

From: [The Vasby's](#)
To: [Allen Eimerman](#)
Subject: LHS Newsletter - 10/10/03
Date: Thursday, October 9, 2003 8:46:51 PM

Editor's note: I think that if Alfred Hitchcock were still alive, he would write a new film - "**The Ladybugs!**" as a sequel to "The Birds"! I have them coming into the house for the winter thru every nook and cranny! Have killed several hundred but they seem to be replicating! Anyone else having problems? **Editor** was in Denmark in 83 and they had a similar invasion! But the "ladybugs" there were three times the size of the "bugs" we have in the US! And they could really "bite!"

Kent,

It has taken a while to get back to you on the picture of First and Second Streets, Been busy with out of town guests. I remember Wood County Bank on the corner, which is still there and remodeled. Going next door to them was the 5 & Dime, with Brauer's Men's store on the corner. Right around the corner was Modern Shore Repair. How they ever found your shoes in that small, dingy store with shoes piled up to the ceiling, was a miracle. Across the street from the men's store, on the riverside, was Daly Drug. Next to them was the old J.C. Penny Store, and of course next to Penny's was the good old Sugar Bowl, which was owned by a man everyone knew as the "Greek." I can't remember what exactly was on the corner next to the Sugar Bowl. Maybe someone else can. The "Greek" also owned the Rapids theater, (one screen only, and only 1 show playing at a time) Saturday feature and cartoons, 10 cents. Sometimes a double feature for the same price. This was across from the bank and next to Perry's Sports Shop. Another cluttered. small place. The Friendly Fountain was between the theater and Perry's. A place where my brother says all the "HOODS" hung out. :-). When they went out of business, Perry's expanded their business and took that area over also. Schmidt's Law offices were on the corner and still are. On the opposite corner from the bank (Kiddy corner) was a bar called "Rollies." You had to walk down some steep steps to get down there. The Elks Club is still in the same spot, also remodeled. It used to have bowling lanes downstairs. 4, I think. Schmidt's Jewelry was and is still in it's same location. I think that pretty much sums it up. If I have forgotten something, maybe one of the other classmates can fill in the gap or correct me if I'm wrong. Boy, I still think THOSE WERE THE DAYS!

Linda (Meier) Tavener (65) - adnillee@charter.net

Chuck Hinners (65) chuck@crgfinancialconsulting.com writes:

Susan Benbow (would have been 65) and I visited **Joann (Miller) Foss (65)** in Denver over the weekend. We had beautiful weather. Joann's sister (LHS '68) Jacque's, husband, Bill Fairbrand and I played golf twice. Bill had to fix a door on Sunday, or it would have been three days in a row. One of our golf partners was Larry Plantz who played football with Bill at Colorado and in the NFL with the Oakland Raiders.

The other member of the group was a guy named Bill Palmer, a retired United Pilot who introduced Jacque and Bill. Jacque flies for United.

JoAnn's mother, Lorraine, came to dinner Saturday night. Other than a few experience lines, she hasn't slowed down. Kent, you probably remember Lorraine when she worked across the street from you at Heilman's--later DeByle's in Rapids. **Sorry, nope.**

Since I am a clunk with a camera, I do not have beautiful pictures to offer

Thanks

Jim Natwick (65) writes:

Hi Kent: Please welcome my new (and first) grandson CONNER JAMES DUNCAN. September 25th, 2003.

7 lbs 13 ozs. 20.5 inches. Mother Sarah and baby Conner doing fine. Pics are grandpa Jim and grandma Celeste with Conner.



Original URL: <http://www.jsonline.com/bym/news/oct03/174819.asp> from the Milwaukee Journal Sentinel last Friday.

Wisconsin Rapids braces for wave of layoffs

By JOEL DRESANG
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Last Updated: Oct. 4, 2003

Wisconsin Rapids - Three years after the jolt of losing its foremost employer to global consolidation, this community is still feeling tremors.

The Finnish company Stora Enso has eliminated hundreds of jobs and scrapped machines that employed generations of workers for the local Consolidated Papers. And now the community is bracing for further cuts after the company recently announced its intention to cut about 1,000 more jobs corporationwide by 2005.

The world has changed since Stora Enso bought Consolidated for \$4.4 billion. The transformation of Consolidated from a regional paper-maker to part of a worldwide conglomerate is forcing this community to realize that it had become too reliant on the fortunes of one employer.

If this ever was a one-company town, it is less so now. And though the fortunes of an entire community can't be pegged to one company, in a city of 18,000, an employer with 3,600 local jobs carries a lot of weight. An online survey sponsored by the local newspaper asked whether the area's economy can be improved amid Stora Enso's job cuts. Fully 71% of the votes said no.

Evidence of commercial fallout runs up and down 8th St., with vacant storefronts and "for sale" signs. After 29 years of selling sporting goods, John Ebbe says he is closing Ebbe's Outdoor Sports because folks around here can't afford new gear for fishing or hunting.

"My business relies on play money," Ebbe says. "There just isn't any extra money anymore."

