

George J. Mitchell Oral History Project

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David T. Flanagan
(Interviewer: Mike Hastings)

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Mike Hastings: The following is an oral history interview for the George J. Mitchell Oral History Project, an activity of Bowdoin College. Mr. David Flanagan of Manchester, Maine, is our interviewee. I'm Mike Hastings, the interviewer. We're holding this interview at the office of the Sys-, University of Maine System on Central Street in downtown Bangor. The date is Wednesday, April 22, [2009], the time is 4:45 p.m. Good afternoon.

David Flanagan: Okay, okay

MH: Could we begin please by your stating your full name and spelling your surname?

DF: Sure. My name is David Thomas Flanagan, F-L-A-N-A-G-A-N.

MH: And could you give your date of birth and place of birth?

DF: I was born on June 28, 1947 in Bangor, Maine.

MH: And could you give me the full name of your mother and father?

DF: My father's name is Thomas Shea Flanagan, and my mother's name was Constance Marie Coleman Flanagan.

MH: That's Coleman, C-O-L-E-M-A-N?

DF: Correct.

MH: Very good. Tell me a little bit about your father. What's his, in a nutshell, what's his story?

DF: My father was one of nine children who grew up in Bangor. His father worked for the, as a reporter for the *Daily Commercial*, and then for the IRS back in the '30s, and he had the opportunity to go to the University of Maine thanks to the G.I. Bill after spending two years serving the country in the European Theater of Operations. Once he had a college degree, he went to work in the insurance industry as a claims adjuster and had a career that lasted for forty years in that arena and was very well respected, and nonetheless, had the opportunity to spend some time fathering eight children, all of whom were encouraged to go on to college and

professional life.

MH: And where did they go to college?

DF: One of my brothers and I went to Harvard. Another went to Brown. A third decided to get as far away as possible and went to the University of Hawaii, and my sisters went to Simmons and the University of Maine and Tufts and, and the last one went to Tufts, too.

MH: What number in the pecking order are you?

DF: Number one.

MH: Number one, okay. Do any of them still live here in Bangor?

DF: No.

MH: No. Okay. Schools, schools in Bangor? Public schools?

DF: Yeah, I went to Abraham Lincoln School, and then we moved to Hampden and I am a proud graduate of the George B. Weatherbee School, and then I went to Deering High School in Portland.

MH: Deering High School in Portland. So your, did your parents move down there?

DF: Yeah, yeah, promotion.

MH: Yeah, I got you. Okay, and so all four years of high school were Deering?

DF: Yes.

MH: And what where your interest there?

DF: My interests were politics and debating and, I guess, foreign languages, and girls and driving and Old Orchard Beach.

MH: Yeah.

DF: The normal things. The normal things.

MH: Any particular teachers that were memorable?

DF: Absolutely. There were many wonderful teachers at Deering in those days, but for me the most important was a woman named Elizabeth Ring, whose father had been the last, had been the forestry commissioner back in the early 1900s when some important public reserve

lands issues were considered. Ms. Ring was someone who voted in the first presidential election in which women could vote and she voted for Robert LaFollette, starting a lifelong career of being a contrarian, and she was a wonderful, terrific, flamboyant, disorganized -

MH: What did she teach?

DF: American history and social studies, I guess, Maine history.

MH: Yeah. What was it like growing up in Portland, or spending your high school years in Portland? This would have been, what, 19-?

DF: Nineteen-, I graduated from high school in '65, so the early '60s.

MH: Okay, '61, '65. Right.

DF: Portland was not the gentrified city it is now. I remember, I think when I was a junior in high school, the first McDonald's came to town. That was a big deal. And my wife, who's from New York, observes that when she came here, you could, at the Chinese restaurants you were served coffee and there was ketchup on the tables. This was not a cosmopolitan venue, but hell, it was a great place to grow up, and I was glad to do it.

MH: You say your interest in politics and public affairs existed when you were in high school.

DF: Yes.

MH: And how did they express themselves?

DF: My debating partner – Ms. Ring was also the coach of the debating team – my partner was a guy named Peter Kyros, Jr. And Peter and I and a guy who went to Chevrus, named John O'Leary, founded the Young Democrats, or the Teenage Democrats or something like that, and we supported Ken Curtis. And then later on, while we were in high school, we helped run Peter Kyros, Sr.'s congressional campaign, with minimal adult supervision from Gerry Conley, the state senator. So I've been involved for a long time.

