UNION CAMP: REFLECTIONS ON A GRA CORPORATION

t's been 20 years since the end of the Union Camp Corporation, but there's a fraternity of sorts out there that can relate the grand old U.S. pulp, paper and pine chemical company's remarkable story. That story reaches back into the 19th century and the revolutionary invention of a machine that could mass-produce brown paper bags. Along the way, the corporation also opened the largest paper mill in the world and became the first example of a northern company receiving local incentives to relocate to the South. There were plenty of heavy hearts when in 1999 the company was acquired by International Paper. Lilla Ross sought out veterans who helped to tell Union Camp's epic tale.

PHOTOS

OPPOSITE TOP: View of Union Camp's Savannah paper mill from the Savannah River.

OPPOSITE BOTTOM:

Union Camp's chemical plant in Savannah as captured in May 1973.

Images by Paul Conklin, 1929-2003, Photographer (NARA record: 1116807) - U.S. National Archives and Records Administration W. Craig McClelland, Chairman and CEO, took an upbeat tone in what would be Union Camp Corporation's last annual report. Union Camp was trying to reinvent itself coming out of an economic downturn that had dropped the price of paper to historic lows. The company's new strategic plan, adopted in 1994, was bearing fruit. The company was realigning its products, emphasizing global marketing and becoming more efficient at every level, he said.

The acquisition of Alling & Cory, a leading distributor of business communications and printing papers, was helping Union Camp expand into consumer paper products through its Great White line of fine papers and its color papers produced in partnership with Crayola.

The Chemical Group, which accounted for 17 percent of sales, helped offset downturns in the paper industry. The Chemical Products Division converted the byproducts of papermaking into tall oil fatty acids (TOFA), rosin acid, dimer acid, rosin and polyamide resins used in adhesives, inks, coatings, lubricants, soaps and personal care products. Its subsidiary, Bush Boake Allen, was one of the world's leading producers of aroma chemicals and compounders of flavors and fragrances.

The Forest Resources Group managed the company's timberlands and produced lumber, plywood and particleboard. Its subsidiary, the Branigar Organization, developed upscale residential, recreational and commercial projects, another hedge during down cycles.

"Union Camp is a strong enterprise with sound business and financial strategies aimed at maximizing shareholder value. Our long-term debt ratings are among the highest in the paper industry and we remain committed to a healthy balance sheet," Mc-Clelland reported.

"...We are well positioned to take advantage of the industry's opportunities and to deal with its challenges. We have the scale, flexibility, resources and drive to succeed in serving our customers and rewarding shareholders."

International Paper thought so, too. The next year, it acquired Union Camp.

Mergers and acquisitions were International Paper's way of life. The company was born of the merger of 20 paper mills in 1898. But even by IP standards, the Union Camp acquisition was huge. FundingUniverse.com described the 1999 deal as a "blockbuster." Union Camp was a global enterprise with \$4.5bn in sales, \$5.2bn in assets and 18,300 employees in 100 locations across six continents. The acquisition was considered a good fit, allowing International Paper to expand its uncoated paper and containerboard operations. The \$7.9bn stock-swap acquisition included \$1.6bn in Union Camp debt, 1.5mn acres of timberlands and Union Camp's 68 percent stake in Bush Boake Allen.

Alling & Cory was merged into IP's North American distribution business. Bush Boake Allen initially was absorbed into IP's Arizona Chemical and then in 2000 was sold to International Flavors and Fragrances (IFF). And 3,600 Union Camp jobs were eliminated and several plants were closed.

It was an abrupt and inglorious end that even caught company insiders by surprise.

BUILDER OF CAREERS

It's been 20 years since the end of Union Camp, but there's a fraternity of sorts made up of former employees, some retired, and others working as consultants or executives elsewhere in the industry.

They get together over a beer after a game of golf at Mary Calder Golf Club in Savannah, Georgia, or in the hospitality suite at a chemical conference and talk about the good ole days.

Union Camp made a lot of things in its day—paper, cardboard, turpentine, rosins and chemicals used in everything from fine perfume to industrial cleaners. But it also made careers. Chemists, engineers, technicians and managers with all manner of expertise worked for the ever-evolving company.

Some, like Canadian Doug Foran, were young engineers wanting to build a career. He still remembers how Union Camp rolled out the red carpet the weekend of his job interview in 1977, and the professionalism and interest of the managers who interviewed him.

They lined up a real estate agent to give his wife a tour of the city while Foran toured the plant and interviewed with upper management. A job offer came with a complication; as a Canadian he needed a clearance from the Labor Department, namely an assurance that he wasn't taking a job from an American. Union Camp arranged for a lawyer to handle the paperwork.

As he was leaving work on his first day, Foran said the tech director, Wells Nutt, introduced him to Jim and Jack in the parking lot. Foran found out the next day that "Jim" was Jim Piette, the resident manager, and "Jack" was Jack





PHOTOS TOP TO BOTTOM: César Dalmau, John Lebert Smith. Photos by Fredo Arias King Ray from Franklin, Virginia, vice chairman of the board.

A couple of months later, Foran said he received a hand-written note from Ray, saying "Nice work!"

Piette, who would later become vice chairman, had a habit starting at 4:30 a.m.—of walking through the mill, chatting with the men on the line. "He knew everyone's name, their wives, their kids," Foran said.

