



photo by Howard King

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Giant Redwoods Fall to Corporate Raider

by Adam Miller

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Trees are what the soil uses to hold itself together

The Coastal Redwood tree (*Sequoia sempervirens*) exists exclusively in one location; the 500 mile strip extending from Big Sur, California to the Oregon border, and up to 30 miles inland from the Pacific Coast. Old growth redwood trees are the source of a clear, fine-grained softwood, which sells for as much as three times the price of lower grade redwood from younger trees.

About 2 million acres of virgin, old growth Coastal Redwood forest stood before logging began around 1850. Today, less than 5% of the original total is still standing. About 81,500 acres of the remaining giants are protected in publicly owned parks. The rest are privately owned. Many of these ancient trees are fifteen feet in diameter, as tall as twenty-story buildings, and were saplings when Christ walked the earth. They have survived a hundred fires, tempests and floods. Today, approximately 12,000 acres of old growth redwood and Douglas fir are owned by the Pacific Lumber Company. Theirs is the largest privately owned stand of ancient redwoods left in the world.

Older than the trees is the soil itself. In a mature redwood forest, the top soil is

several feet deep, incredibly porous, and able to hold and regulate the flow of immense quantities of water. This, in combination with the redwood's root system has the stability and resilience to hold a mountainside intact throughout the normal processes of rain, flooding and erosion, over hundreds of thousands of years.

This soil was created slowly, over 10,000 years of redwood and Douglas Fir decomposition, accumulating at a rate of about an inch every 500 years. It is truly irreplaceable.

Bankruptcy for profit

In 1982, Charles Hurwitz, a Houston, Texas-based corporate raider, and a handful of trusted associates (Ezra Levin, Jack Rosenberg, George Kozmetsky, Jenard Gross and Barry Munitz) enacted a hostile takeover of the Simplicity Pattern Company. They twice raided Simplicity's pension fund, reducing retiree's benefits by 40%, sold off the assets and gave the business a new name: Maxxam.

Then they purchased and consolidated two banking institutions worth \$4.5 billion into United Savings Association of Texas. They "leveraged" these assets to acquire first Pacific Lumber (1985) and then Kaiser Aluminum (1988). After only six years they bankrupted United Savings, and it became the sixth biggest S&L failure in history. The bail-out cost American taxpayers \$1.6 billion.

Hurwitz' surprise take over of Humboldt County's family-run and community oriented Pacific Lumber Company (PL) was, as one reporter put it, "...a deal that summed up the decade." Hurwitz' co-conspirators in this venture were two of America's titans of illicit venture capital, Ivan Boesky and Michael Milken. The takeover would have been impossible, had they not violated federal law regarding stock trading. Boesky and Milken are now convicted felons (Milken got a 5 year sentence). Curiously, Charles Hurwitz was not even charged.

To acquire PL, Hurwitz borrowed \$900 million, of which \$726 million was financed through Milken's junk bonds, to buy the essentially debt-free, resource-rich PL. The interest on this debt alone amounts to approximately \$90 Million a year, more than PL's annual earnings prior to the takeover.

For the past 12 years, Maxxam controlled PL has implemented a corporate policy of rapidly liquidating its standing trees into cash to pay its colossal debt. In the process, Humboldt County's environment and residents have been forced to pay the costs resulting from business practices driven by greed and debt.

Pacific Lumber: then and now

Humboldt County is only 250 miles north of San Francisco, California, but many have noted that it's the longest 250 miles in the world. The rainforests of Brazil are closer to the hearts and minds of many Americans, than Humboldt County's magnificent Redwood National Park. In a survey of tourists, 81% said they came to Humboldt County to see the redwoods. In 1995 tourism generated \$300 million, including \$4.2 million in taxes.

Sparsely populated, far from cities and dominated by the logging industry since California achieved statehood, Humboldt County is a 19th century remnant in 21st century America.

PL had been operating in the county for almost 60 years when A.S. Murphy took control of the company in the 1930's. It had been run by his family since 1905. Under A.S. Murphy's leadership, PL amassed over 200,000 acres of land in Humboldt County, and engaged in long-term, sustainable, community-oriented logging. The volume of trees cut never exceeded the volume grown. This insured future jobs, and avoided the boom-and-bust cycle endured by the rest of the lumber industry. Praised by the Sierra Club and other environmental groups, nobody in the industry took better care of its human and timber resources than PL.

PL was a model of sustained yield logging through selective harvesting. Since the late 1920's clear-cutting was an unheard of practice at PL. Until 1978 California law allowed timber companies to hold 30% of their timber inventory free of taxes for several decades, thus encouraging a practice of selective logging of up to 70% of a given acre of forest.

Scotia, California, population 1500, one of the last company towns in the West is owned nail and plank by PL. Forty years ago the Saturday Evening Post called it "paradise with a waiting list." The unions couldn't organize the workers because PL paid them higher wages and better benefits. The children of PL employees were guaranteed a job at the company, or a college scholarship at the company's expense. Logging was a seasonal operation. Many of PL's employees were inactive November through March. County residents' general perception was (and, to a great extent, still is) that PL was synonymous with the future of Humboldt County.

PL rarely logged near human residents and were responsive when neighbors complained. Residents rarely saw or heard loggers working in the deep woods. Nevertheless, PL's management was systematically logging off their virgin forests at a pace that was slow enough -- either deliberately or inadvertently -- to keep them off the environmentalists' radar screens.

Through the decades, the old PL accumulated more approved Timber Harvest Plans (THP) for more old growth forest than it actually logged. After the 1985 hostile takeover by Maxxam, the accumulated old growth THPs were logged. Since then, Maxxam controlled PL has instituted a program of year round logging, and increased logging 300 percent. Half of the old growth Maxxam acquired in the takeover has gone to the sawmills. In a few years they will have cut all the remaining old growth and it will be gone forever.

Regarding Maxxam's practice of clear-cutting, one anonymous PL employee eloquently stated, "We went into paradise and left a moonscape."

Region-wide watershed collapse

Under Maxxam's control, forest care at PL has turned into forest business. For the first time in its history, Humboldt County is being ravaged by the practice of liquidation logging, resulting in the complete denudation of entire watersheds. Neighbors find themselves living in a verdant battlefield. They've witnessed a decade-long caravan of logging trucks laden with massive single, old-growth redwood logs; helicopters dropping napalm onto clearcut mountainsides; "controlled burns" polluting the air with smoke for weeks; cancer-causing and reproductive poisons sprayed over the burnt, eroding hillsides above and around their homes; mudslides and debris torrents of biblical proportion; and idealistic teenage activists getting arrested and pepper sprayed for protesting the destruction of virgin forests.

Maxxam's logged timberlands lie like open bleeding sores on the landscape: a region-wide environmental disaster encompassing hundreds of square miles of the county. Streams and entire watersheds have been badly damaged. Five watersheds have been deemed "uncorrectable" by the California Division of Forestry due to siltation caused by logging. Initially, Maxxam implemented this policy in the deep woods, far from residences. Soon ecologically damaged Humboldt County was thrust onto the national stage, loudly protesting the destruction-by-clearcutting of the area's unique and magnificent old growth forests and the ecosystems they support.

