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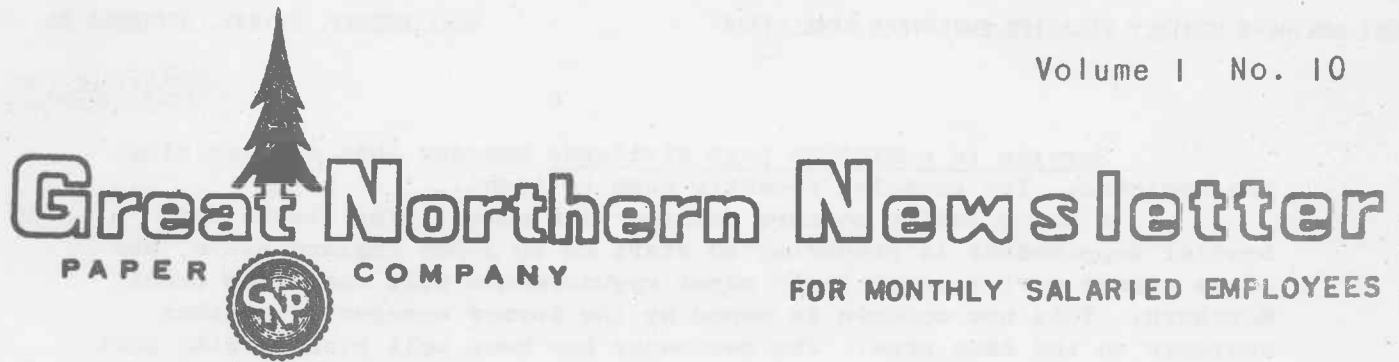
Great Northern Paper Company

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Great Northern News Letter
PAPER COMPANY
FOR MONTHLY SALARIED EMPLOYEES

MILLINOCKET, FRIDAY, DECEMBER 28, 1962

Outward signs of Christmas were more than usually evident at the mills this year. Evergreen decorations with myriad colored lights were located on all sides. With the opportunity of adding the beautiful Engineering and Research Building to the sites decorated, the Safety Supervisors, who arranged this program, made the Christmas Spirit visible in tasteful brightness.

To spread the spirit of Christmas, the Company forwarded some of Maine's beautiful evergreen trees, for use as Christmas trees, to Mr. Fred Wachs, President, Lexington Herald-Leader; Mr. Edwin Young, General Manager, Providence Journal; and to Mr. Frank Morrison, President, Pittsburgh Press.

Practically all Woodlands work sites were closed December 24 and 25 for the holidays. Employees will work the following Saturday to make up time lost on Monday. This action gave the employees a four-day week end which meant a great deal to men whose work keeps them away from home all week.

The next issue of Down East Magazine, coming out in January, will feature Great Northern. The article, written by Isabel Currier of the Down East staff, will run over 2,000 words and will be rounded out with illustrations. The Company is obtaining an extra supply of this issue, for distribution to customers and friends.

The Research and Development Dept. held a seminar recently for members of the potato starch industry who are interested in the research on the use of potato starch in the coated paper field, a project now being conducted by GNPCo.'s Research and Development personnel. The main topics discussed at the meeting were:

1. The scope of the research problem.
2. The technical problems involved.
3. The type of experimental program recommended.

Service to customers pays dividends besides that of retaining the business. Two examples recently came to light.

A new printing concern dealing with advertising flyers and special supplements is preparing to start up in a New England state, and it is almost certain that their paper requirements will come from Great Northern. This new concern is owned by the former manager of another customer in the same area. The new owner has been well pleased with past services and has been known to recommend Great Northern paper to other printers.

And in what may seem a relatively minor matter, the vice president of a daily trade paper took the trouble to write: "This is just a note to thank you for the splendid job you did in notifying us as to the arrival time of today's shipment. This is the first time that we did not have to spend hours tracing the shipment."

The Company also received a compliment from a major user of lightweight papers, whose contract has been increased some 25% for next year.

Advertising plans for 1963 have been expanded to accommodate the new coated paper, which must be treated as a companion entry into the market beside newsprint and specialties. As always, the paper has to be sold not only to the prospect but against the competition. It has to be assumed that the competitor is getting as much of the prospect's time and attention as we are, and one purpose of our ads is to drive for that extra bit of his time and attention. This is particularly important, obviously, with a new product in a new market.

Coater Progress . . . The Williams Press trial paper has been tested and looks good. It has been shipped to the Williams Press for test printing on January 4.

Curtis Publishing base sheet has been made and some has been coated and is awaiting supercalendering before shipment to customer.

The supercalender is operating again after changes to the Bull Roll.

