon in a company town such as Scotia) that the body wasn’t the appropriate forum for the issue.²⁹

The meeting proved to be yet another case where public comment was stifled in the service of Corporate Timber. This time, however, local TV media covered the event. On camera, plant superintendent Rich Sweet, who appeared at the meeting at the request of the school’s staff, asserted that OSHA had found only minor deficiencies.

“The turbine had an electrical problem inside the turbine generator—a short to a ground in the field. It’s a figure of speech to say ‘it blew up’ like you’d say you ‘blew a fuse’ at your house, but it doesn’t mean your house blew up. We did have a fire in the dust collector hopper, but these things happen and are easily put out.”³⁰

Sweet did concede, however, that the plant was only running at two-thirds capacity due to a mechanical problem, but argued that it was General Electric’s responsibility to fix it.³¹

The plant manager’s response did not sit well with Plumbers and Steamfitters Local #471 Business Manager, Gary Haberman, a local builder and member of the Yurok Indian tribe, who was in attendance and requested a chance to rebut Sweet, which was granted. The union official indicated that there were many residents who were legitimately concerned about the plant’s safety, or lack thereof, but were

²⁵ Alm, March 1989, op. cit.

²⁶ “PL: Follow The Bouncing THPs”, by Andy Alm, *EcoNews*, April 1989.

²⁷ Alm, March 1989, op. cit.

²⁸ “Power-Plant Concerns Allied by Board”, by Marialyce Pedersen, *Humboldt Beacon and Fortuna Advance*, February 24, 1989.

²⁹ Pedersen, February 24, 1989, op. cit.

³⁰ Pedersen, February 24, 1989, op. cit.

³¹ Pedersen, February 24, 1989, op. cit.

afraid to speak out for fear of retaliation. He then asked four questions: (1) did they scatter their turbine? (2) Did drain lines melt when steam was drained out of them? (3) Did the chip silo blow?, and (4) Why isn't the plant putting out full power? He concluded by declaring that the plant should have been thoroughly investigated and that some of the employees who had worked inside of the plant and had expressed dismay to him about the inferior materials used in its construction. He pointed out that had P-L used a union crew, this would not have happened, and the plant would now be operating at full capacity.³²

At this point, Sweet interrupted Haberman and suggested that the latter's complaints were not relevant to the issues involving the school. Schapper agreed, stating, "We are concerned with educating children. If there is evidence that there is a problem, bring it forward. The letter is not even signed," (as if that bit of information was relevant). Schapper then gaveled the issue closed and moved onto the next item. This seemed to satisfy most of the small audience of about 20. Haberman, however, was livid and told the press that he was merely relaying what the workers had told him, and that because the OSHA inspectors were not engineers their determination wasn't necessarily sufficient. "If these people are satisfied by the rhetoric of a company town, they have to live with whatever consequences there are." Bishop was equally unsatisfied, declaring that the only way she and her fellow Scotians would receive peace of mind was for OSHA to conduct a follow up inspection. "There's been too many comments made on the negative side for it to all be rumors," she said. Brian Schapper, however dismissed their concerns simply stating, "I feel it's safe; I've been on a tour," as if the visual record of one school board official, evidently a Maxxam supporter at that, was somehow more compelling than that of a trained plumber and steamfitter.³³

Haberman's confirmation of the anonymous letter's contents was not simply a case of a union official trying to protect his union's jurisdiction, however. According to another anonymous worker—distinct from the unnamed letter writer—San Rafael based Factory Mutual Engineering, the insurance company originally contracted to underwrite the plant had cancelled their coverage of it in 1986 after their boiler inspector found inferior materials holding vital safety

equipment together. The second unnamed source had questioned the inspector at length and the latter had confirmed that, in his opinion, the boiler was unsafe due to faulty parts and shoddy workmanship. *Anderson Valley Advertiser* editor and publisher Bruce Anderson reportedly contacted Factory Mutual Engineering and was informed that the insurance company had indeed cancelled their coverage, but elected not to reveal the reason why. There was certainly smoke, and it suggested a fire.³⁴