The present situation is exacerbated by the fact that illegal logging is punishable by a mere \$1,200 fine. However, a single old growth tree can easily be worth in excess of \$100,000. These crimes are rarely cited. Like the millions of dollars Hurwitz allocates out of his profits for lawsuits, PL and other logging companies budget a few thousand dollars for fines out of their millions of dollars in profits.

Until 1994 Maxxam did not use herbicides. Today, Maxxam is the largest private

consumer of herbicides in the Humboldt county. Herbicides are poisons used to kill broadleaf saplings and shrubs that compete with second growth conifers like redwood and Douglas fir after a clearcut.

In 1997 Maxxam sprayed 4,591 gallons of poisonous herbicides, including atrazine, oust and garlon over 5,250 acres. Many sprayed areas are on hilltops and slopes above creeks. Many of these creeks are used for recreational purposes and some supply resident's drinking water. Government regulatory agencies rely on Maxxam for its responsible use of herbicides, as their budgets and staffs are too small to monitor industrial herbicide use.

The old PL never needed herbicides because when logging is done selectively, the residual standing timber creates a cool, shady environment in which hardwoods and broadleaf plants won't grow.

Perhaps the most poisonous herbicide used by Maxxam is atrazine, which mimics the female hormone estrogen, and is associated with ovarian, breast and uterine cancers, and lymphoma. Estrogen mimics have also been associated with prostate cancer, male impotence and sterility. Atrazine is banned in six European countries, and is an herbicide of "special concern" to the U.S. Environmental Protection Agency (EPA.) When combined, estrogen-mimicking herbicides can become more potent than when used alone.

These poisons damage beneficial plants, insects and crops. Stream water is contaminated through ground water and eroded soil poisons fish and the vegetation and insects that provide their habitat and food. Birds can also be poisoned or deprived of food by herbicides. They are so toxic they even kill earthworms, fungi and bacteria crucial for fertile soil. Rivers carry these poisons into the sea.

The 1,100 residents in the small town of Hydesville obtain their drinking water from a community well which is only 700 feet from PL timberlands. Between February 1 and December 31, 1997, Maxxam sprayed hundreds of gallons of atrazine in their watershed.

On November 12, 1997 the Hydesville County Water District Board of Directors wrote a letter protesting PL's herbicide use and the inevitable contamination of their water supply. PL's second in command, Tom Herman responded with a letter stating that his company could not stay competitive in the logging industry without using herbicides and PL would not discontinue its use of these toxic chemicals. PL rejected manual removal of unwanted vegetation as too costly, despite the employment potential for local residents. The true costs of herbicide use, including contamination, health and habitat effects are unaccounted for in PL's considerations.

Winter storms transform clear-cut watersheds into landslides. After heavy rains,

stream channels are filled with water. The disturbed hillside above the stream gives way, sending a torrent of mud and debris down the steep stream slopes, gathering material and momentum until it enters the stream channel below. The torrent of liquefied mud and debris strips the streamside vegetation that defines and maintains the borders of the creek. The integrity of the stream and the habitats it supports are devastated. As the weakened banks again give way, more landslides pour more debris into the stream, continuing the cycle of destruction, siltation and flooding.

Habitat for fish requires trees along the bank of the stream, to shade and cool the water. Cool water is rich in oxygen that fish breathe. Clearcuts remove the shade canopy of tree branches, sending water temperatures above 70 degrees Fahrenheit, lethal to salmon and summer steelhead.

The coho and summer steelhead are nearly extinct. Fishery experts believe that logging in the coastal watersheds is the principle cause for the dramatic decline of the coho. Logging and the road building that it necessitates damage the fisheries in a number of ways.

When streamside plants and shade trees are removed by cutting, or as the result of slides, streams lose their definition, and become wider and shallower. Silt washes into the stream, filling streambeds and pools, widening the channels, and warming the water. Without cool water flowing year round and deep pools, salmon can't survive. Sediment collects heat in the summer and suffocates fish eggs in the winter.

As little as 20 years ago, salmon and steelhead fishing was a \$100 million a year industry on the north coast. As a result of the hundreds of thousands of tons of silt that have covered the floor of Humboldt Bay. There hasn't been a commercial fishing season for salmon in years. Salmon, trout and shellfish breeding grounds have been destroyed. In 1962 Humboldt County fisherman landed over four million lbs. of salmon. Since 1996, 40,000 lbs. of salmon has been imported for sale in local markets.

In the past four years, 20 rivers have been degraded because of siltation. River front property values are down and the sports fishing industry is history.

The local oyster fishery provides 85% of the oysters in California. It is quite vulnerable to sedimentation and poisons in the water.

In November of 1996, Humboldt County voters approved Proposition 218, which gave corporations the right to vote based on land ownership. Humboldt County needed to borrow over \$4.4 million in order to fund the local portion of Humboldt Bay's \$16 million dredging project to remove silt transported to the bay from upstream erosion. Local citizens were prevented from taxing themselves to pay for

the dredging project because PL and Louisiana Pacific voted against the plan.

Humboldt County: Maxxam's third world nation

Today, the situation in Humboldt County is not unlike that found in third world countries. Maxxam, a large, international corporation is strip-mining the relatively inexpensive local resources, both human and non-human, to pay the staggering debt incurred in the PL takeover. PL accounts for 37% of Maxxam's \$2.5 billion debt, it generates only 10% of its revenues, which explains the frenetic cutting and illegal practices, well beyond the limitations of the law.

In short, Maxxam is extracting Humboldt County's future. In exchange they are leaving a treeless, fishless, waterless, soil-less wasteland. As of December 1996, Maxxam has taken \$1.8 Billion out of the county.

Environmental activists have been effective at tripping up Maxxam in court with various lawsuits on behalf of non-human affected residents. This has created much awareness about saving trees in which endangered species make their homes, but little awareness of the necessity of protecting watersheds (and the soil that holds them together) for the safety of the lives and property of humans, as well as birds, fish and trees.

For over a decade, the fight to save the Headwaters Forest, which is Pacific Lumber private property, has focused the attention of the masses on rescuing a single grove of ancient trees, successfully diverting attention away from all the other unprotected forests (including PL's remaining 200,000 acres) which have been systematically annihilated in the interim.

In December 1997, the California Division of Forestry (CDF) denied renewal of PL's Timber Operator's License, due to 250 "repeated and willful" violations of the Forest Practices Act incurred since 1995, causing massive erosion and damage to salmon bearing streams. 77 of these violations were cited after PL was put on probation in July 1997.

The 250 violations resulted in CDF citing PL for only three misdemeanors. CDF then issued a provisional Timber Operator's License that permits PL to continue logging. This reflects a pattern that Hurwitz and Maxxam have established during a 20 year career marked by lawsuit after lawsuit after lawsuit. In an article about Hurwitz, Barron's wrote: "His career has been a bonanza for the legal fraternity: Everything he touches seems to turn to litigation."