At one point, Ebbe employed five workers. Now it's just him. He has two sons in college and a daughter leaving for college next year. He doesn't expect them to move back. At 47, he's not sure what he'll do when he closes his store. "It started three years ago," he says of the store's demise. "I thought I could weather through it, but I can't."

Across the street, Linda Strub runs the Gift Tree, a boutique that her mother started 30 years ago. In the last three years, she has shifted her merchandise to more practical items such as lamps and accent furniture because local shoppers no longer can indulge in porcelain figures and collectible plates. She cut back the hours for her part-time help, travels less on business and puts a sign out front in the summer to flag down more out-of-towners.

Paper Industry □



[Jobs Cut At Stora Enso](#)



Photo/[Dale Guldán](#)

[Audio](#): Interview with Lars Bengtsson (above), President, Stora Enso North America

Quotable

"Every area's got their cross to bear," Strub says. "Things could be much better, but things could be much worse."

Cindy Kiesling has seen how much worse things are. As coordinator of the dislocated workers program, she has seen demand for services jump 18% in the last two years. She has a staff of 13 workers covering a nine-county area, but six are in Wisconsin Rapids mostly because of the cuts at Stora Enso.

"Consolidated has always been *the* employer," Kiesling says. "We don't have a very diverse economic base here."

Lee Vue sells vegetables at the Thursday farmers market outside the Rapids Mall. Her husband, Xao, has worked at the mill for eight years. She takes Thursdays off from her factory job in Stevens Point to sell her home-grown corn, apples, onions, tomatoes, carrots, peppers and zinnias to raise money for school supplies for their five children, ages 6 to 14.

She doesn't know what they would do if her husband lost his job.

"It's kind of scary," she says. "There isn't any other place that pays that much."

Economic triple whammy

In his office overlooking the Wisconsin River, Lars Bengtsson, president of Stora Enso North America, acknowledges the burden of being the dominant employer in a close community. That's usually the case for paper mills, which historically have required large work forces along rivers and near woodlands.

"Of course, it will affect a lot of people," Bengtsson says of the latest cuts, announced since he moved here from Stora Enso's Germany-based newsprint division in May. "But you have to think if we don't do this, we are jeopardizing the whole operation."

Stora Enso has been hit by a triple whammy. It paid too much for a company in an industry that since has been besieged by an unprecedented downturn. Plus, it is facing the encroachment of lower-cost competition from overseas.

As a result, despite pains to make Consolidated a healthy contributor to the Stora Enso empire, the subsidiary lost \$150 million last year. So far this year, projections don't look much better, Bengtsson says.

Of course, Stora Enso isn't alone in its anguish. Glatfelter paper announced last month that it's ending 200 jobs in Neenah. Riverside Paper notified state officials that it's taking 158 jobs out of Appleton. Likewise, paper equipment suppliers C.G. Bretting Manufacturing in Ashland and Paper Converting Machine Co. in Green Bay plan mass layoffs this month.

"It was unfortunate that, exactly after this acquisition, the market vanished and we have had a three-year-long period with very weak markets and historically low prices," Bengtsson says. "Of course, it puts extra pressure on us here to do things to balance this very bad market situation. And I'm sure that has also meant that these kinds of measures we take now have been speeded up. In the long run, you cannot run a company with big losses and even negative cash flow. Something has to happen."

A new beginning

In the long run, you cannot run a company with big losses and even negative cash flow. Something has to happen.

**- Lars Bengtsson,
president of Stora
Enso North America**



Photo/Dale Guldan

Steve "Charlie" Schenk checks the quality of the coating being applied to paper on the No. 16 paper machine at the Stora Enso mill in Wisconsin Rapids.



Photo/Dale Guldan

After taking the buyout from Stora Enso two years ago, Tammy Kautz of Wausau studied to be a civil engineer; she sent out 63 resumes and landed a job away from her Wisconsin Rapids home.



Photo/Dale Guldan

Mike Eberhardt remotely controls a crane to lift a 33-ton coated-paper roll at Stora Enso's mill in Wisconsin Rapids. In January, movement of paper rolls will become automated.

Tammy Kautz is both a casualty and a success story in the wake of Stora Enso's endeavors.

Kautz landed a job at Consolidated in 1992 after 12 years of convenience store work through which she rose to be a regional supervisor. Like many paper-workers, she saw the mill as a secure employer in a community she loved.

"We were under the understanding that once you got into the mill, you were set for life," she recalls.

By the time she learned otherwise, Kautz was eligible for a buyout package from Stora Enso along with federal retraining benefits for workers who lose their jobs to foreign competition.

Between Kiesling's office and Mid-State Technical College, Kautz determined she wanted to become a civil engineer. And so, at age 40, she went back to school.

"It was like having your world turned upside down. It was scary," she says. "There was financial difficulty. I ended up really, really struggling."

The federal program paid for her tuition and books and extended her unemployment benefits. Still, her income had dropped 60%, and she had a mortgage and other bills to pay. Student grants and loans helped her. So did a \$500 scholarship and support from her family and friends. She qualified for student health insurance through the college.