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The legal battles over Shaw and Lawrence Creek heated up again in March. The Board of Forestry who had been ordered by Judge John Buffington to reexamine the two THPs after he had been "frustrated by a lack of data on wildlife protections and torn between the economic and environmental issues of the case," which had been brought to his court by EPIC the previous year. The BOF reapproved the THPs declaring that they could find "no significant adverse impact on the environment," according to executive officer Dean Cromwell. The official did also stipulate that they cited property rights and land-use goals of property zoned for timber management. In response to the Department of Fish and Game's recommendation that wilderness "corridors" be preserved, the John Campbell argued that such would be "far too costly and not proper management for the long haul," and that the company was including wildlife mitigations "anyway," but didn't specify exactly what. EPIC attorney Tom Lippe again insisted that the BOF was not following the spirit of Z'berg Nejdley and CEQA, and questioned exactly whose long haul Campbell was considering, indicating that it was evidently not that of the earth's biosphere. "It's more likely that old growth dependent wildlife will become extinct," if the BOF's ruling was allowed to stand said Lippe.³⁵

Further evidence of Maxxam's and DBL's collusion surfaced that same month. Testifying before the House Subcommittee on Oversight and Investigation, Bill Bertain revealed that he had agreed (at the subcommittee's request) to secretly tape a conversation he had held with attorney John Gibbons on December 19, 1987. Gibbons was a former federal prosecutor who had gone on to work for Kroll Associates, a national investigative agency whose clients included

³⁴ "Here and There in Mendocino County", by Bruce Anderson, *Anderson Valley Advertiser*, February 22, 1989.

³⁵ "PL Harvest Plans OK'd Second Time", by Marie Gravelle, *Eureka Times-Standard*, March 10, 1989.

³² Pedersen, February 24, 1989, op. cit.

³³ Pedersen, February 24, 1989, op. cit.

none other than DBL. In the taped conversation, Gibbons implied he was conducting an investigation on behalf of the subcommittee, though “not directly.” According to Bertain, he had four times previously suggested as much, but in actual fact the subcommittee had no knowledge of this, and in all likelihood Gibbons was ferreting out information to try and use to build a defense against the subcommittee. Gibbons refused to testify, arguing that Bertain had recorded the conversation without his knowledge, which was against the law in California. However, since Bertain was assisting the subcommittee in conducting an investigation, federal law, including subcommittee investigations allowing such activity superseded.³⁶ These facts didn’t stop TEAM spokesman Michael J. Eglin from invoking (yet another) witch hunt, demanding that Bertain—whom he accused of being the source behind the ESOP campaign and every other anti-Maxxam effort under the sun—be disbarred. Evidently Eglin had no problem with insider trading and violations of securities laws.³⁷

While Congress and the representatives of Corporate Timber debated over the letter of the law with regards to tape recording conversations, a judge in Oakland dismissed the Sierra Club lawsuit against Pacific Lumber’s proposed Owl Creek THP. Declaring that Sierra Club attorney Joe Brecher had neglected to file his suit within the 90 day comment period allowed under CEQA, visiting Judge Eugene C. Langhauser “reluctantly” dismissed the case in Humboldt County Superior Court. P-L lawyer Jared Carter had expected a dispute over the technicality, but declared, “that’s their problem, not mine right now.” Brecher declined to explain the reason for his initial delay, and appealed the dismissal, which—for the time—protected the grove from cutting for the time being. P-L Forestry manager Robert Stephens declared that the company would begin a “modified selective cut” on the THP as soon as the stay was lifted, and indicated that the company was doing the environmentalists a favor because they had “agreed to leave trees (they) didn’t have to leave,” which in this case was 20 percent of the newer growth trees, while the old growth would be cut. Cecilia Gregori didn’t find the forester’s declaration particularly charitable, arguing that the planned logging would devastate crit-

ical habitat for the spotted owl, marbled murrelet, and other old growth dependent wildlife.”³⁸