Undaunted by a myriad of protests, Hurwitz' company continues the rapid liquidation of their forests, still without regard for its massive effects on the environment. They started clearcutting deep in the woods, far from town. But, after more than ten years of such policy, the remaining intact forests are, in large part, much closer to where people live. Predictably, therefore, as a direct consequence of Hurwitz' policy to force others to absorb the true costs of his logging practices, it is now the residents of Humboldt County themselves who are endangered by such practices.

It is now a struggle of competing property rights: Those of the international, Maxxam controlled corporations owning timber lands in Humboldt County, and those of the private, residential property and small business owners. This constitutional confrontation over flooding, loss of drinking water, decreased property values, and loss of fish is culminating in a series of important and historic lawsuits that promise to change California forestry laws, and the relationship between exploitative, resource extraction corporations and the communities within which they operate.

The lawsuits

Hurwitz, Maxxam and PL are currently besieged by dozens of lawsuits. Retired PL pensioners seek to recover the \$60 million excess in the PL pension fund which Hurwitz pocketed at the time of the takeover.

Environmental groups are suing on behalf of Coho Salmon and other non-human county residents, for violations of the Endangered Species Act.

Hurwitz stands accused by the Federal Deposit Insurance Corporation (FDIC) and the US Treasury Department's Office of Thrift Supervision (OTS) of running his old savings and loan, the United Savings Association of Texas, into bankruptcy for the personal financial benefit of himself and his cronies. OTS is seeking nearly \$750 million in restitution and penalties.

Stan Chandler was PL's premier old growth faller. Both his father and grandfather worked at PL. Traditionally, old growth trees are cut at breast height, to allow the sawyer to watch the tree for falling branches, while sawing. When Chandler complained that Maxxam's new policy of cutting large trees one foot above the ground was unsafe to the faller, he was fired. Chandler is suing Maxxam for wrongful discharge. For two years Chandler documented on video numerous allegedly illegal acts he committed as a PL employee, including violations of federal and state endangered species acts and the state statutes governing timber harvesting. His lawsuit claims Maxxam knowingly and willfully falsified,

concealed and covered up material facts, made false and fictitious statements and made and used false documents.

On December 2, 1997, two separate lawsuits were filed in Humboldt County Superior Court by county residents. The Plaintiffs are property owners who assert that Maxxam's clearcutting on steep mountainsides caused massive mudslides that destroyed seven homes in Stafford, California, and caused the ongoing flooding and loss of drinking water downstream on the north fork of the Elk River.

Stafford

Stafford is one freeway exit south of PL's headquarters in Scotia, CA. During the drought of the early 1990's PL clear-cut the mountain 1,400 feet directly above the village of Stafford, CA. The storms of New Years, 1997 brought down a 20-foot wall of mud and rock that wiped out seven homes. Just out of the path of the debris torrent was a logjam composed of sections of old growth trees. It helped protect several of the Stafford homes by slightly diverting the debris flow. Ten months after the slide, PL persuaded California Division of Forestry to issue an emergency permit so PL could harvest the \$100,000 worth of redwood timber in the logjam. A respected engineering geologist who has investigated the site of the Stafford slide has warned that three inches of rainfall in a 72 hour period could result in mudslide of equal or greater volume. The removal of the logjam increased the vulnerability of the residents facing further mudslides.

To protect their logging road, which actually passes directly through the path of the debris torrent, PL constructed two sediment collection basins on either side of their road. In order to avoid having to incur the costs of obtaining permits and employing professional geologists and contractors, PL waited ten months, until the beginning of the rainy season to clean-up the slide. The basins were created haphazardly by PL employees, without supervision, design or engineering. As the basins were constructed from the uncompacted rock and mud that was washed down in the debris torrent, residents live in fear, anticipating the moment when rain causes the ponds to liquefy, turning into debris torrents, themselves.

Barnum Timber Company, the owner of the land directly above Stafford, through which the debris torrent passed, was also named in the suit. In a memo written in September of 1997 to Tom Osipovich and Tom Spittler of the California Division of Forestry, State Engineering Geologist Jim Falls wrote: "Eddie Mendes of Barnum Timber Company discussed this [the Stafford Slide] with me back in May, and no one did anything about a 'plan' all summer. Now that the residents are afraid of future failures with the onset of winter, the county wants to move quickly, do something now, deal with a plan later (if ever). It is my opinion that these parties

had plenty of time to get a well thought out plan in place. Stalling got them what they wanted: do a 'quick and dirty' solution without professional input." On January 22, 1998, Humboldt County Superior Court Judge W. Bruce Watson ordered Maxxam subsidiary Pacific Lumber to remove the two sediment collection basins from the hillside just above Stafford. Judge Watson said that attorneys for the current and former Stafford residents presented "viable arguments" that the basins pose a danger to the remaining homes in the event of significant rainfall or a debris torrent like the one that destroyed seven homes on January 1, 1997.

Yet they did not disclose this information either on their THP applications or to the Plaintiffs. They knew that, if they filled out their applications for logging using all the information available to them, they would have had to admit the hazard the "cumulative impact" of their planned timber operations would have on the watershed and the community of Stafford. Rather than divulge this information and risk rejection of their THP and thus lower their margin of profit, Maxxam chose to stick its corporate head in the sand. This strategy will require Maxxam and its various agents in the coming months to assert that they were unaware of the obvious risk. Like tobacco companies, they will argue with "false" science that they could not have predicted the harm their operations would cause the Plaintiffs, government, and others, and that there was no connection between their conduct and the harm. Like the tobacco companies, their true motives and knowledge will ultimately be exposed.

Elk River

The Elk River is just south of Eureka. It empties into Humboldt Bay. The rivers of this watershed have been among the five most important wild coho salmon streams left in California.

The north fork of the Elk River formerly flooded only during severe "200 year" storms, such as the 1964 flood. Since 1988 Maxxam has cut more than 7,500 acres (more than 10 square miles) in this watershed, causing landslides, massive sedimentation of the river and devastation to the health of the general watershed. As a result of Maxxam's forest practices, the north fork of the Elk River experiences continuous unpredictable flooding. Three miles of prime salmon habitat that had recently been the benefactor of more than \$100,000 of taxpayer-funded restoration, were also destroyed in the slides.

Today, the water in the North Fork of the Elk River is so bad that it is undrinkable and actually destroys agricultural equipment. Elk River is now listed 303D as impaired due to sediment under the Clean Water Act.

On March 9, 1998 the North Coast Regional Water Quality Board wrote a letter to Pacific Lumber Resource Manager Tom Herman regarding further actions to comply with the Cleanup and Abatement Order #97-115, N. Fork of the Elk River, Humboldt County, CA 9/23/97. In the letter the Board informed Mr. Herman of their decision to require the Pacific Lumber Co. to provide alternative agricultural and domestic water supplies to the residents until water quality has improved.