Knowing that people at the top were paying attention to what everyone in the company was doing set the tone for his career, Foran said. He has worked for other chemical companies, but he says he feels a singular loyalty to Union Camp.

For Jerry Smith, working at Union Camp's Savannah plant could be called destiny.

Smith was 8 years-old when his family sold their farm in Alma, Georgia, and moved to Savannah where they opened the Town House on Bay Street. The Union Camp paper mill was right across the street, and mill workers were regulars at the restaurant.

"Since I was a little boy, all those folks from the mill would see me and say, 'When he grows up, he's going to work at Union Camp,' so I guess I never had a choice," Smith said.

In 1966, fresh out of high school, Smith got a job as a paper tester, earning \$2.89 an hour. He would work at Union Camp for almost 30 years.

One of the people he worked with was Neil Wheeler. While Wheeler's father was in Vietnam, his mother lived in Orange Park, Florida, next door to a guy named Don Neighbors.

"I thought Don was just the crazy old man who lived next door to my mom but turns out he was a head honcho at Union Camp," Wheeler said.

In 1970, Wheeler applied for a job as a welder at Union Camp's Jacksonville plant. He didn't get it. Instead, he was hired to work in the lab. He stayed for 42 years, spending half of his career in R&D and the rest of it in operations, and eventually becoming general manager.

Wheeler was one of the people who helped solve a problem for Union Camp—how to make things out of its waste products.

"I was pretty bright-eyed, and I had no clue about all the things that could be made from turpentine," Wheeler said. "You can literally make anything, and it has natural properties yet undiscovered."

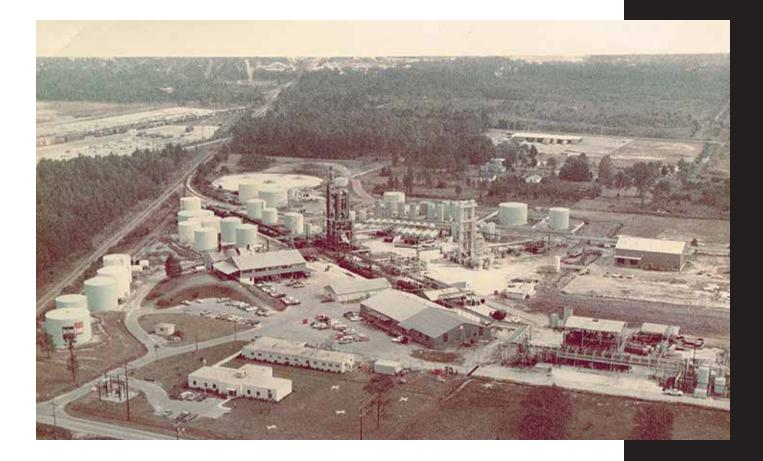
Wheeler worked with Bob Webb, whom he described as the George Washington Carver of pine chemicals. Carver was the African-American scientist credited with introducing peanuts as a Southern crop.

"What Carver did for the peanut, Webb did for the pine tree," Wheeler said.

Webb became a world-renowned expert in terpenes and aromatics with 50 patents to his name. Webb. who died in 2002. started his career as a chemist in 1950 and worked for the Glidden Company and A. Boake Roberts & Company in London. Webb and fellow chemist Joe Bain started the Terpene Research Institute, a Union Camp customer. In 1966, vice president Ben Duran, convinced them to join Union Camp. Webb eventually became vice president of the chemicals division.

John Otterson came to Union Camp from what had become SCM Glidco. Wheeler hired Otterson in 1984 as a development engineer, and he still works at the Jacksonville plant, now owned by IFF.

"The chemical side was a small part of the company, which was a paper company," Otterson said. "So, you had the opportunity to take on a lot of roles. You could wear a lot of hats, get a broad base of experience. You could change jobs without leaving the company."



Kirk Cobb joined Union Camp in 1979 as a young engineer. He had a master's degree in chemical engineering from Michigan State University and had a few years under his belt working at pharmaceutical and detergent companies in Chicago.

He and his wife had just had a son and were looking for a place to settle. "I went on some interviewing trips and got an interview with Union Camp," Cobb said. "They were looking for engineers. It all fell into place. We were there 24 years. It was a good life."

And then there was the outlier, César Dalmau, Union Camp's Man in Miami. He was the business manager for Latin America, spearheading the company's new entry into Mexico, the Caribbean and South America — everywhere except Cuba.

"It was a two-man show. I was in Miami and we had a person in Mexico. We did everything—sales, marketing."

One of his favorite things was visiting the headquarters in Wayne, N.J. "It was beautiful, elegant, a tie-and-jacket kind of place," Dalmau said. "But you'd be having lunch and see deer 10 feet away.

"Union Camp was considered to be the elite in the industry. The way we did business, commanded a high price. It had a laboratory in Princeton, N.J., working on the future that would affect the whole industry. It really was unique."

And, he remembers during visits to Savannah how happy everyone was. "Savannah was always pleasant. Everyone loved working for Union Camp. It felt like family. They wanted their children to work there."

EARLY DAYS

The roots of the Union Camp Corporation reach into the 19th century to a revolutionary invention—mass-produced brown paper bags.