Pacific Lumber had won a legal victory on a technicality. They would win another just two weeks later due to the same Sierra Club attorney’s inability to meet the filing deadline on another THP, this time involving Headwaters Forest. On April 21, Judge William F. Ferroggiaro struck down the lawsuit in Humboldt County Superior Court. Speaking for EPIC, Robert Sutherland lamented, “These are two of our most significant suits, and I’m sorry to lose them, if in fact that’s what’s going to happen, but the significant issues don’t go away just because an attorney made a mistake.” Cecilia Gregori added that the judge retained the ability to overlook the time limits at his discretion, adding, “We feel that a simple mistake of law shouldn’t overrule a case involving the last remaining irreplaceable virgin redwoods.” John Campbell, on the other hand, grumbled that the suits had not been dismissed quickly enough, stating that “timber harvesting has been prevented by court orders for almost six months...the company needs this timber to maintain operations at its mills and jobs for its employees,” never once conceding that none of this would have been necessary had Maxxam not taken over. Brecher filed a motion for reconsideration and indicated that should the motion be denied, the Sierra Club and EPIC would appeal.³⁹ In July, Humboldt County Judge William Ferroggiaro upheld Langhauser’s dismissal.⁴⁰

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Meanwhile, Patrick Shannon and the leaders in the ESOP campaign struggled desperately to prevent the air from flowing out of their popped balloon. Attendance at committee meetings had begun to wane. Finally Shannon decided that another big impact gathering like the one that had really launched the campaign the previous September was needed. He called for a meeting to take place in early April at the Fortuna High School Auditorium which, being larger than the banquet room at the Eureka Inn, symbolized his hopes that more than 700 would attend. Shannon also convinced Dr. Louis Kelso to attend and address the crowd as the keynote speaker for inspiration.⁴¹ Shan-

³⁶ “Eureka Lawyer testifies in PL Takeover Probe”, by Peter Roper, *Eureka Times-Standard*, March 14, 1989.

³⁷ “Bertain Cuts Quite a Figure”, letter to the editor by Michael J. Eglin, *Humboldt Beacon and Fortuna Advance*, April 13, 1988.

³⁸ “Judge Knocks Down Sierra Club Lawsuit”, by Marie Gravelle, *Eureka Times-Standard*, April 7, 1989.

³⁹ “Timber Suit Falls Down”, by Marie Gravelle, *Eureka Times-Standard*, April 23, 1988.

⁴⁰ “Local Judge Upholds Dismissal of Sierra Club Suit”, *Eureka Times-Standard*, July 6, 1989.

⁴¹ “Harris, op. cit., page 267.

non declared, “I’m so tired of reading about the emotional debate between the timber industry and environmentalists. This meeting is an attempt to bring the debate into the intellectual arena.”⁴²

However, the event was a debacle. Only 150, including Darryl Cherney, bothered to show.⁴³ Kelso was less than inspiring. Indeed, he nearly bored the audience to sleep. Patrick Shannon jolted them out of their virtual slumber, suggesting that since Maxxam would not sell the company, the ESOP campaign should attempt a partnership with Hurwitz, buying perhaps 30 percent of the company at first with the hopes of someday achieving a 51 percent majority. He also indicated that General Electric had been brought into the “partnership” as well.⁴⁴ To the 150 assembled workers and their allies, including his truest believers, Pete Kayes and Lester Reynolds, Shannon’s idea was utter folly.⁴⁵ To begin with, they’d need to acquire 80 percent of the company according to its articles of incorporation, a fact that Shannon had apparently forgotten.⁴⁶ More to the point, the intrepid workers who had risked their jobs to run the campaign considered the option making a deal with the very devil they hoped to defeat. One retiree declared that it would be “a snowy day in hell before he’d ever make a deal with Charles Hurwitz”.⁴⁷ The crowd erupted in thunderous applause at which point Patrick Shannon lost his composure and called the workers “useless” and “incapable.” The meeting was over, and Hurwitz had won again, but this time he’d barely even fired a proverbial shot.⁴⁸

⁴² “PL Employees Plan Meeting Wednesday on ESOP Plan”, *Eureka Times-Standard*, April 10, 1989.

⁴³ Interview with Darryl Cherney, October 9, 2009.

⁴⁴ “ESOP Still a Fable”, by Wayne Warkentin, *EcoNews*, May 1989.

⁴⁵ “Harris, op. cit., page 267-68.

⁴⁶ “Woody Murphy Wants No Sale”, by Leslie Ridgeway, *Humboldt Beacon and Fortuna Advance*, November 2, 1985.

⁴⁷ “Harris, op. cit., page 268.

⁴⁸ Cherney, op. cit.