Installation of breaker stacks and high pressure cleaning equipment on No. 5 and No. 6 paper machines at East Millinocket is being studied by Central Engineering. These changes would give us a better running sheet in the pressroom.

The breaker stacks would improve sheet printability and runnability and reduce calender stack barring.

The cleaning equipment is required primarily to assure efficient operation of the breaker stacks by removing dirt and grit particles from the stock. It would also reduce calender stack maintenance and possibly increase wire life. A by-product result would be a cleaner, more saleable sheet.

Visiting the mills from December 14 to 16, with Mr. Tom Simpson as host, were Messrs. John E. Powers, Fred Kral, Robert Carroll, and George Lucas from the pressroom of the Boston Globe.

Paper sheeted at East Millinocket during 48-week period ended 12/2/62 . . .

Grade	Twelfth Period		Year to Date	
	1962	1961	1962	1961
News	48.2	66.5	417.9	893.1
Addenda	-	-	-	264.1
Jet Printing	43.9	46.8	410.4	311.4
Layer Board	-	53.1	312.4	476.8
Pub Printing	57.8	15.9	481.9	340.1
Toll Ticket	-	-	-	41.9
Total	<u>149.9</u>	<u>182.3</u>	<u>1,622.6</u>	<u>2,327.4</u>

(Operating one shift in 1962 and two shifts in 1961)

Old production records at East Millinocket Mill are going by the boards these days. Production figures show that No. 5 machine produced 2,442.7 tons during the week ended December 3 for a daily average of 349.0 tons, and on December 7, it produced 373.7 tons -- a new daily record.

On December 7, No. 6 machine hit a new daily high with a production of 403.0 tons, and ended the week with a total of 2,706.0 tons for a daily average of 386.6 tons -- also a new record.

The over-all production of the mill (four machines) for one day, December 7, was 950.2 tons -- a new mill record. During that week the production totaled 6,219.0 tons for a daily average of 888.4 tons -- another new record.

Many times it has been stressed that safety and production go hand in hand, and the output noted here is proof of that adage, for while these outstanding figures were being reached, the East Millinocket Mill also shattered its previous record for freedom from lost-time accidents.

Kimberly-Clark arranges for cushioned cars for newsprint . . . On behalf of its affiliated Canadian organization, Spruce Falls Power and Paper Co., Ltd., Kimberly-Clark has arranged with Transport Leasing Co., a subsidiary of Pullman Inc., to supply a fleet of specially-built box cars for newsprint transportation. The Pullman-Standard plant in Michigan City, Ind., is building 75 cars. The cars will be 50 feet long and equipped with cushioned underframes, 70-ton roller bearing trucks, steel floors, and extra high bodies permitting maximum use of load capacity.

Each of these larger cars will take the place of 2-1/2 standard newsprint cars, resulting in a reduction of approximately 60 per cent in the number of cars required to serve a particular account. Extensive use has been made of similar cushioned cars in the movement of newsprint from Kimberly-Clark's Coosa River Division at Coosa Pines, Ala., with highly satisfactory results. Claims for damage or for flat rolls practically disappeared with the advent of this specialized equipment.

This car is similar to the B & A Railroad 6000 series car, which Great Northern has been using quite successfully.

Over 200 attended the second in a series of meetings of all monthly salaried management personnel held at the Millinocket Municipal Hall on December 18. Professor Howard Lewis, emeritus professor of Business Administration at the Harvard Business School, addressed the group on the individual's role in the corporate structure.

Paper shipments to customers during 51 weeks ended 12/23/62

	Tons Shipped		% Change
	1962	1961	
<u>Newsprint</u>			
Domestic	334,724	327,129	+2.3
Export	14,383	55,674	-74.2
Total News	<u>349,107</u>	<u>382,803</u>	-8.8
<u>Specialty</u>			
<u>Domestic</u>			
Pub Printing	35,590	26,849	+32.6
Novel News	16,865	15,909	+6.0
Jet Printing	47,549	47,647	-0.2
Lightweight	34,862	27,905	+24.9
Others	8,602	6,422	+33.9
Total Domestic	<u>143,468</u>	<u>124,732</u>	+15.0
<u>Export</u>			
Pub Printing	3,143	12,207	-74.3
Lightweight	10,008	9,426	+6.2
Others	615	506	+21.5
Total Export	<u>13,766</u>	<u>22,139</u>	-37.8
Total Specialties	<u>157,234</u>	<u>146,871</u>	+7.1
Total Paper	<u>506,341</u>	<u>529,674</u>	-4.4
<u>Wrapper</u>	<u>1,014</u>	<u>1,151</u>	-11.9
Total Shipments	<u><u>507,355</u></u>	<u><u>530,825</u></u>	-4.4