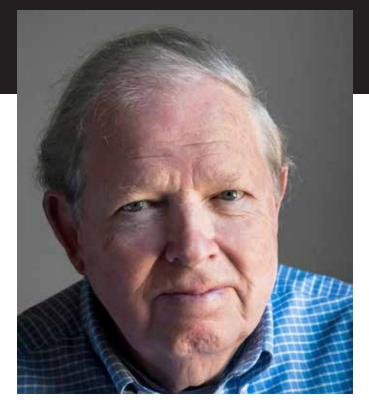
The machine that could turn out 1,000 bags in an hour was the brainchild of Frances Wolle, a Moravian minister. The bags were all the rage, a major improvement over making them yourself with wrapping paper and flour paste.¹²

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The Union Camp Chemical Division site in Jacksonville, Florida.

¹ Lesley-Anne Stafford Reed, *Smells Like Money: The Rise And Fall of a Paper Dream in Dixie, 1920-1975, University of Georgia, 2012. This doctoral dissertation chronicles the emergence of modern paper mills in the South.*

² W. Craig McClelland, "Union Camp Corporation: A Legacy of Leadership," Address 1995, Newcomen Society.



The new industry took off in 1881 with the invention of a sturdy brown paper called kraft. That same year, the Union Bag and Paper Company was founded in Bethlehem, Pennsylvania.

The paper bag industry flourished for several decades, relying on suppliers of northern spruce, the primary source of wood for pulp. But in the 1920s, as northern forests were depleted, the U.S. turned to Canada and Scandinavian countries for raw materials. In the absence of trade tariffs, they began flooding the American market with cheap paper and pulp.

Companies like Union Bag were hit hard. They were forced to sell off several mills, which hurt production. In 1930, *Fortune* magazine called the company "big, dumb Union," describing it as a "dopey, mismanaged corporation."

But an up-and-coming salesman, Alexander "Sandy" Calder, would change all that. Calder was hired in 1912 for \$40 a week. Within a few years, he landed the company its biggest account—supplying shopping bags to F.W. Woolworth, the pioneering five-and-dime. He was named vice president of sales in 1927. By 1931, he was president.

Calder took over the company in the midst of the Great Depression. In 1932, the company was in the red with a net loss of more than \$200,000. A third of its paper came from competitors and Union Bag was hamstrung by high-cost Scandinavian pulp contracts.

Calder acted decisively. He got the company out of the pulp contracts, cut wages and staff and improved productivity. Then he turned his gaze to the South.

A southern pulp merchant, Jim Allen, had convinced



Calder that the future of the paper industry was in southern pine that with the new sulfate pulp process produced a high-quality pulp. Southern pine grew faster than northern spruce, making it a renewable resource. Instead of deforesting timberland, southern forests could be replanted.

But Calder's southern aspirations met with stiff resistance from the board of directors. So, Sandy and his brother, Lou, bought a majority of the stock and forced their hand.

SAVANNAH

The move to Savannah was a bold strategy but not without its logic.

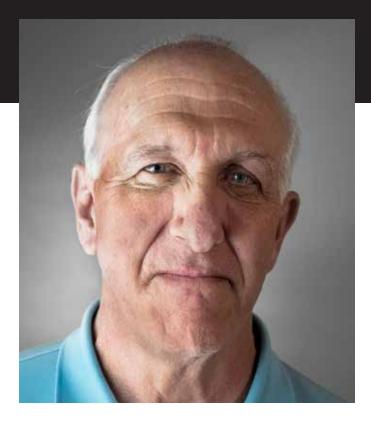
Though not a large city, then or now, Savannah has a number of assets that make it appealing to industry—a river, a port, rail lines, a mild climate, pine forests and cheap labor. And, Savannah shipped more naval stores—turpentine, gum, rosin and tar—than anyone else in the world.

With the decline of cotton and rice plantations after the Civil War, Georgia began looking at its vast acreage of long-leaf and slash pines as a cash crop. Up until then, trees had been seen as an impediment to agriculture, and were either burned off or clear-cut and sold for railroad ties.³

But all those pine trees had value as a source of crude pine gum.

Naval stores were made the old-fashioned way. Crude pine gum was tapped by hand from long-leaf and slash pine and distilled over log fires to release the spirits of turpentine and rosin. It was a hot, dirty and dangerous process,

³ Buddy Sullivan, "Naval Stores Industry," New Georgia Encyclopedia, 2006.



done largely by African-American workers, whose parents and grandparents had been slaves.

Union Bag wouldn't get into the chemical side of forest products industry until 1943. First, it established itself in Savannah, and it did so in a grand way.

Coming out of the Depression, Union Bag needed \$4mn to build a new plant in Savannah, an outrageous amount of money in the 1930s. It found willing lenders in southern bankers. An agreeable city government leased 440 acres of riverfront property for \$300 and built a road and railroad track to the plant site. It was the first instance of a northern company receiving local incentives to relocate to the South.⁴

When it opened in 1936, it was the largest paper mill in the world. On opening day, Union Bag took out an advertisement in the *Savannah Morning News*: "Our aim is that we may be taken into the fold in Savannah and we promise that our citizenship will be the best we know how to make it."