Plaintiffs in the lawsuit claim that Hurwitz, Maxxam and PL calculated that they could make more money violating the laws designed to protect both human beings and the environment, than by abiding by the law. The Elk River lawsuit indicts current timber practices, as well as violations of same, and scientifically connects these practices with their rather diffuse effects, such as the depositing of sediments into stream channels, stream widening and shallowing, consequent flooding and other deranged hydrology and siltation. Clear-cutting, and the construction of roads and landings are scientifically linked to increased peak water flows and discharges, and increased sediment discharges. Damage is easier to attribute to some violations, since the regulatory agencies have already done so, but making the connection to property damages will require greater skill and effort. The Elk River lawsuit has the broadest ramifications for the logging industry and threatens to set a precedent so dramatic that it will attract opposition money from other timber and exploitive interests

The three dozen Plaintiffs in the Stafford and Elk River cases ages range from 6 to 92, and many are third and fourth generation Humboldt County residents. In the lawsuits they seek to hold Hurwitz, Maxxam and PL civilly liable to pay both actual and punitive damages. The Plaintiffs have no money for lawsuits. The attorney's are bearing the majority of the costs.

Expenses for the Stafford and Elk River lawsuits are estimated at \$1 million, primarily for scientific experts. A local legal foundation [501(c)3 non-profit corporation] in Humboldt County is currently seeking funding for the suits.

These two suits are historically significant because they focus on violations of property and personal rights, rather than environmental regulations. The attorneys and plaintiff bringing these lawsuits are committed to trying these cases in front of a local jury and obtaining punitive and actual damages. Punitive damages cannot be paid by a corporation's insurance company, nor can they be escaped through bankruptcy; a process with which Mr. Hurwitz is thoroughly familiar.

Jury selection in the Stafford case is likely to take place in the Autumn of 1998. The trial is expected to begin in early 1999.

The big benefit

The value of a verdict in the Stafford and Elk River lawsuits that requires the Defendants to pay large monetary damages is that it would forever change forest practices.

This would send a clear message to the Forest Products Industry that the costs of destructive and illegal logging practices include the astronomical price tag of restoring the homes, environments and eco-systems destroyed. These costs must then be included in the economic calculations made prior to submitting THPs. Consequently, these destructive practices will no longer be profitable. Forevermore, wealthy corporate tycoons would be prevented from passing these costs on to the taxpayers.

The local community

The 125,000 residents of Humboldt County comprise a population the size of the city of Santa Barbara, California, sparsely scattered over an area the size of Connecticut. Primarily Caucasian, Christian and working class, and more Democrat than Republican. Seventy percent were born in the county. Pacific Lumber is the county's largest private employer Only the local government has more employees.

These are not city folks. They're Small Town, Northern California Provincial. Many made their living in the forest products industry. Some still do. 1,600 work for PL. In Humboldt County, Charles Hurwitz and Pacific Lumber are household words.

Local folks are angered by Hurwitz' arrogance. It is as much the attitude as the act that makes them burn. They're distrustful of out-of-towners, city-slickers, and environmental activists who purport to represent their interests.

In Humboldt County, John Campbell, President of PL, is an authority figure and a local leader of the business community. However, a diminishing number of local residents believe that John Campbell would not tell a lie.

Employers of outspoken local citizens who have publicly criticized PL's destruction of Humboldt County, have received threatening phone calls from Campbell, promoting shame and silence. Asserting oneself and standing up for one's rights are not part of the social norm for most residents.

Many feel that PL used to be the best in the business, but they've become a destructive menace that must be stopped. Some assert that PL has bought off the

local elected officials and judges. Others feel that a blow against PL is a blow against their own livelihood.

Nobody, even the employees of PL, can turn a blind eye to the plight of the Stafford Slide and Elk Creek Plaintiffs. Locally, there is much nascent and latent support that will become activated when critical mass is achieved.

Maxxam's strategy

Charles Hurwitz' forest management strategy is to chop down trees as fast as possible, turn them into cash and move on.

Hurwitz, Maxxam and PL's public relations strategy has been to use every media moment as an opportunity to portray all of PL's critics as members of the radical, militant environmental eco-terrorist fringe; big city teenagers who come to Humboldt County to "save the trees." This tactic appealed to county residents who didn't want out-of-town, middle class college kids monkey-wrenching such a vital local industry. Hurwitz and his associates have repeatedly stated, "We're all environmentalists at Pacific Lumber."

This strategy was reinforced by the unfortunate reality that citing environmental law violations has, until recently, been the only viable legal action available to stop PL's destructive logging practices. By law, trees have no rights and are not entitled to any protection; however if endangered creatures make their homes in the tree, then it is entitled to protection.

In 1992, Maxxam began intensively logging the virgin old growth Owl Creek grove, without obtaining legal clearances from state and federal government agencies. After logging approximately \$1 million dollars worth of old growth, Maxxam stopped its operations under pressure from CDF.

Later that year, federal authorities told Maxxam that logging was not permitted until it complied with the laws. Maxxam agreed that no further illegal logging would take place.

Three days later, Maxxam began secretly logging another \$1 million worth of ancient redwoods over Thanksgiving weekend, when CDF and U.S. Fish and Wildlife Service personnel have the day off.

This strategy has proved surprisingly effective. When asked about the company's over 250 violations of the Forest Practices Act, Pacific Lumber President John Campbell lays the blame on trespassing environmentalists and irresponsible PL

employees. In December 1997, after CDF refused to renew PL's Timer Operator's License he told one reporter, "The company is now operating under a provisional license which can quickly be revoked if further violations occur...I will not tolerate any games."

Maxxam and PL's garden-variety myth for mass consumption goes something like this: Charles Hurwitz came to Scotia to take over a family business, PL; in spite of his track record, he's here for the long haul: that he's not going to cut all the trees and spilt; he's working for the community creating jobs and revenue; he's good news for Humboldt County. Hurwitz repeatedly refers to the 128 year PL has been in business and the next 128 years he's going to keep it in business.

Another strategic point is how well they stay out of the public eye. Consequently, their horrendous corporate conduct goes unseen and unreported. Hurwitz has rich, powerful friends in high places including Ted Turner and Michael Milken. He may have insider assistance keeping unfavorable reports about him and his businesses out of the media.

Hurwitz has always employed the best government lobbyists and the best legal defense team money can buy. These lawyers (Tommy Boggs, Vernon Jordan, Stuart Eisenstat and Ezra G. Levin) have helped Hurwitz organize the structure of his corporate holdings in the most complicated manner possible, making him all the harder to convict. In their business plan, the only sin is getting caught.

The Headwaters Forest deal

In 1985, at the time of the takeover, Hurwitz paid approximately \$900 million for PL and its various holdings, which included about 190,000 acres of forest. President Clinton and California Senator Dianne Feinstein have orchestrated a deal whereby Hurwitz will be paid \$380 million for 7,500 acres of PL land that contain 3,000 acres of virgin, old growth redwood forest. Congress and the Clinton administration recently approved \$250 million towards this purchase.

Senator Byron Sher and Assemblywoman Carole Migden, both from California, co-chair a committee attempting to make this deal contingent upon protections for the remaining forestlands and Coho Salmon habitat. Currently the deal offers no protection for endangered Coho Salmon and vital watersheds.

Estimates of the value of the timber in the Headwaters Forest range from \$20 million to \$500 million. In PL's estimate, if the entire 7,500 acre Headwaters Forest were clear-cut in one year, the yield would bring a market value of \$500 million. As the combined capacity of all the remaining old growth sawmills can only

accommodate a fraction of this hypothetical harvest, it is a physical impossibility.