Paper production for 51 weeks ended 12/23/62

	1962		1961		% Change
	Tons	Daily Avg.	Tons	Daily Avg.	
<u>Production:</u>					
East Millinocket	289,632	811	294,062	824	(1.5)
Millinocket	220,912	619	232,928	652	(5.2)
	<u>510,544</u>	<u>1,430</u>	<u>526,990</u>	<u>1,476</u>	(3.1)

Paper on tracks and in storage

	December 23		November 18	
	Tons	Cars	Tons	Cars
Millinocket	1,994.0	69	1,171.6	44
East Millinocket	3,038.1	112	4,646.8	172
Searsport, etc.	8.1	-	57.6	-
	<u>5,040.2</u>	<u>181</u>	<u>5,876.0</u>	<u>216</u>
Less cars reported by mill as released Sunday, billed Monday		58		44
Mill report of cars on hand		<u>123</u>		<u>172</u>

William O. Wagner, Cost Supervisor, addressed a group of 45 management people at an evening seminar on December 11. The topic was Marginal Income Concept -- The Team Approach to Profit Planning. This was the first in a series of talks on technical financial subjects to be given by Controller's Dept. supervisors.

Holiday shutdowns for the year 1962 are as follows:

	1962		1961	
	Mlkt.	East Mlkt.	Mlkt.	East Mlkt.
Easter	2.0 days	2.0 days	5.0 days	5.7 days
July 4	2.5	2.5	3.3	4.0
Labor Day	5.0	6.0	4.0	6.0
Christmas	3.0	3.0	3.0	3.0
	12.5 days	13.5 days	15.3 days	18.7 days

The Company uses these shutdown periods to adjust finished paper inventories and to perform necessary mill maintenance which is difficult to schedule while the mill is operating.

Pulpwood deliveries for the 51-week period ended 12/23/62

	Year to Date		
	1962	1961	1960
Cars on hand beginning	77	75	255
Received	14,789*	12,231	16,635
Released	14,796	12,193	16,730
Cars on hand ending	70	113	160

* 13,077 cars have been applied against the 15,000-car quota.

The water situation, always an interesting subject at this time of year, is still encouraging. The average of precipitation on the West Branch watershed for November was 5.1 inches and in December to date, it is 2.3 inches.

Present storage is 39.1 billion cubic feet. This is 68.6% of full storage and 4.9 b.c.f. above rule curve storage for this time of year.

On October 31, storage was 7 b.c.f. below rule curve. The decision not to use the condensing turbine has resulted in substantial savings to date.

The Company was host to twenty-four University of Maine students enrolled in the fifth year Pulp & Paper Course. As part of their visit, the students toured both mills, the coater plant and the Engineering and Research Building. This visit has become an annual affair for the Pulp and Paper students, and contributes greatly to Great Northern's recruiting program for technical personnel.

The field work initiated in September, 1962, in connection with a five-year tree growth study and re-inventory of GNPCo. timberlands is now complete. Office work on this project will continue throughout the winter.

Paul Patterson attended an Industrial Forestry Seminar at Yale University from December 3 to 14. Topics of interest included taxes and financial management of Timberlands, Forest Management Planning, Genetics, Morale and Productivity, and others.

Congratulations and best wishes . . . On January 1, the East Millinocket Mill will part with two of its best known and efficient supervisory people, through retirement. James T. Petley leaves the Company after thirty-six years of employment in various positions; twenty-eight of which were spent in the Madison Mill, where he served as Assistant Foreman in the Finishing Dept. from 1948 to 1954. On July 25, 1954, Jim came to Millinocket as Night Foreman and in 1956 he was transferred to East Millinocket as Assistant Foreman.

Frank E. MacKeil joined the Company in 1926 as Apprentice, and two years later was promoted to Assistant to the Foreman of the East Millinocket Steam Plant. In 1935 he became Foreman of the Steam Plant and since then has been successively Steam Plant Superintendent and Superintendent of Steam. Frank has been part of the Steam Plant organization through the stresses and strains of the expansion program at East Millinocket, and met the challenge of the immense changes in the steam operation successfully. He is leaving Great Northern in good health and with a cheerful outlook on life, which will help him enjoy a happy retirement.

The best wishes of everyone go to both Jim and Frank for many years of good health, relaxation and enjoyment.