THE MERGER

World War II brought increasing demand for its products and Union Bag continued to expand, acquiring smaller companies and adding equipment to produce paper, linerboard and bags for commercial and industrial uses. And it wanted to expand into bleached paper. Union Bag did it in 1956 by merging with Camp Manufacturing Company of Franklin, Virginia.⁵

Camp Manufacturing was an old company, started in 1887 by the Camp brothers who bought a sawmill that had

PHOTOS LEFT TO RIGHT: Maurice Sheppard, Don Neighbors, Bill White. *Photos by Pavel Hroch*

been in operation since before the Civil War. In 1936, they branched out, merging with a company that made kraft paper. Camp was a small but successful company that saw a chance to grow with Union.

The merger was the result of a friendship between the company presidents—Alexander "Sox" Calder and Hugh Camp.

Union Bag brought \$123mn in sales and over a million acres of timber to the deal; Camp had \$27mn in sales and 240,000 acres of timber. The new company was called Union Bag-Camp Paper Company.

For the next decade, Camp and Calder expanded the new company through acquisitions. They added bleached paper products, school supplies and stationery, specialty boxes and a resin-infused product called honeycomb that was strong, lightweight and waterproof with numerous industrial uses.

The company expanded overseas in 1965 with the purchase of a corrugated box plant in Barcelona, Spain, and quickly moved on to Ireland, the Canary Islands, Chile and Puerto Rico.

In 1966, the company dropped the cumbersome name of Union Bag-Camp Paper Company in favor of Union Camp.

NADER

In the 1960s, scientists began raising the alarm about the damage being done to the nation's environment. Rachel Carson wrote about the dangers of pesticides in *Silent Spring*, published in 1962. Chemicals dumped in the Cuyahoga River in Ohio caught on fire, and Lake Erie turned red from a toxic algae bloom.

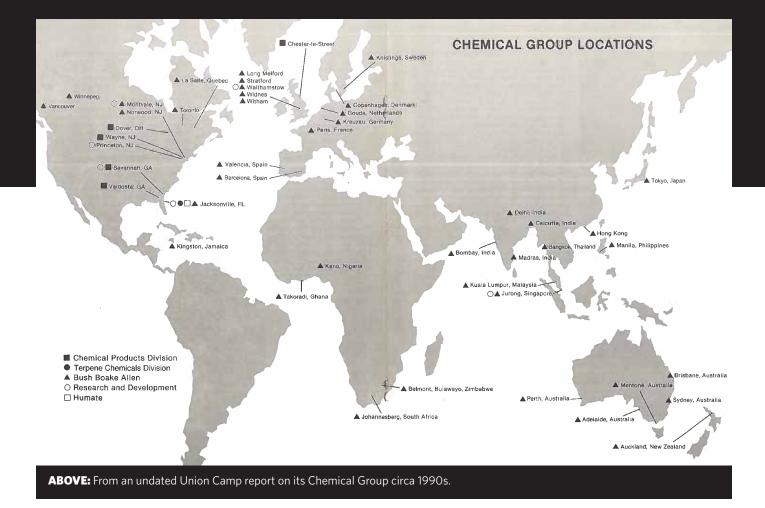
In response, Congress convened hearings and passed the Water Quality Act in 1965 and created the Environmental Protection Agency in 1970. A new era of environmentalism had begun. Industries were put on notice that they would have to clean up their act.

The paper industry was particularly vulnerable to criticism. Paper processing required millions of gallons of water, and after processing, the waste water, loaded with toxic chemicals, was dumped—in the case of Union Camp in the Savannah River.

Savannah and Union Camp received unwelcome but not undeserved publicity when consumer activist Ralph Nader sent a team of college students, dubbed "Nader's Raiders," to spend the summer of 1970 in Savannah. Their research was published in a book, *The Water Lords*, which laid out the de-

⁴ McClelland.

⁵ McClelland.



tails of decades of industrial and municipal pollution of the Savannah River.⁶

Maurice Sheppard, an environmental engineer, remembers the visits from the Raiders and newspaper reporters. "It wasn't a pleasant time. I had to take them on tours, and they reported in the newspaper things I did not say."

The company came in for more criticism in Nader's book, *Owing Your Soul to the Company Store*, published in 1973. In response to a review of the book, Union Camp's director of environmental protection, V.E. Kelly, wrote a letter to the editor of the *New York Review of Books* complaining about the portrayal of the company as arrogant and uncooperative in efforts to control pollution and protect natural resources.

Nader "exaggerated and misrepresented" the situation and didn't take into account the improvements Union Camp had made, including \$60mn in pollution control devices, a wastewater treatment plant and air emission controls, Kelly wrote.

"This represents the largest pollution control expenditure ever undertaken in the paper industry at a single plant," Kelly wrote.

The fact that the letter was written by the company's

"environmental protection director" is indicative of the impact of all the publicity. After its close encounter with Nader, Union Camp worked hard to change its image and adapt to a new regulatory environment.

Policies and practices began to change.

Though Nader's Raiders had focused on water pollution, Union Camp and the other paper companies were more famous for emitting a rotten-egg smell from the sulfates used in the pulping process. It was jokingly called "the smell of money," but Union Camp and the other plant spent millions to make it go away.