However most of the trees in this 7,500 acres can never be logged, as they are protected by various environmental laws (EPA & ESA). Many environmental groups assert that a 60,000 acre parcel (94 square miles including the 7,500 Headwaters Forest) must be protected to create buffer zones around and in between the remaining groves of ancient trees. Though it does contain 5,000 acres of virgin, old growth and another 7,000 acres of residual old growth, most of the 60,000 acres has been logged. California's Trees Foundation has created a stewardship proposal for permanent protection of the 60,000 acres in question. The Foundation has calculated the extractable timber value from this 60,000 acres amounts to a mere \$131 million, if all existing environmental laws are obeyed.

For many Americans, a \$380 million payment to Hurwitz seems unconscionable in light of the \$1.6 billion taxpayers already spent to bail out Hurwitz' United Savings.

On January 5, 1998, California Governor Pete Wilson approved an \$800 million bond measure including \$130 million earmarked to pay for the state's portion of the Headwaters Deal. It is unclear whether this bond measure would appear on California's June or November 1998 ballot.

A Humboldt County ballot ordinance slated for the 1998 local election proposes that all steep and unstable forestlands be re-zoned as un-loggable open space. This could effect as much as 30% of County's remaining forestlands. A mere 5,000 signatures are required for it to make that ballot. As few as 19,000 votes could pass it into law.

Who is Charles Hurwitz?

WHO IS CHARLES HURWITZ? Charles Edwin Hurwitz was born in March 1940 in Kilgore, Texas. The son of a successful menswear retailer, who owned two stores and started the first shopping center in Kilgore. His parents were prosperous enough for Charles to drive a new car during his high school years. After graduating from Oklahoma University, where he met his wife, Barbara, he served two years in the U.S. Army. In 1964, at 27 he went to work for Bache as a stockbroker in San Antonio, Texas, managing a \$54 million hedge fund. Between 1965 and 1967 Hurwitz made his first million in the bull market of this era.

Frank Duperier, who was Hurwitz' personal stock broker in the 1960s claims "Hurwitz was the best salesman I met in 40 years." He also said that Hurwitz was "unbelievable at anticipating movements of institutional investors."

Throughout the 1970's his holding company, SMR Holding Corporation had been involved with questionable and sometimes disastrous deals. Hurwitz had to defend himself from charges of improper practice and civil fraud brought by the SEC, New York State and the Texas Securities Board.

Though he can afford mansions (and owns one in Puerto Rico) the Hurwitz' home is a Houston condominium. Recently Charles and Barbara separated and he took up solo residence at Houston's Four Seasons Hotel. He kisses his two grown sons in public. He owns dozens of expensive, black pin-stripe suits; is a former smoker; enjoys fast cars; an occasional drink and a competitive game of tennis. He likes to shoot pigeons for sport. The Houston Rockets are one of his few loves outside of his work. He donates millions of dollars to Jewish charities, and to the State of Israel, and is the North American Chairman of Aish HaTorah, a "Jewish Educational Organization". There is a Hurwitz wing at the Houston Synagogue. Hurwitz' sister, Ellen Penner is the President of Congregation Temple Emanuel in Houston.

Texas voters recently legalized gambling. Hurwitz became a kind of local hero for spearheading the completion of Houston's new racetrack (a role to which he is understandably unaccustomed). Now he's the leading candidate for the state's next big play: casino gambling.

Hurwitz loves the Game of the Deal. An opportunist who goes heavily into debt to gain control of a company and then milks it for cash to finance his next raid, he is patient, calculating, brilliant and unemotional. Personally worth around \$140 million, he doesn't own an airplane, flies coach on commercial airlines, and likes to joke that, "His limousines are yellow with lights on top."

According to the Houston Chronicle, the Hurwitz family controls 61% of the company stock. Charles Hurwitz is the C.E.O. of Maxxam. His real estate, aluminum and forest products empire is in considerable debt, but worth \$8.5 billion on paper. It is one of the most "leveraged" companies in America. Its total debt is approximately \$2.5 billion. Hurwitz owns 32% of Maxxam's commonstock and nearly 97% of its preferred stock. The December 6, 1997, issue of Business Week magazine ranked Maxxam tenth on its list of Worst Boards of Directors in America.

Additionally, Mr. Hurwitz' Maxxam corporation has been rated one of the ten worst polluters in the United States.

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PRESS RELEASE

For Immediate Release: February 16, 1998

HURWITZ/MAXXAM SUED FOR PROPERTY DAMAGE BY HUMBOLDT COUNTY RESIDENTS

Historic Lawsuit Claims Hurwitz Knew Logging Would Cause Mudslides and Flooding,

On December 2, 1997, two separate lawsuits were filed in Humboldt County, California Superior Court by county residents. The Plaintiffs are local property owners who assert that Maxxam subsidiary Pacific Lumber Company's logging on the steep mountainsides above their communities caused last year's massive landslides that destroyed seven homes in Stafford, California, ruined three miles of

recently restored salmon habitat, and caused the ongoing flooding and loss of drinking water downstream on the north fork of the Elk River.

The four dozen plaintiffs in the Stafford Slide and Elk River cases ages range from 6 to 92, and many are third and fourth generation Humboldt County residents. The attorneys and plaintiffs are committed to trying these cases in front of a local jury and obtaining actual and punitive damages against the multi-Billion dollar corporation controlled by corporate raider Charles Hurwitz. Punitive damages cannot be paid by a corporation's insurance company, nor can they be escaped through bankruptcy.

The lawsuits are historically significant because they focus on violations of property and personal rights, rather than environmental regulations. The lawsuits promise to forever change forest practices, sending a clear message to the timber industry that the costs of destructive and illegal logging practices include the price tag of restoring the homes, environments and eco-systems destroyed.

The north fork of the Elk River watershed formerly flooded only during severe "200 year" storms, such as the one's experienced in 1964. For the past three years the north fork of the Elk River has experienced continuous, unpredictable flooding. Since 1988 Maxxam has cut more than 7,500 acres (more than 10 square miles) in this watershed, causing massive sedimentation of the river and devastation to the environment.

Sparsely populated and far from cities, Humboldt County has been dominated by the logging industry for 150 years, and much of it has been the fiefdom of the Pacific Lumber Company since the turn of the century. In 1985, corporate raider Charles Hurwitz and his Maxxam Corporation took control of the family operated, community oriented Pacific Lumber Company in a surprise, hostile takeover. In order to meet the demands of the debt he incurred to acquire Pacific Lumber, Hurwitz increased the felling of trees by 300%. Twelve years of liquidation logging has had a devastating effect on the County's ancient redwood forests, wildlife, rivers, property and population.

The present situation in Humboldt County is not unlike that found in the third world: Maxxam, a large international corporation is strip-mining the relatively inexpensive local resources. Vast clearcut mountainsides, siltation of salmon streams, contamination of drinking water, displaced and ravaged wildlife and countless floods and landslides have become impossible for residents to ignore. A confrontation over the increasingly diminished quality of life is culminating in a series of important lawsuits that promise to change California forestry laws, and the relationship between exploitative, resource extraction corporations and the communities within which they operate. It is a struggle of competing property rights: those of Maxxam, owning timber lands in Humboldt County, and those of

local residential and small business property owners. The Elk River lawsuit connects current logging practices with stream sedimentation and consequent flooding. It also connects clear-cutting and the construction of logging roads to increased peak water flows and increased siltation, and has broad consequences for the logging industry. It will set a precedent so dramatic that it will likely attract opposition from other timber and resource extraction interests.