MH: I see. And so you go on from Deering to Harvard?

DF: Hmm-hmm.

MH: Did you, were you involved politically at Harvard?

DF: Yeah, I was a member of the Young Democrats at Harvard, which was probably the most conservative organization on campus at that point, and so I took part in that.

MH: Other things at Harvard that you were involved in?

DF: Oh, I told you I had seven brothers and sisters, and so my main occupation was work-study, and I had to spend a lot of time working at regular jobs.

MH: What kind of jobs did you do?

DF: The best one I had was working in the Widener Library, stacking books and stuff like that. It was an incredible place.

MH: Hmm-hmm.

DF: I remember one of the things we were supposed to do is, when people brought back books, is if there was something unusual, not just to restack it but to bring it back to the attention of one of the librarians. And I remember one day getting this little volume that was the second edition of St. Thomas More's *Utopia* that somebody had taken out. This is something probably published around 1600 A.D., I mean it was incredible. So that was a good job.

But maybe the best job I had there was I worked in the Map Library, and the Map Library was designated as a depository library by the Pentagon after the end of WWII, and it had a huge collection of captured German maps of Europe and Asia, parts of Asia. You could tell how far they planned to go before they would meet up with the Japanese empire. And a lot of these maps, they just were uncatalogued, and they were like USGS topo sheets, so they covered just a small area, each individual map. And my job was to, just to – ‘what’s this?’ Twenty years after the war – just to record the physical location of where these sections were. And a lot of them, the Germans had just used captured Russian ordinance maps and they were all in Cyrillic, so I had to learn the Cyrillic alphabet in order to place where those maps were on the grid and catalogue them.

MH: Did Harvard have a language requirement then?

DF: It did, but I’d satisfied it before I -

MH: Okay, so you didn’t have to learn Russian?

DF: Nyet. [*Speaks Russian phrase*].

MH: So you were you a government or political science major at Harvard?

DF: Yeah. Whatever they call it.

MH: Yeah. Right.

DF: No, no, I’m sorry, I was a history major.

MH: History major, okay.

DF: I think.

MH: And from there -

DF: It's obviously extremely important, whatever it was.

MH: From there you went to Europe?

DF: No. From there I, yes, that's right, I did. You know more than I do about myself. Yeah, I fully expected to get drafted -

MH: Okay.

DF: - in 1969 when I graduated, at the height of the Vietnam War, and the Army declined the honor of my service, but I was so surprised by that, that I hadn't made any other plans. So at the last minute I started applying to grad schools and I got into the University of London, King's College in London School of Economics, and for tuition, I vividly remember was \$600 a year, which was a struggle to get. So I went to Europe for a year. It was a terrific experience.

MH: What did you do while you were there, besides study?

DF: The English system is quite different from ours, and there are very long gaps between terms, and so I spent that time hitchhiking around Europe. I went by train, whatever was cheap, except the one expensive trip I took because there was no other way was, I flew with a, on some British teachers' tour group to Moscow and Leningrad, in the spring vacation, and that was extremely interesting at the height of the Cold War.

MH: Did you get a chance to use your Cyrillic alphabet?

DF: I did. But here's how I got into trouble. Not that this is relevant but, I have a pretty good sense of direction, but I went to the opera in Leningrad, and I got out, I got talking with a bunch of Soviet naval academy students, who were really, really interested to talk to an American, until their supervisor came along and said, "Get away from this guy," but that prolonged how long I stayed at that place, and when I got out there was nobody around and it was, I got disoriented. I didn't know how to get back to my hotel, but I knew enough Russian to ask, "Where is my hotel?" The problem was, I didn't know enough to understand the answer.

So after a few frustrating attempts at this, one Russian pedestrian that I just went up to and asked, he said, "I'm not following you, I'm not understanding you." So he took me over to a traffic cop. This is one o'clock in the morning, it's snowing out, in the middle of the Soviet Union. I didn't know what this cop was going to do, but the first Russian explained to the second one my problem. What the cop did was, he went out in the middle of the street, held up his sign and

blew his whistle and stopped a bus. And then he got on the bus, he told the bus driver, clearly I mean, in Russian, to take me to my hotel, and then he asked on the bus, “Does anybody here speak English?” and some poor guy had to admit that he did, and he clearly told this guy, “Get him to his hotel.”