The company turned to chemists and engineers to implement the new environmental regulations.

"We had a waste treatment facility," Sheppard said. "Then we installed an aeration lagoon. Oxidation was used to reduce the sulfur emissions from the black liquor that caused all the odors. We were doing things that weren't required and helping the environment."

Joe Hasbrouck, an applications engineer, was part of the team that addressed the problems caused by inks.

"Union Camp had a lot of box plants that had printing operations. The best ink had the best solvent, but the government doesn't like it to get into the air, so we had to figure out how to solve that," Hasbrouck said.

⁶ Smells Like Money.

"I chased raw materials all over the world. We bought tall oil from Finland and Sweden. We were always looking for turpentine. I went to New Zealand and China. I saw places I never thought I'd see."

"I got on airplanes a lot and went to wherever the printing plants were. We used catalysts like you have on cars that oxidize the solvent. We collected the fumes off the printing presses and used a catalytic converter, heating it up to a certain temperature for a certain amount of time. We had to run tests on it annually."

Cobb helped with the transition from pneumatics to computers.

"When I got started in 1979, process instrumentation was pneumatic. We used a lot of flammables and hazardous materials, especially turpentine. Everything had to be rated explosion-proof," Cobb said. "Then the electronics revolution happened and along came computerized instrumentation, which was intrinsically safer. Everything completely changed."

One of the advances Union Camp made in the 1990s was a chlorine-free bleaching process that used oxygen and ozone and—just as important—70 percent less water. *Paper Age* magazine called the new process "revolutionary."

In 1990, CEO Raymond E. Cartledge implemented \$46mn in environmental upgrades and expanded the company's capacity for recycling.

His successor, McClelland, bragged in 1995 that Union Camp was the first company to volunteer for an EPA program to reduce certain emissions by 50 percent and beat the deadline by three years.⁷

THE CHEMICAL SIDE

Chemists like Bob Webb worked to find ways to convert waste byproducts into revenue-producing products. Webb was up for the challenge.

"I see a pine tree as a tremendously complicated chemical factory," he said in a 1987 interview with *The Florida Times-Union*.

Union Bag ventured into crude tall oil (CTO) production in 1943. One of its major products was Unitol, advertised as "the palest tall oil product ever marketed," and ideal for vinyl plasticizers, surfactants and baking vehicles.⁸

By the 1950s, the company was producing 25,000 tons of CTO products and 1.5mn gallons of crude turpentine.

Bill Rawls started with Union Camp in Savannah in 1952, initially as a process engineer in the paper mill but a couple of years later he moved to the chemical side, running the tall oil plant.

In 1964, Union Camp acquired Nelio Resin Chemical Corporation in Jacksonville to expand into terpenes and aromatics, processing raw material from Union Camp's four pulp mills.

In 1965, Rawls moved to Jacksonville as general manager of manufacturing, overseeing the old Nelio plant and six gum processing plants in Florida and Georgia. He hired Don Neighbors in 1966 fresh out of business school. Neighbors worked at Union Camp for about 25 years, becoming general manager of the Jacksonville plant.

When he started, a few people were still harvesting pine gum the old-fashioned way through tapping the trees—slashing the bark and letting the crude gum collect in a cup.

"There was one guy who lived over by Moccasin Slough in Clay County who owned a lot of land, acres and acres of pine trees. He had a pretty good, but small business tapping the pines. He collected it in barrels, and he'd bring it to the plant," Neighbors said.

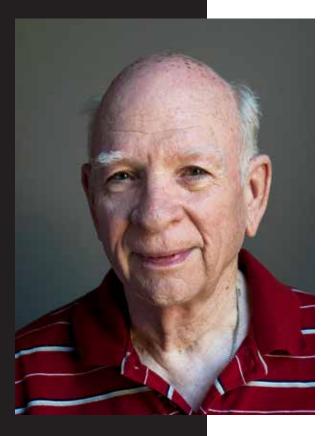
But most of the turpentine came to the Jacksonville plant paper mills on trains from Savannah. Raw materials, however, were always in short supply, Rawls said.

"I chased raw materials all over the world," Rawls said. "We bought tall oil from Finland and Sweden. We were always looking for turpentine. I went to New Zealand and China. I saw places I never thought I'd see."

Though never a large part of the company, the chemical division in Jacksonville and Savannah played an important role for Union Camp as new environmen-

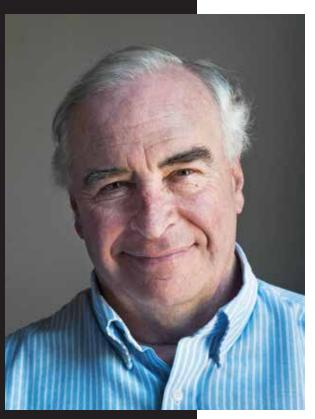
⁷ McClelland.

⁸ https://bit.ly/2lmbdcn.



Joe Hasbrouck

> Doug Foran



Photos by Pavel Hroch

tal regulations in the 1970s forced the paper industry to get creative with its industrial waste.

Chemists discovered a sweet-smelling solution—alpha-terpineol, which could be extracted from crude pine oil.