There is little doubt that Maxxam knew, prior to ever cutting the first tree on the mountain directly above Stafford, CA, that their actions would likely result in landslides that would devastate the community below. They knew that, if they filled out their logging applications to the California Division of Forestry using all the information available to them, they would have had to admit the hazard the cumulative impact of their planned timber operations would have on the community. Rather than divulge this information and risk rejection of their Timber Harvest Plan, and thus lower their margin of profit, Maxxam chose to stick its corporate head in the sand. This strategy will require Maxxam's attorneys to assert that their client was unaware of the obvious risk. Like tobacco companies, they will argue with "false" science that they could not have predicted the harm their operations would cause the plaintiffs, government, and the taxpayers, and that there was no connection between their conduct and the harm. Like the tobacco companies, their true motives and knowledge will ultimately be exposed.

Jury selection in the Stafford case is likely to take place in the Autumn of 1998. The trial is expected to begin in early 1999.

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PRESS RELEASE For Immediate Release: February 17, 1998

LANDSLIDE VICTIMS WIN INJUNCTION AGAINST HURWITZ/MAXXAM

Humboldt County Judge orders company to remove hazardous dams.

On January 22, Humboldt County Superior Court Judge Bruce Watson ordered Maxxam subsidiary Pacific Lumber Company to remove two dams that were constructed in the wake of a massive landslide that buried the town of Stafford, California on December 31, 1996.

Residents of Stafford filed suit against Maxxam and Pacific Lumber in December 1997, and claim that the company's logging on the steep mountainside 1,400 feet above the town was the cause of a 20-foot wall of mud and rock that destroyed seven homes. The lawsuit is historically significant because it focuses on violations of property and personal rights, rather than environmental regulations. The attorneys and plaintiffs are committed to trying these cases in front of a local jury and obtaining actual and punitive damages against the multi-Billion dollar corporation controlled by corporate raider Charles Hurwitz.

Judge Watson granted the Stafford plaintiff's request for a temporary injunction and ordered Pacific Lumber to remove two hazardous dams they constructed at the base of the Stafford slide. Judge Watson determined that the structures pose an imminent danger to life and property, and were hastily designed and constructed to keep logging roads open. Pacific Lumber's attorneys argued that the dams protected Stafford residents from further landslides. Stafford residents claim that after the slide, Pacific Lumber delayed any action that would have protected the town. Instead, they waited as long as possible before the onslaught of heavy winter rain to avoid having to incur the costs of obtaining permits and employing professional geologists and contractors.

In a memo written in September of 1997 to Tom Osipovich and Tom Spittler of the California Division of Forestry, State Engineering Geologist Jim Falls wrote: "... No one did anything about a 'plan' all summer. Now that the residents are afraid of future failures with the onset of winter, the county wants to move quickly, do something now, deal with a plan later (if ever). It is my opinion that these parties had plenty of time to get a well thought out plan in place. Stalling got them what they wanted: do a 'quick and dirty' solution without professional input."

The 1996 landslide created a logjam that prevented greater damage by holding back a portion of the slide. Residents contend that Pacific Lumber removed the logjam to harvest tens of thousands of dollars from the timber, greatly increasing the small community's vulnerability. Pacific Lumber allegedly used the ten months between the slide and their subsequent action, in order to pressure the distraught residents into selling their property at fire-sale prices. As a last minute effort to protect their logging road, the basins were created haphazardly by Pacific Lumber employees, without a design, supervision or engineering. As the basins were constructed from the uncompacted rock and mud that was washed down in the debris torrent, residents live in fear, anticipating the moment when rain causes the ponds to liquefy, turning into debris torrents themselves.

Eugene Kojan, an engineering geologist and a landslide specialist, who testified at the hearing, said the danger of another landslide is exacerbated by the existence of the two basins. Kojan said the basins are poorly constructed, already beginning to fail, and could provoke a "catastrophic" event should they break and send mud and debris cascading toward the town.

"It's terribly bad practice to construct dams that could self-destruct" Kojan said. "It is unsafe to live in the Stafford community."

Pacific Lumber's attorneys argued that removal of the dams would cost approximately \$30,000, plus an additional \$60,000 to build a new logging road to replace the one that runs between the dams. "This now appears to be a horse of a different color," said Judge Watson. "These reservoirs aren't necessarily designed to assist the people of Stafford as much as they're designed to maintain a road to continue logging. It's an economic thing, and I don't have much sympathy for your argument."

Attorney for the Stafford residents, Steven Schectman said, "We are encouraged by today's ruling. It indicates that when the court is presented with facts that are verifiable, a proper and just result can be obtained. We are confident that when we have the opportunity to present more facts and truth, Charles Hurwitz and Maxxam's domination of this county will come to an end."

Schectman and Eureka lawyer Bill Bertain represent the Stafford residents in a lawsuit against Hurwitz, Pacific Lumber, and Maxxam Corporation regarding the damage that resulted to their property from mudslides, last year.

Jury selection is likely to take place in the fall of 1998.

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TESTIMONIALS OF AFFECTED RESIDENTS IN HUMBOLDT COUNTY

"On the morning of New Years Eve, 1996, I noticed the creek running through my yard was dry after days of rain. I went outside, in time to see a huge logjam, like a giant beaver dam as tall as a two-story building, break away and reveal a 20 foot wall of debris, seething like a water balloon. It looked like tan colored, molten lava, but it was cold. There was a huge old growth redwood stump as big as a Peterbilt tractor floating on top, coming towards me about as fast as a man can run. As far as our town goes, we're about as insecure as anybody living in a war zone could possibly be. We're looking at a situation with more rain and that'll bring down another slide. It's kind of like being in the line of a mortar attack: you don't know when it's going to drop in or how much damage it will do."

--Mike O'Neal, age 42, former resident of Stafford, CA. 3rd generation Humboldt County resident, Mobile Home Transporter

"My son hid under the bed when the mudslide hit. You know, we had no warning. Outside, we heard trees snapping, breaking. And about ten minutes later it was there, right at the house, waves just come down and spreading out, one wave after another of mud and huge trees, rocks, pieces of - - anything that had been in its path...my son's hiding; he's crying. What do you grab? They tell you to evacuate and get your personal possessions. What do you get? I had no clue. I looked around the house. You grab your kids and you go."

--Leah Church, former resident of Stafford, CA. Forklift operator, Eel River Sawmills (Her home was completely obliterated by the slide.)

"We've been tolerant of Maxxam, since the takeover. I was tolerant when they altered my viewshed by clearcutting the hillside across from my home. I was tolerant when they destroyed the osprey nests I'd looked at all my life. I was tolerant when they smoked us in for 3 weeks when they burned the clearcut. I was tolerant when they turned the only access road to my property into a string of potholes. But I became intolerant when I could no longer drink the water from my river because they had turned it into a river of silt. And that is when I lost my tolerance for my upstream neighbor, Maxxam Corporation. It used to flood once every 10 to 20 years. Now it floods once or twice a year. The water is so dirty, it ruins irrigation equipment.