MH: The advantages of a totalitarian regime. That’s wonderful. How far away was your hotel?

DF: Oh, I don’t know, two or three miles.

MH: So, take me from the London School of Economics to the next step.

DF: Then I went to Boston College Law School.

MH: Okay.

DF: So that I could hopefully learn a trade and make a living, and -

MH: Was Father Drinan in charge then or was he already in Congress?

DF: No, he had left Congress the year before.

MH: Okay.

DF: Unfortunately, I would have loved to have had the chance to be taught by him, but it was a pretty good school.

MH: And three years at BC Law?

DF: Yeah.

MH: Yeah, and then where?

DF: Well, in the third year I was already working up here for the legislature. Where, that was the origins of the legislative stuff, and there were two Democrats and two Republicans. The Democrats, I worked for the Senate Democrats.

MH: Hmm-hmm.

DF: Joe Brennan and Gerry Conley and Bob Clifford.

MH: Hmm-hmm.

DF: And there were only nine [Democratic senators], I think. [] Bill Brownell, who [was]

later the U.S. clerk of courts, was the [Senate] Republican staffer, and in the [House] it was Tony Buxton for the Democrats and [] Mary Webster for the Republicans. She later became a PUC commissioner in Massachusetts.

MH: How did you do that while you were still going to law school?

DF: It was a problem. I shouldn't have done it. I was trying to do too much, and if I had life to live over again I wouldn't have done it.

MH: How did you get that job?

DF: From when I worked on the Kyros campaign, when Gerry Conley was the boss, I got to know him. I got to know Brennan through him, and then I got to know Clifford and other people through Brennan, and that's basically, it's because they knew who I was and what I was capable of doing.

MH: Name Flanagan couldn't have hurt. Although did you, you probably didn't live on Munjoy Hill.

DF: No, no. I mean a lot of people have these racial stereotypes, but -

MH: Including your interviewer.

DF: And assume that I was from Munjoy Hill. Nothing could be farther from the truth, in terms of, in terms of culture within the context of the state of Maine. I mean, I was a 2nd District northern-oriented person who knew that there was a part of the state of Maine north of Brunswick, which was very unusual even in those days for people in Portland. And so that is a racial stereotype that should be shattered.

MH: Okay, all right. So now we'll talk about your, we've got you to the legislature.

DF: Yeah.

MH: Your next job in Maine public service was what?

DF: I then became the, the attorney for the Bureau of Public Lands in the Department of Conservation, right at the time that the public reserve lands were being recovered from the paper companies through a gargantuan lawsuit, historic lawsuit.

MH: Who brought that?

DF: An assistant attorney general named Lee Schepps, who is a brilliant and imaginative guy, and proved to be a great mentor for me, and still is a friend.

MH: And what was the basic issue of that suit?

DF: This is what happened, Mike. At the time, under the Puritan regime in Massachusetts Bay Colony, they set aside part of each township as, to be used for religious and educational purposes, so lots on which to build the schools and the churches. Maine was part of Massachusetts in those days, and when we negotiated our divorce decree with Massachusetts in 1820, Massachusetts insisted that we continue to have those public lots and that they be reserved for these public uses. But for half the state, they were never organized, and so the triggering event of turning them into the school lot never occurred.

In the 1840s, perceiving that it was going to be a long time before this happened, the state, to make a little money, sold off the timber rights to those lots to various logging interests and then forgot about it. And it wasn't until Lee brought this lawsuit, with the approbation of Attorney General Jon Lund, that the issue was even questioned. And what Schepps' theory of the case was, "Yeah, they sold the timber rights, but only for the generation of trees that were growing on them at the time, not in perpetuity," and that the state was entitled to have not only the trees that were on the land now, but the proceeds of the sales of trees between the first generation and the current generation.

MH: Second and later cuttings.

DF: Yeah, so that was the lawsuit, and it was a terrific lawsuit, very well briefed and argued by both sides and –

MH: Did it, was it settled at the, which level?

DF: The Law Court, the Supreme Judicial Court of Maine.