"We could sell it for three times what pine oil went for," Neighbors said. "That's when Union Camp got into aroma chemicals in a big way. They found they could make a lot of other components that had a lot of uses. They kept refining and refining and found a way to make a different batch of chemicals, a lot of them used in flavors and fragrances."

Foran, a chemical engineer, spent most of his 40 years at Union Camp working in recovery. Recovery meant different things to different parts of the company, he said.

"To the mill, soap, turpentine and CTO were a sideshow. There wasn't much economic incentive," Foran said. "But to the chemical division, it was life and death. Recovery of chemicals, it's the heart of the process."

A hundred pounds of soap could produce 50 pounds of tall oil.

But there was a practical side, as well. Chemicals that weren't recovered could damage equipment like evaporators.

"If you don't manage soap and turpentine, they will manage you. They are merciless," Foran said. "Soap is like cholesterol. You can eat a fatty steak today, but down the road, you're in big trouble.

"The real driver for the mill was how to help mills make more paper," Foran said. "Once they realized that recovery could help them do that, they got interested in it."

Jerry Smith worked for Foran as a recovery engineer.

"As regulations got more stringent, there was more focus on recovery," Smith said. "The company appropriated capital to put in better equipment, which made my job easier.

"Not only were we trying to recover our own byproducts, but we started buying from outside suppliers who couldn't get rid of their byproduct," Smith said. "We could help them decrease their environmental footprint but also get them revenue."

Bill White worked in purchasing, buying soaps, turpentine and crude tall oil from other companies. For the Chester-le-Street plant in England, he bought CTO from Sweden and Finland. He bought castor oil for the Dover, Ohio plant, which made hydrogenated castor oil and esters.

He started at Union Camp in 1982 with no background in the industry. Two things surprised him—the smell and how many things could be made from byproducts.



We plant the future!





White worked as purchasing manager in Jacksonville, then went to corporate headquarters in New Jersey for 1½ years as director of corporate purchasing. He returned to Jacksonville as director of purchasing and transportation for the chemical group.

During the 16 years Joe Hasbrouck worked in Jacksonville, Union Camp "expanded the product line and total volume, more than doubled all the equipment, installed the latest control technology, changing over from pneumatic," Hasbrouck said.

Then he moved to Savannah to work in corporate engineering, working as part of a special team of in-house experts in chemical processes that managed major projects and equipment installation.

In early 1990, tall oil fractionators were developed that could produce a light-colored, low-odor rosin.

"Rosin esters really changed the state of the business," Sheppard said. "They created new outlets for rosins like inks and coatings." One of Sheppard's favorite applications was baby diapers. The new rosins were used to make the waterproof coatings and adhesives that held the layers together without the sulfur odor.

By 1981, the Jacksonville plant employed 200 and Union Camp decided to expand its aroma and fragrance operation with the acquisition of Bush Boake Allen from Tenneco Inc.

Ed Healey, who worked in perfume fragrances sales and quality control, said the Bush Boake Allen acquisition opened up Europe and fragrances for Union Camp.

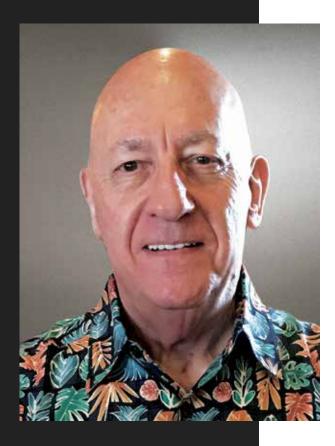
Bush Boake Allen, based in England, had plants on five continents and allowed Union Camp to increase its chemical manufacturing capacity in flavors and fragrances. The plant would take on the Bush Boake Allen brand.

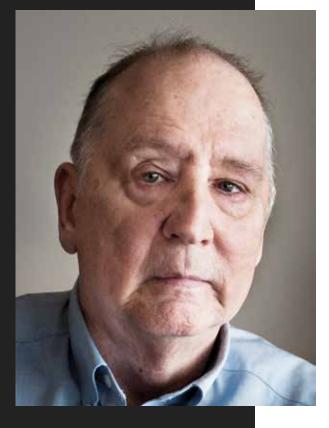
John Lebert Smith spent most of his career at Union Camp working in overseas sales.

After a decade at Monsanto, Smith joined the Chicago office as a sales manager but soon moved to the New Jersey head-

PHOTO:

Hiram Kennedy and Red Manning at Union Camp's gum turpentine processing facility in Jacksonville in the 1960s.





РНОТОЅ ТОР ТО ВОТТОМ:

Ed Healey

Neil Wheeler Photo by Pavel Hroch quarters to work in national and later international sales. It was a job that took him around the world. It helped that he had a facility for language. Smith can speak German, Spanish and Japanese.

He recalls going to China in 1982 with Roger Logan, director of manufacturing in New Jersey. China was starting to become a big player in the industry, primarily because labor was cheap there. But Smith and Logan were sent to check out the sebacic acid facilities, which were producing a higher quality product than the one Union Camp produced in Dover, Ohio.

They were escorted everywhere by two Chinese men who watched their every move but also translated. Toward the end of the trip, Smith and Logan got separated from them and ended up stranded at the airport. Since their escorts had handled all the arrangements, Smith said they were lost and not sure how to get back to the office. But they were rescued by an enterprising teenager, who took them in hand, sorted out the details and escorted them to their office. Smith said they offered to pay him but he refused. His reward was a chance to practice his English.