"People accuse me and my neighbors, the affected residents, of coming from an environmental position. I'm a farmer. My family has farmed apples on this land for 100 years. Stewardship of the land is something I've been taught. My very livelihood depended on it growing up. The old PL did great forest stewardship. My neighbors and I stand for the timber industry worker more than Tom Herman, John Campbell and Charles Hurwitz. They're using that guy to get what they want: every dollar they can squeeze out of him. We want the worker to have what HE wants: his family, his job, his industry, and his home."

--Kristy Wrigley, age 51, Elk River, Humboldt County, CA . 3rd generation Humboldt County resident. Assistant Land Surveyor for CalTrans.

"This is the propaganda that Maxxam spreads around: If you care about your environment, you're some kind of radical. We have a clear view of a hillside that's been clearcut in the past few years since Maxxam took over. Old PL didn't clearcut because they wanted to grow another crop and to have some soil to grow it in. Salmon would come every year. Used to be our neighbors could hear them splashing as they went up the stream. We always had potable water we could use anytime. Our children learned to fish on this creek. Because of siltation, we lost our domestic and agricultural water supply. Our creek has been declared a 303-D "sediment impaired stream" by Regional Water Quality Control Board. "We've been sprayed twice with atrazine. It's banned in six European countries and is associated with breast and prostate cancer in humans, yet PL sprays thousands of gallons, annually. They're using so many pesticides. They never used them before 1994. Sprayers are supposed to be trained, but PL hires cheap day laborers who have no training or

protective clothing."

--Nona Kraus 68, Elk River, Humboldt County, CA. Humboldt county resident since 1942. Retired Superior court master calendar clerk.*

"Hurwitz is in it for the short term. Before Maxxam took over, we only logged 50% of the standing timber. You could hardly tell it had been logged. Now, I see these bare, clearcut hillsides. I'd like it to look like it did before while you could still see standing timber on the mountain. PL doesn't have the same good name in Humboldt it did before the takeover.

--Bill Hunsaker, 79, Fortuna, CA. Humboldt County resident since 1921. Worked 47 years at PL. Retired as V.P. of Administration in 1984.

"I really believe the chief of PL seems to believe his company doesn't have to follow the laws unless they are caught and forced to obey the laws. I wonder how many people know that PL continually disobeys the law by overloading trucks that leave their yard. The trucks are too long to safely negotiate the curves in Humboldt, Del Norte and Mendocino Counties. One of these trucks killed my son and two other people [in February, 1996]. I would have thought PL cared enough about lives to stop the illegal loading practices, but because of their greed these trucks are still being loaded."

(Excerpt from letter to the editor, *Times Standard*, January 27, 1998)

--Leola Santsche, age 56, Eureka, CA. Humboldt County resident since 1952 Assistant Accountant for the County Health Department

"PL says unstable ground contributed to the landslide. So, if it's unstable, what are they doing up there stripping the trees? We're tired of hearing Hurwitz cry about his property rights. What about us, the people who live here, and our rights? What is Hurwitz going to do to make sure our property and communities are not further destroyed in his drive for profit? What is he going to do to make up for the harm he has already caused? It's time to say 'enough'."

--Marian Del Biaggio, age 70, Stafford, CA. resident since 1956. Worked for 14 years in plywood manufacturing at PL.

**"Property rights are sacred: I can do what I want with my land, so long as I don't impact my neighbor or my community. Those of us who bought property in the country knew PL was our neighbor. We expect logging. It's the lifeblood of the community, logging and fishing. PL has pushed the envelope beyond what is legal. We haven't had a commercial coho salmon fishery in several years. PL has over 250 violations of the Forest Practices Act. If I had that many violations I'd be in jail
"We've been out here for four decades. Thanks to Maxxam in the past 3-4 years, we've lost two and a half miles of salmon spawning stream. They logged 50% of a 22 square mile watershed. There's nothing left to hold the soil, no duff, no trees, no plants. The former gravel bar at old swimming hole is all silted in. Now it's 4'10" of silt till you hit gravel. Water tastes like it has rotting material in it.. They keep**

saying the trees are our resource, but they're wrong: the soil is our resource. Any gardener knows, you can have the best seed in the world, but if you plant in lousy soil, you get a lousy crop. They're doing soil mining. Before Maxxam, the woods shut down from November first through late April. Winter logging started after Maxxam. It's so extremely destructive because your running heavy equipment on saturated roads.

--Ralph Kraus, age 70, Elk River, Humboldt County, CA. Humboldt County resident since 1950. Retired 8th grade science teacher with the Eureka school system.

"I didn't want the landslide to happen, but they destroyed everything. All my valuables. What choice do I have? Most of us were counting on this place for our retirement, to be able to sell it. Now, there's no value. After the slide, PL wanted us to sell our homes to them for fire-sale prices. I worked in the trucking industry. I hauled fish for years, since 1960. I can remember when salmon choked the streams, but there's no more salmon. The logging has done away with the salmon...Some people didn't even realize we had a salmon fleet, but we did. A big salmon fleet."

--Jim Trueblood, age 63, Stafford, CA Stafford resident since 1972. Retired truck driver

"Our road goes over Freshwater Creek and now it floods, repeatedly. 3 years ago Maxxam started logging heavily in Freshwater Creek. Since then, they have accelerated the pace and it's had a phenomenal impact on our small watershed. We just gasp at the size of the redwoods they're taking out of Freshwater. A neighbor counted 145 log trucks in one day. Now flooding is unpredictable. The flooding we had this year was not due to unusual rains or geology. It's unprecedented, none of us have ever seen this before. The creek is being impacted by Maxxam's logging. There is no other explanation. A few months ago our neighbors met with PL and spoke with them about our concerns. PL wrote a letter to Board of Forestry calling us "Earth First!ers."

--Alan Cook, 42, Freshwater, Humboldt County, CA. Humboldt County resident since 1985. Doctor of Chiropractor and Medical Researcher

"What really concerns me is the quality of the drinking water. The siltation to our river. All the swimming holes my kids played in started disappearing 3 years ago, now they're gone completely, filled with silt. My belief is the cause is all the clearcutting. PL has trashed my river and trashed my road. Logging trucks wake us up at 4:00am. Every time a truck hits a pot hole, our house shakes. The trucks started 3 years ago, they didn't haul logs in the winter before that. 15 years ago, we counted 50 salmon in a 3-block area . Today, you're lucky to see a couple. So the property is not worth what it used to be. This isn't the nice piece of paradise we've had for years. It's going to flood from now on because of siltation.

--Christina Pasteris, age 50 Elk River, Humboldt County, CA. 2nd generation Humboldt County resident. Eureka Girl Scout troop leader, 1976-1986.