MH: So, it was a state case.

DF: It was a major [case], yes, but definitely an issue of state law and not federal law. And so when the state won the case, it now had rights and two or three hundred thousand acres and needed to start managing those, and that was my job.

MH: Who was the commissioner at the time?

DF: First it was Donaldson Koons, who had been a professor at Colby, and then Dick Barringer.

MH: How long did you do that?

DF: I did that for a year and then I became the assistant attorney general for the entire Department of Conservation, and so I had the responsibility for not only Public Lands, but also Parks, and some of LURC and Forestry.

MH: And the big issues at that point? Was it just simply the fallout from this case, or was it -?

DF: That was a tremendous issue because a lot of the companies just were fiercely resistant of the consequences of it. Great Northern was then under the leadership of a guy named Bob Hellendale, who was a real statesman in the industry, and Bob knew that it was in everybody's best interest to work out amicable settlements on these issues, and so we started there and then worked onto other more difficult cases from there, but it wasn't the only major issue. Something that preoccupied me for much of the time was a spruce budworm epidemic which was devastating the forests in the northern half of the state, and the Forest Service had the responsibility for trying to suppress this infestation. But their whole organization was built to fight forest fires, and they didn't have the contracting expertise or the organizational structure or the communications equipment to do much of anything, so it took a cooperative effort of the paper companies to try to put the program together and -

MH: That's when Lloyd Irland was brought in, right?

DF: Lloyd became the director of that. I was involved for a year or so before Lloyd, before the need for having a specific manager came in. So I was the lawyer. I was new out of law school, I didn't know much about budworms, but by default I took on a significant role in how that was managed.

MH: Now, before I ask you about your time in the governor's office, I want to cycle back a little bit to high school.

DF: Ha!

MH: You mentioned Peter Kyros, Jr. and John O'Leary. Will you tell me a little bit about each of those two people? And I think it's interesting that you met up with them at such an early age.

DF: Yeah.

MH: Given their own accomplishments.

DF: Yeah, it really is extraordinary. Peter Jr. was a natural logistician and organizer. He's a terrific guy. Unlike his father, he had a very equable personality and was very methodical in, about how he went about things, and he really ran the nuts and bolts of the campaign. And later on, those same skills were recognized and valued at a far higher level and he became, I think, chief of staff or some similar position for Vice President Mondale, for whom he had done campaign work.

And then after serving several, well, Mondale's term, instead of going back to practice law, well he did go back to practice law, but he got involved with some client who developed golf courses

and he became a golf course developer and was very successful at that, had a national, or international business. He got married later than most people, and when he did he decided to move back to Maine. But tragically, tragically, he developed throat cancer, even though he had never smoked a day in his life and was a guy who was very moderate in his habits and, and it was fatal to him in his early fifties. It's tragic. Leaving a wife and a young kid. But -

MH: John O'Leary?

DF: And John O'Leary, similarly, a very distinguished career. He became a trial lawyer after he got back. He and I went to England at the same time, traveled around together. He was at Cambridge, and then he came back to law school and then we both came back to Maine to practice and we both ended up at Pierce Atwood in Portland. I went on to do other things, and John stayed there for an enormously successful career as a litigator, but he kept his interest in politics, too, and he had known both Bill Clinton and Hillary Clinton in law school, and he got involved with their campaigns. And then ultimately, in recognition of his ability and his support, he was made our ambassador to Chile in, I think, 1998, and did an absolutely outstanding job. I went down there, I had a chance to talk with people in various walks of life, and it was clear that he was totally committed to that and did a fantastic job representing the United States.

MH: Was he married to a Chilean?

DF: No. His wife's name is Patricia Cepeda, and she is the most truly bilingual person I ever met in my life. She was from Colombia, but she went to high school and then to Yale, majoring in English. Her godfather is Gabriel García Márquez, for whom she serves as a translator, and now she's the chief translator for the Organization of American States, and just a lovely, lovely person.

MH: Now, is John O'Leary still living?

DF: No. No. That's another tragedy. When he was fifty-eight, he contracted Lou Gehrig's disease and within a year he was gone.

MH: Okay, now, thank you for that diversion. I, you mentioned Pierce Atwood. Were you at Pierce Atwood before you worked at the Counsel to the Governor, or was that after?