Kautz finished her degree in May, two days before she turned 42. She got a job the next week. And though she's earning 24% less than she made in the mill, she isn't working swing shifts and weekends, and she says she finds work more satisfying, less mundane and repetitive. Unfortunately for Wisconsin Rapids, her job is in Wausau.

"It's been hard on people not having the opportunities close to home," says Kiesling, who has been seeing more dislocated workers grudgingly move from Wisconsin Rapids. For the majority who stick around and endure the training, she says, it's taking longer to find a new job - an extra six months on average.

The strain, both financially and emotionally, has exacerbated personal problems, Kiesling says, and more workers' families are dealing with divorce, abuse and juvenile delinquency.

"We're seeing many more family issues in our people than we ever did in the past," Kiesling says.

"Times are tough," says Jerry Bach, a Wisconsin Rapids native and former cranberry company executive who was elected mayor last year. "We've been spoiled over the years. We haven't diversified as we should."

Bach is bullish on the city's future. He cites a fivefold increase in building permits so far this year and recent additions by local hospitals and a new senior resource center. He sees Stora Enso as a business partner, not a scapegoat.

"I'm not going to bash Stora Enso," Bach says. "I think they've done what they've had to do."

Connie Loden, executive director of the Heart of Wisconsin Business & Economic Alliance, agrees with the mayor.

"It's better that they make some changes that will make them competitive than to not do that and go away altogether," says Loden, who was hired from a similar position in Iron County last year. She reasons that past prosperity from Consolidated has afforded the area good schools and parks, skilled workers and a



Photo/Dale Guldán

"I'm a survivor. I'll find something," says John Ebbe of Wisconsin Rapids, who wants to sell his sporting-goods store there. Ebbe, who has run the shop on 8th St. for over nine years, says people in town have less money for play in part because of layoffs at Stora Enso's paper mill.

Quotable

There just isn't any extra money anymore.

**- John Ebbe,
who's closing his
store in Wisconsin
Rapids**

quality of life that could attract other employers.

"Now we're facing the reality that the world has changed," Loden says. "Change happens quickly. You've got to react and adjust." But she also warns that adjustments won't happen overnight.

Spoiled by success

Local leaders are contemplating what sorts of employers to try to attract to the area, Loden says. They're looking to participate more in a regional strategy for developing the economy. And they're planning to devote more resources to local entrepreneurs and existing small businesses, which might be more likely to stay local as they grow.

At his bar and dance hall, Lance's Never Inn, Wood County Supervisor Lance Pliml suggests the success of Consolidated has spoiled the local economy.

"For many years, the paper industry drove wages in this area - positively for the people in the area, but negatively from an ambition standpoint," Pliml says. Not only have young people in the area forgone other vocations for the solid pay of paper-making, Pliml says, but mill wages tended to scare away other employers.

The average annual pay for paper manufacturing workers in Wood County exceeded \$50,000 in 2001, the latest data from the Bureau of Labor Statistics. The average for all private-sector workers in Wood County was \$33,000, statewide \$31,000 and \$36,000 nationally.

"It's a wake-up call not just to the paper industry but to all the employers in central Wisconsin," Pliml says of the changes at Consolidated, "that as good as it seems to be, we can always do better."

Stora Enso executives keep reiterating their confidence in the Consolidated acquisition, and they have committed further investments to the properties, including \$250 million in improvements.

Bengtsson suggests that the cuts he's overseeing wouldn't be such a shock to the community if they had been made sooner, over a longer period. As it is, his two-year plan would use early retirement offers, separation packages and employment assistance to gradually reduce operations closer to Stora Enso standards. And he says he doesn't want workers to have to wait a long time, wondering about their futures.

"I think maybe we are in this situation now where, facing this more global competition, we have to realize that the golden days, so to say, are over," Bengtsson says. "Where we could afford to pay more because we didn't have that competition, and now we have to adjust our costs so that we can better become competitive also on the global scene. That is a bitter medicine to swallow, but it doesn't help to close our eyes."

The day before his remarks, unions representing Stora Enso's mills in the area agreed with the company to embrace more flexible work practices in exchange for a performance-based bonus plan and a package of early-retirement incentives for workers older than 55.

"Stora Enso and PACE have a common interest. Our fates are tied together on the success" of Stora Enso North America, Michael Bolton, international representative for the Paper, Allied-Industrial, Chemical and Energy Workers, says in announcing the agreement. "It is time SENA and PACE see each other as allies, not enemies. We need to work together against the competition."

For his part, Bengtsson sees Stora Enso remaining as a large, though leaner, force in the local economy.

"We are not that sort of business where we can promise that we will employ more and more and more people in the places where we are," Bengtsson says. "But I think that we can for many, many years to come - for decades - still be a major employer in these communities. I don't see any reason why not - as long as we can manage to stay competitive."

From the Oct. 5, 2003 editions of the Milwaukee Journal Sentinel