"I've never seen it so bad. The creek is full of silt that washed down from where PL

clearcut in my watershed, the streambed is up 3-feet and it floods every winter. I've selectively logged my land 5 times, and it's just as forested as the day I bought it. It's not a case of us being anti-timber or anti-logging. It's about environmental damage. Last year I lost a well from silt contamination. This is one of the lowest years for returning salmon on Freshwater Creek. The consequences of bad logging practices are painfully obvious: you don't have to have a college degree to look at a stream full of silt. Nobody bothers to come around and talk to the residents who've observed the stream for 40 years. Maxxam's logging on steep hillside is increasing. What really pisses me off is that there's no regard for the cumulative effects of their logging practices. In the final analysis, it's the taxpayer who have to pick up the tab for stream restoration, flooding, loss of real estate value, loss of the industrial base of the county, and loss of salmon spawning habitat. Fundamentally, we need a change in the law. I believe that change will occur through the courts.

"Used to be over 200 mills in the area. Now there's only 4 -5 mills left. These guys who are working for PL must know that in 5 or 6 years they'll be out of a job. The old PL recognized you just can't destroy the forest and stay in business."

--Rudy Langlois, age 67, Freshwater, Humboldt County, CA. Freshwater resident for 36 years. Retired after 25 years as medical representative for a pharmaceutical manufacturer.

"We support proper logging as many of us witnessed over decades by the old Pacific Lumber Co. We support timber workers and bemoan the fact that many are pushed beyond what they feel is right. We support safe conditions for our family, neighbors and friends who are in the forest products industry. We simply are against PL's excessive clearcutting and poorly managed logging practices. These have been a contributing cause to our siltation and flooding problems on top of already heavy rains over the last two years. I invite your readers to see for themselves. Take a short drive up Freshwater Road about one-half mile past the Freshwater County Park (the pool) to see PL's latest clearcut. It is on a 60-degree slope going from the south side of the road down a couple hundred yards nearly all the way to Freshwater Creek. There is the tiniest buffer of trees at the bottom that will not stop soil from washing into the creek. Check it out."

(Excerpt from letter to the editor, *Times Standard*, January 28, 1998)

--Jan Kraepelien, age 49 Freshwater, CA. Humboldt County resident since 1972.

Filmmaker and Former Instructor at Humboldt State University 707-442-3849

"...Why must we endure third world living conditions? ...It seems the primary objective of our local officials is to protect those who reap the harvest of our natural resources. Continue the harvest. Keep the jobs, but show some consideration for your neighbors. Show some integrity. Take responsibility for your money-making activities..."

(Excerpt from letter to the editor, *Times Standard*, January 24, 1998)

--June McDonald, McKinleyville, CA

"Maxxam been poisoning Humboldt County for four years. I first caught wind of

this in July, 1997 when I called PL and asked if they would be spraying in our watershed. In a couple of months they're spraying us with garlon 1 & 2, oust and atrazine. These chemicals cause disruption of the thyroid, prostate cancer, non-Hodgkin's lymphoma, fertility problems, birth defects, menstrual problems in women. I'm not the only one who's had periods where you bleed for two weeks with such massive amounts that you think you need to go to ER. PL tells us that North Coast Regional Water Quality Board in Santa Rosa is monitoring their use of herbicides. This agency has an annual budget of \$3,000 for laboratory resources to monitor herbicide nine California counties. Each water test costs upwards of \$700, you can see how little they can do. And they're not testing for the breakdown products of the chemicals, which, according to scientific literature are more dangerous than the parent compounds."

--Susan Dill, age 44, Yager Creek, Humboldt County, CA. Humboldt County resident since 1977. Gifted Student Coordinator for Humboldt County Schools.

"The residents of Hydesville wrote a letter to PL in December, 1997 protesting pesticide use and the inevitable contamination of our water supply. Many Hydesville residents work at PL. PL's second in command, Tom Herman responded with a letter stating that PL could not stay competitive in the logging industry without using pesticides. He said PL would not discontinue its use of these toxic chemicals He rejected manual removal of unwanted vegetation as too costly, despite the jobs potential for local residents. He said they're operating within the law. Many people are concerned about poisons in drinking water. Everything up a half mile upriver from our well is owned by PL. They own the majority of the watershed. They've already sprayed atrazine in the past year and they're planning to spray again in February.

"Before the takeover they didn't clearcut. So they didn't need to spray, because the shade of residual standing trees prevents competing broadleaf plants from growing. The Stafford slide, the fact that they almost lost their license because they chose not to follow the rules, I'm glad the people in the community are getting to see that Hurwitz and PL are operating in nobody's interest but their own. The county bears the consequences. And now the consequences include spraying poisons in our watershed. When I moved here in the 70's, I was glad PL was my neighbor. I love this area. It never crossed my mind I'd have to leave this county, but I might.

"The employees of PL have no union or representation, they've been kidnapped. Whatever their employer requires, they must fulfill or risk unemployment. They've become forced through economics to support practices they would never have supported otherwise. PL employees are paranoid by necessity. Folks are so afraid of losing their jobs. There's lots of fear in our community, fear that keeps us separated from one another."

--Peter Kayes, Hydesville, CA. Resident of Humboldt County since 1969 Worked at PL 15 years (1976 -1991) as a blacksmith creating mill tools Currently employed in Maintenance at Redwood Memorial Hospital

"Maxxam is making a mess of the countryside. It literally looks like the hills have been shaved with an electric razor. They're spraying the hillsides with pesticides that wash into our streams, water tables and wells. Hurwitz is liquidating this county and in a few years there won't be anything left. If you're concerned about your neighborhood, people accuse you of being with Earth First!. We're just residents. We are part of the environment and the environment becomes part of us. The reason residents have to be so concerned is because nobody else is. The government agencies turn their back. It's like Maxxam owns everybody and nobody will say one word against them. They don't care about people. Their souls are sold for the almighty dollar.

--Lauren Hanka, age 45, Hydesville, CA. Humboldt County resident since 1973. Mother of 2.

"The new PL is not only robbing Humboldt County of its resources and long-term job base, but it has robbed its workers of morale and pride in their company and job. They probably can't speak out or they will lose their job. My heart goes out to those PL employees that must be truly confused and angry. The buck stops at the top."

(Excerpt from letter to the editor, *Times Standard*, January 24, 1998)

--Tiffany Rittenhouse, age 48, Freshwater, Humboldt County, CA Humboldt County resident since 1971, Rental maintenance manager

"...[Issuance of PL's provisional logging permit] provides CDF with an opportunity to earn back the confidence of their employers, the taxpayers of California...Only if CDF puts a complete halt to PL's destructive logging practices, requires reforestation of eroded lands, and protection for adjacent property owners can the public even begin to have confidence that CDF is actually performing it's public trust responsibilities, and proves that their conditional permit is not just another bureaucratic charade."

(Excerpt from letter to the editor, *Times Standard*, January 24, 1998)

--Margaret Dickinson, Eureka, CA

"I can understand why people are upset. When Hurwitz told the PL employees 'He who has the gold rules', he pissed a lot of people off. When you threaten somebody's pension, there's a lot of hard feelings."

--Wiley Lacy, age 68, Fortuna, CA, Humboldt County resident since 1941. Worked at PL for 42 years. Retired PL Timber and Property Tax Manager.

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