DF: Both.

MH: Both. Oh, tell us how that happened.

DF: I worked in the Department of Conservation as their lawyer, for a couple of years, and then I went down to Pierce Atwood and worked in their litigation department for a couple more years until '79, when Governor Brennan was elected and I was involved in his campaign. And he asked me to come in to serve as his legal counsel, and I was doing okay down at Pierce Atwood

and I was somewhat reluctant to do it, but in the end it seemed like a singular opportunity and something he really wanted me to do, I was interested in doing, and the firm was okay with it.

MH: So, 1979, Connie LaPointe [Brennan] was the chief of staff initially?

DF: No, no.

MH: Or Dave Redmond, or -? No.

DF: No, no. Brennan operated without a chief of staff. He had a troika, which consisted of [S.] Kirk Studstrup, who's now a judge of the Superior Court, and Kirk handled the administration issues and the federal A-90 requirements and that kind of stuff. David Redmond was his political counsel and was in charge of providing therapy to the legislature and helping the governor with various political responsibilities. And I was in charge of policy. These are all blurry lines, which is just the way Brennan liked it. But in terms of generating policies out of the departments, choosing priorities, those kinds of things, that was my bailiwick, in trying to put together the programs for him to advocate.

MH: I would be remiss if I didn't ask you what you remember or what you're able to tell me about the transition from Muskie to Mitchell in the Senate, and what that was like from inside the governor's office.

DF: I think Governor Brennan is one of the most underrated governors of recent times. He had a quiet, non-flamboyant way of doing things that has not served him well in the annals of history, but in terms of carrying out his responsibilities, I don't think anybody did it better, in the post-war era. And one of his greatest responsibilities was choosing a new U.S. senator when Senator Muskie accepted the position as Jimmy Carter's secretary of state. Many people, as you can imagine, expressed an interest in that seat, and many appealed to emotions and to long-standing ties, and to political favors that had been done or support that had been rendered, to loyalty, all the things that you would imagine. And I know there were very strong campaigns in behalf of a couple of people.

But I think from the beginning of the process, Brennan had the view that he was going to appoint, that his legacy would be to appoint the best person in the sense of being most suitable, most apt for the job, to the position. And so I think from the beginning of the process, he had a pretty good idea that he would go with George Mitchell, even though they had been rivals for the gubernatorial nomination in '74 and it had been a hard fought campaign with more than a little emotion involved in it. I think Brennan was, to the best of my knowledge, I wasn't privy to every interaction, but to the best of my knowledge he always kept his cool and was always polite. But I think that he had a pretty good idea from the outset what he was going to do.

MH: Going on to another issue, you're in the governor's office as the policy person, Governor Brennan is attorney general and played a very active role in the Indian Land Claims

issue, or talking about the issue, and it really was done in his name, I guess, the state's role anyway. His perspective must have had to shift a bit when he went from AG to being governor. Can you talk a little bit about his approach to resolving that?

DF: Yes, I can, because I was intimately involved in that, as was John Patterson, who is now an attorney at Bernstein Shur in Portland, who would be an excellent person to interview on that issue. As Brennan was steadfast on the issue of the Senate appointment, so too was he steadfast on his analysis of the Indian Land Claims case, which was basically this, that the claim was not equitable because it would victimize, on a technicality, an entire state, a million people, landowners, economic development, and hurt the existing population in the state of Maine because of some technicality not having been fulfilled in 1796. And that was unjust. It's unjust to penalize subsequent generations for the oversights of far earlier ones.

Secondly, it was his view, from beginning to end, that it would be a disservice to all the people of Maine, including members of the tribes, to establish two different legal regimes in the state, that having one set of rules of due process here and another there, some special privileges for one class of citizens, another there, would only lead to bitterness and recriminations, and hadn't worked out that well in the western states where they'd tried dual sovereignty, and didn't have any place in a state as small as ours.

And his third point about the case, his third view of the case, and of course you should talk to him because he can say better than I can what he was thinking, but I believe that he thought that in the end there was no way the U.S. Supreme Court would dis-establish the titles of, to half the land mass of the state of Maine. So he was determined, when he was attorney general, to fight this right through, to litigate it, and to take it to the Supreme Court if necessary, and he was confident that in the end the state would win. And when he was attorney general, Longley was the governor, and Longley, for whatever his reasons were, was adamantly opposed to any kind of settlement of the case and so they were, I wouldn't call them allies, I'd call them co-belligerents in this situation.