LAND AND TREES

Part of the original strategy of moving to the South was to have a renewable source of trees. Calder began buying land as soon as the Savannah plant became operational. By 1956, the company owned 900,000 acres of timberland and by the mid-1990s, it owned 1.5mn acres in six Southeastern states.

The four paper mills had a voracious appetite for trees. "Six thousand tons a day went through the Savannah mill," Cobb said. "Three hundred trucks a day, 20 tons a load. It was a busy place."

One truckload of wood yielded 75 gallons of CTO and 15 gallons of turpentine, according to Foran.

Union Camp enlisted scientists at its forestry research center in Rincon, Georgia, to produce a genetically superior pine tree, one that would mature in 20 years. Seedling nurseries in Georgia, Virginia and Alabama grew more than two billion trees.

The company liked to brag that it planted three trees for each one it harvested. And, it made the most of each tree. In addition to paper and chemicals, the company burned pine bark as fuel for its mills or bagged it as mulch.

In addition to trees, the acreage had other purposes. The company leased stretches of the forest for hunting and outdoor recreation.

In 1937, Calder bought Palmetto Bluff, the estate of New York banker Richard T. Wilson, 20,000 acres of timberland with 32 miles overlooking the May River. Calder built a 14-bedroom hunting lodge, a popular retreat for company executives and custom-

March-April 2019 PINE CHEMICALS REVIEW

PHOTOS: TOP: Union Camp memorabilia owned by Neil Wheeler. BELOW: Some of the many products made with pine chemicals in a collection kept by John Otterson. *Photo credit: Pavel Hroch*



"This is a terribly competitive business. If the industry goes down the drain, we'll do a little better. But we'll also have one foot down the drain."

ers. But most of the land was used for timber. In the mid-1990s, the property was annexed to the town of Bluffton, doubling its size.⁹

Another South Carolina property in Eastover included Kensington Mansion, built in 1854 in the Italianate Revival style. Union Camp bought the property in 1981 and spent \$1mn renovating the 12,000-square-foot mansion, which became a tourist draw in a partnership the company formed with a community group.¹⁰

Union Camp also was famous for its Mary Calder Golf Club, named for the mother of Union Camp's president. It opened in 1937 at its Savannah plant.¹¹

Jerry Smith remembers as a boy sneaking into the woods around the plant to hunt birds with his slingshot and steal golf balls lost at the course, where he later played as an employee.

"I could be on the course five minutes after work," Smith said. "With all the shifts at the plant, you had people playing all day."

Back in the sixties, Smith said it cost \$5 to join and 80 cents a month for unlimited play. "They would take it out of your check, a little every month," Smith said. "Five dollars was a lot of money in those days."

As part of its diversification strategy in the 1960s, Union Camp acquired Branigar Organization, a development company. In the 1970s, Branigar developed

11 https://www.marycaldergc.com/

The Landings, a golf and recreation community on Skidaway Island, near Savannah; Champion Hills, a golf club community in Hendersonville, S.C., and the Galena Territory, a residential and recreation area in Illinois.

Union Camp's investment in land would pay a dividend after the punishing environmental exposé by Nader. Sox Calder used the land to rebuild and maintain the company's image. He established the Land Legacy Program to handle the donation of company land to nonprofit groups and to manage their ecological, historical or recreational values.

Donations included 50,000 acres in Virginia to the Nature Conservancy in 1973 that became the Great Dismal Swamp National Wildlife Refuge. It was the first major land donation by an American company. The donation was described as "enlightened corporate responsibility."¹²

In 1975, the company donated Turtle Island to South Carolina¹³ and, in 1978, 16,600 acres of the Okefenokee Swamp to the National Wildlife Refuge System.¹⁴

In 1986, the company established the Alexander Calder Conservation Award, a \$10,000 grant to an individual who worked in partnership with business to protect nature.¹⁵

IN ITS PRIME

Union Camp hit the \$1bn mark in sales in 1976, but Calder was philosophical about it, telling *Business Week*, "This is a terribly competitive business. If the industry goes down the drain, we'll do a little better. But we'll also have one foot down the drain."

The company had grown because as a competitor put it, "Calder has a better nose for smelling out the market than anyone. He's out there in the boonies ... and he isn't impressed by anyone else's projections."

Though Calder described himself as "opinionated and cantankerous, but my key managers aren't afraid to speak up. We don't stand on ceremony, and we spend a lot of time talking to each other."

Indeed, everyone from the production floor to the boardroom called him Sox. "And he likes it—and people love him. In that respect, he's different from anyone I've ever known," a colleague told *Business Week*.

Calder retired in 1980 but was chairman of the board's executive committee until 1986.

The man who would set the tone for the final decade of the company was Eugene Cartledge, who started in sales and marketing when it was still Union Bag. He became CEO in 1986.

