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As Jobs Fall, Maine Blames Free Trade; Anti-NAFTA Rhetoric Echoes U.S. Anxiety

By Sarah Schweitzer, The Boston Globe Knight Ridder/Tribune Business News

Mar. 28--BUCKSPORT, Maine - The economic news trickling in from points all around this paper mill town is bad. A mill closed up north, another one to the west. Workers here worry it's only a matter of time before their own International Paper Co. complex on the Penobscot River succumbs.

In the minds of many in Bucksport, there's one force, above all else, worthy of blame for shuttering the state's once thriving paper mills: the North American Free Trade Agreement.

"NAFTA has not been good to us," said Stephan Donnell, president of a local union. "Free trade sounds wonderful -- sounds like the American way and the way it ought to be. But when rules are different country to country, it makes it very hard to be competitive."

The call to arms against NAFTA comes amidst growing economic anxiety for blue-collar workers in Maine, where 31,000 manufacturing jobs have been lost since 1990 and nearly 18,000 since 2000, based on January numbers from the Bureau of Labor Statistics. The losses mirror a national trend that has made trade a charged issue in the presidential campaign, with Democrats saying that Republicans have been too laissez-faire and Republicans responding that Democrats are against trade.

Coming out of Maine, the anti-NAFTA rhetoric is gaining national notice because the state is among 17 swing states being targeted by both parties and one whose economic woes echo those of larger battleground states, such as Ohio and Pennsylvania.

Workers here say the issue of trade will be a decisive one for them in the upcoming November election, with some independents and Republicans warning that they are tilting toward Democrats, whom they perceive as more willing to reconsider the trade agreements.

"I've done terrible under Bush, and Bush supports sending jobs overseas," said Mark Ward, an independent who has worked at the Bucksport mill as an electrician for 27 years. "John Kerry is against it, and that's why I am going to vote for him."

President Bush supports NAFTA and his chief economist recently defended outsourcing of jobs overseas as a good thing for the American economy in the long run. A spokesman for Bush-Cheney '04, Kevin Madden, said, "The worst thing for our economy now would be the adoption of John Kerry's policy of economic isolation. We cannot throw up walls around our economy."

Senator John Kerry voted for NAFTA in 1993 but now says it needs to be

reviewed, along with other trade agreements. A spokeswoman, Kathy Roeder, said, "George Bush doesn't think there is a problem. Senator Kerry recognizes that we can do better by workers."

In a measure of the depth of animus for NAFTA, US Representative Michael Michaud, a first-term Democrat who represents the northern reaches of the state with heavy concentrations of paper mills, has cosponsored legislation to withdraw the United States from the trade pact that took effect in 1994. He was joined by seven others, including Virgil Goode, a Republican of Virginia.

In his district, Michaud's outspoken opposition to the trade agreement is proving popular, and drew appreciative nods on a recent afternoon as the congressman, a former millworker himself from East Millinocket, greeted International Paper workers streaming out of the industrial complex that dominates the town's horizon.

"It's killing us," Michaud told workers. "Something's got to be done."

In an interview, Michaud said, "When you have the Canadian government subsidizing the paper industry in Canada, as far as rebuilding their paper machines, it's very hard to compete with that."

His Republican opponent, Brian Hamel, a businessman from Presque Isle in northern Maine, advocates reviewing NAFTA but opposes withdrawing from it.

"These paper plants that have closed in Maine are opening up elsewhere in the United States," said Hamel, who blames what he calls Maine's poor business climate.

Withdrawal from NAFTA, economists say, is highly unlikely. Yet anger at the trade agreement, they say, is not to be dismissed because it is a stand-in for broader economic anxiety that is causing voters to question the value of free trade and globalization.

"For people who are really worried about their jobs and competition, NAFTA is Mexico and Mexico is the question of whether the United States can compete with sophisticated low-wage countries," said Edward Gresser, the director of the Progressive Policy Institute's Project on Trade and Global Markets. "Really what people are saying when NAFTA comes up is: How does the United States compete, and the larger question of the changing global economy."

Maine has been through waves of manufacturing job loss over many years: The shoe industry departed for Brazil first, and now the paper industry is trickling away. Service jobs -- many in call centers and the tourism industry -- have been created, keeping unemployment relatively low, but economists point out that the service jobs generally do not pay as well as mill jobs.

A December 2003 study by the Maine International Trade Center found that

NAFTA had been a mixed bag for the state. Since 1993, Maine's exports and imports had more than doubled and Canadian firms had invested in Maine's natural resources industries, the report found. But wood, food processing, and some sectors of the metals industry had been hard hit by imports and suffered job losses.

The report concluded: "The gains from international trade tend to be small and widely dispersed. ... The costs on the other hand tend to be very clearly located and very large for those who bear them."

In Bucksport, the International Paper mill has a payroll of about 900 workers, having lost some jobs to attrition. With news of plant closings elsewhere, workers are on edge. Outside the mill on a recent day, workers laughed uneasily at a cartoon -- handed to Michaud by a worker -- satirizing a passage in Bush's annual Economic Report of the President that asked whether fast-food burger flippers should be classified as manufacturers.

"The jobs overseas, it's having a real impact," said Peter Terry, a mill mechanic for 37 years. "We're in a lot of trouble in the whole state. I can't tell you what the answers are, dear . . . There's people who know so much more than I. But I've seen a lot come and go."