So every overture that had some kind of settlement that came forward, neither Longley nor Brennan was interested in. When he became governor, he finally developed a settlement position. He did not want to settle this case; he wanted to litigate it, but there was a lot of pressure to develop a settlement position, and so we did. And the position was that any funds anybody else wanted to contribute, i.e., the federal government, that was fine. There was never any antipathy towards the tribes, members of the tribes. If you could get more federal money in that would make them better off, hence the state was better off, the people of Maine were better off. It was fine.

Secondly, no involuntary surrender of land, but again, if the tribes wanted to spend some money on land and they had a willing seller, nothing wrong with that. And third, as governor he was willing to make some minor concessions on jurisdiction in the interest of not prolonging litigation unnecessarily over issues that were important to the tribes but not to anybody else. So allowing

for there to be some tribal jurisdiction over some tribal lands with respect to hunting and fishing rules, some inter-family issues, like child custody kinds of cases, and tribal organization and governance, those issues we were willing to make concessions on. And because both sides could see that he was determined on this, that became the focal point, those three issues became the focal point of the settlement and ultimately the terms that were reached.

MH: I could ask you many more questions that – I have an interest in the Indian cases as well – but I'll leave it there. While you were in the governor's office and Governor Brennan was in office during that period, I believe the first effort to close Loring was taking place up in northern Maine. Did, was that something that you were involved in, or was it somebody else's bailiwick?

DF: I don't remember being involved in that.

MH: Okay. Tell me about your contact with George Mitchell. George Mitchell has now been appointed by, in May of 1980 he is appointed by Governor Brennan to serve out Senator Muskie's unexpired term, he as, I guess, the, as I recall, the longest appointed term to that point, in the United States Senate in American history.

DF: Oh really, I didn't know that.

MH: And did you interact with the Mitchell office?

DF: Yeah, sure, of course. And the Indian Land Claims case was one major issue. I remember, even now I can remember being so impressed by Senator Mitchell's command of the facts and the law and the case. Even though it was obviously extremely complex, he has that trial lawyer's gift for being able to succinctly state the positions of the sides and discuss the merits, and he just is outstanding that way. And I recall there've been other issues like that where I had that same feeling, but none, none more so than on that case.

MH: Have you stayed active in the Democratic Party yourself? Or are you, you ran as an Independent in 2002 for governor, is that right?

DF: Right, that's right, yeah. But now I'm, I reenrolled to vote for one of my favorite candidates for Congress, and that's where I am.

MH: Okay. I just wondered if you'd had any Democratic Party interaction with George Mitchell and, over the years.

DF: No, I, Brennan and Mitchell used to campaign together some, and when I was in the Governor's Office I'd go on various trips around the state with them. I remember, oh, even after I'd left sometimes I'd do that, so I remember being in the car with those two when the president called to inform Senator Mitchell that somebody had just been appointed, he was going to appoint somebody to the Supreme Court and was that okay with George? So Governor Brennan and I

were the first to know.

MH: Did George Mitchell's ascendency to the Democratic leadership in the Senate surprise you, or was that a, something that you -?

DF: Not at all. I had known Senator Mitchell since the time when he served in the County Attorney's Office in Portland, when Brennan was county attorney and he was an assistant. And, from the first time I met him I knew that he was a guy of outstanding capabilities, and no, it didn't surprise me at all. It's always surprising when somebody from a little tiny state like ours gets to the top, but it sure didn't surprise me that Mitchell did.

MH: So when did you leave the governor's office?

DF: Nineteen eighty-four.

MH: And you went back to Pierce Atwood?

DF: Yeah, yeah.

MH: Okay.

DF: Yeah, I spent one term with Brennan, and I figured that I'd learned about all I was going to learn from that job and it was time to get back to business.

MH: When did you go to Maine, Central Maine Power?