The *Los Angeles Times* needled Cartledge for his titles chairman of the board, chairman of the executive committee,

15 http://www.possibility.com/CalderAward/

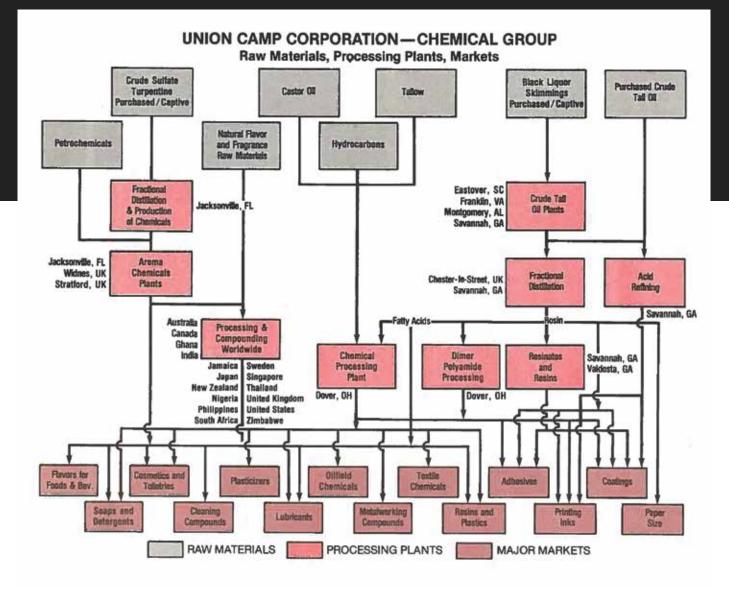
⁹ https://www.palmettobluff.com/about/history/

¹⁰ http://www.scencyclopedia.org/sce/entries/ kensington-plantation/

¹² https://bit.ly/2K4uA71

¹³ http://www.audubon.org/important-bird-areas/turtle-island

¹⁴ https://nyti.ms/2HYa8rP





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Tel.: 86 20-38827275 Website: <u>www.starpine.com.cn</u> By 1998, sales had reached \$4.5bn. The company had \$5.2bn in assets, including 1.5mn acres of timberland in the Southeast, 18,300 employees and operations all over the world.

president and chief executive—that's "enough honorifics to satisfy even the most pretentious of potentates."¹⁶

"It's unusual, and he doesn't like it," said Alexander Calder III, a Union Camp spokesman told the *Times* in 1989. "He doesn't want his epaulets too damn big."

With so many titles to choose from, what do Union Camp employees call their leader? "Gene," Calder said.

Under Cartledge, Union Camp weathered one of the worst recessions, making its largest capital expansion, amounting to \$1.4bn. But the company's increased capacity came at a time of shrinking demand for many of its products.

Cartledge retired in 1994 and the following year the economy rebounded and with it demand for Union Camp products.

http://articles.latimes.com/1989-03-04/business/

fi-240_1_executive-titles

16

His successor, W. Craig McClelland wanted to

take the company in a new direction. The growth of personal computers and printers was creating new markets, and Union Camp began selling products through office superstores.

By 1998, sales had reached \$4.5bn. The company had \$5.2bn in assets, including 1.5mn acres of timberland in the Southeast, 18,300 employees and operations all over the world.

It had come a long way from brown paper bags. The company now manufactured and sold packaging and paperboard, wood products, corrugated and solid fiber containers, fine paper and coated papers for publishing, advertising and greeting cards, as well as chemicals found in everything from perfume to industrial solvents. Corporate headquarters were in Wayne, New Jersey, there was an R&D division in Princeton,

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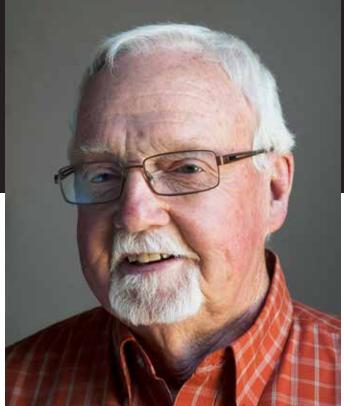


New Jersey, a chemical division in Jacksonville, Savannah and Dover, Ohio, and paper mills in Savannah, Prattville, Alabama, Franklin, Virginia, and Eastover, South Carolina, while there was the overseas production as well.

McClelland had come to Union Camp from International Paper where he was executive vice president and director. He came to be regarded as the fox in the hen house when in 1999 International Paper acquired Union Camp for \$7.9bn.

White said International Paper's acquisition of Union Camp should have been expected.

"During the 1990s, especially the late '90s, there were a lot of mergers in the pulp industry. The top three or four companies started competing for No. 1. They started acquiring the slightly smaller companies, the ones that were Nos. 5, 6, 7, 8. By making an acquisition of one of those you got capacity and market share. That



wasn't true of the smaller companies. Union Camp was probably No. 5, 6 or 7 when it was acquired by International Paper," White said.

Some lost their jobs.

"IP took over corporate engineering and almost all of us got laid off," Hasbrouck said. "I don't think they had any corporate engineers like Union Camp did. Several times after I got laid off, they called me asking who could help with a certain problem."

For others not much changed. "One day I was working for Union Camp, the next day it was Arizona [Chemical]," Jerry Smith said. "I was doing the same job."

Since his retirement in 2012, Smith's been working as an independent contractor. But he still plays golf at the Mary Calder Golf Club. Today it costs \$600 to join, and instead of with coworkers, Smith tees off with his two grandsons.