DF: The next year. What happened was, I went back to Pierce Atwood expecting to be involved with environmental and administrative law, and at the same time Central Maine Power had had a scandal where a vice president had been, had pled *nolo* to not telling the truth in a proceeding before the Public Utilities Commission, which led to a huge upheaval in the company. And they brought in a new president, John Rowe, and Rowe wanted a new set of lawyers and so I started. Central Maine Power had for a long time retained Pierce Atwood, and so they asked me to be part of the new legal team. And then I went from doing that part-time to seven days a week, to transferring over and becoming their in-house general counsel.

MH: I went to a lecture at the University of Maine last week, and the lecturer made the statement that up until, oh I guess it was about 1970, Central Maine Power, Bangor Hydro Electric and the, the paper companies, pretty much controlled politics in Maine for like a 150 years. Is that, do you think that's an accurate assessment?

DF: I think that, no, the answer is no. And I'll give you a good example of that. In the 1920s Walter Wyman, who was the visionary president of CMP, wanted to build a dam on the Kennebec River, which is now called Wyman Dam. The legislature, in it's wisdom, responded with what's

called the Fernald Law, which forbade the export of hydro power, hydro electricity. “We’re going to keep it all for ourselves.” There wasn’t enough of a market in Maine for that. Wyman did what he could. He built the St. Regis paper mill down in Bucksport in order to use up some of the electricity from his dam, but he couldn’t think of a way to use all of it, and as a result that dam is about twenty feet lower than it should be for its optimum production, because they couldn’t justify the cost with no domestic market.

So the legislature, even in the days where it looked like there was corporate domination, it was far from full domination. I would make this observation, that a generation ago there were a lot more companies with their headquarters in Maine who had capable and forceful CEOs and boards that got involved with public policies: paper companies, utility companies, railroads, shipyards, grocery stores, insurance companies, banks.

MH: Why is that not the case today?

DF: Because, for these reasons. Maine is too small a place to operate; if you’re extremely successful, then you can run afoul of the anti-trust laws. So you have to either get bought out by a bigger company or expand out to other jurisdictions yourself. And when that happened, the business climate and legal regime in Maine has been sufficiently unfriendly that it often was more attractive to move the headquarters to a different location. So part of it is just the natural size of our state, part of it is consolidations of industries, just as a national trend, and part of it’s of our own doing, in my judgment. I know there was a time when it was said that Bob Haskell and Curtis Hutchins and John Daigle and a few other people ran the show. I don’t think that was really true. But to the extent it was, that’s a time that’s gone probably for good.

MH: What were your accomplishments at Central Maine Power?

DF: My principal accomplishment at CMP was to reverse the hideous trajectory of prices that had occurred in the five years preceding my taking over, and keeping prices within the rate of inflation. Which was a prodigious job, because I had the full weight of public policy, ironically, against me, and a huge legacy of contracts on very unfavorable terms that the company had been forced to negotiate. And the loss of Maine Yankee which was something that we had to do in the fulfilling of our fiduciary duty to the shareholders, but which I, to this day, believe was not in the interest of the people of Maine.

MH: Tell me about the years since CMP. What have you been doing? And what have you enjoyed, and I know right now you’re heading up a University of Maine System task force to look at possible restructuring.

DF: Right.

MH: But I know there have been a number of other activities that you’ve been involved in.

DF: That's true. I've been chairman of the American University in Bulgaria, which was set up originally by the University of Maine –

MH: Hmm-hmm.

DF: - in response to a U.S. State Department initiative to bring an American-style education to the best and the brightest in the Balkans. That's been pretty interesting. And I spent a year down in Washington working as general counsel for the U.S. Senate Homeland Security Committee's investigation of Hurricane Katrina.

MH: Okay.

DF: And *that* was pretty interesting. And I've been involved in various civic and business activities as well.

MH: Great. Well this has been great. I promised not to keep you much more than an hour. We're a little bit beyond that now, so I want to keep to my word.

DF: Yeah, yeah.

MH: Thank you very much.

DF: My pleasure.

MH: This has been very nice and if you think – you kind of get the idea of what we're trying to do here – if you have some other stories or things that were, or topics that you think would be worthwhile to kind of set the context for this oral history project, I hope to get back in touch with us, and we'll set up a follow-up interview.

DF: Sure. Done. I'm glad to talk with you and appreciate your questions. Some of these things I haven't thought about for years, so it's a pleasure.

MH: David Flanagan, thank you.

End of Interview