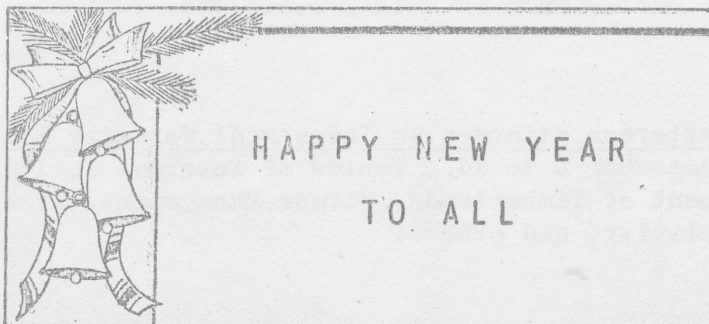
Personnel Changes . . . Mr. John J. Egan has been appointed to the position of Industrial Engineer - Manufacturing, effective January 1, 1963. Jack, as he is known throughout the industry, is no stranger to Great Northern, having served us these past few years as Staff Consultant for the Emerson Consultants, Inc. Mr. Egan will take up his new duties as of January 2, 1963, with headquarters in the Engineering and Research Building. He will be directly responsible to the Manager of Manufacture.

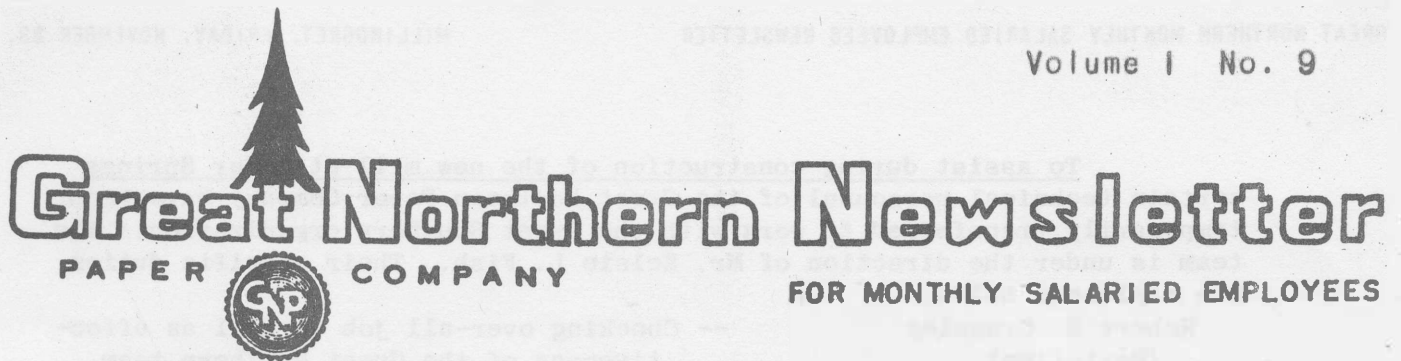
William E. Cozens, who came to Great Northern with experience in selling coated and uncoated printing papers, has been named Assistant Sales Manager - Specialties. He will assist Mr. Willets in all phases of specialty paper sales, which includes the new coated grades.

George L. Manny, Steam Foreman at East Millinocket has resigned, effective December 31, to accept the position of Chief Engineer at the State Hospital in Bangor.

Paul T. Illingworth has been promoted from Area Engineer at Millinocket Mill to Superintendent - Steam, East Millinocket, effective January 1, 1963.

"Let's Keep '63 Accident Free" is the new slogan adopted by Woodlands for this coming year. Area Safety meetings were recently held at Ashland, Millinocket, Greenville and the Pittston Farm. At each location recent accidents were analyzed and steps taken to prevent their recurrence. Hazards that occur during the haul-off season were discussed and preventative measures planned.





Great Northern News Letter
PAPER COMPANY
FOR MONTHLY SALARIED EMPLOYEES

MILLINOCKET, FRIDAY, NOVEMBER 23, 1962

Peter S. Paine, President, informed Great Northern stockholders on November 1 of the formation of a joint venture with Southern Land, Timber and Pulp Corporation. The new company, Great Southern Land and Paper Company, will construct and operate a pulp and paper mill at Cedar Springs, Georgia, with a daily capacity of 700 tons of kraft linerboard. More detailed information on the acquisition is contained in Mr. Paine's letter, copy of which is attached.

There is also enclosed a descriptive brochure which lists officers, executive committee and board of directors of Great Southern. Leslie G. Kewer has resigned as Controller and Clerk of Great Northern to accept his new position of Vice President and Treasurer of Great Southern. He joined Great Northern in 1940 as Assistant Auditor, and was appointed Auditor in 1949, and Controller in 1953.

Controller's Dept.

The Board of Directors elected Emery E. Allain as Controller and Donald E. York as Clerk of the Company at their November meeting.

Emery attended Northeastern University and Bentley School of Accounting and Finance. He was employed with Arthur Andersen & Co., auditors, for a period of five years and then accepted the position of Controller of Royal Lace Paper Works of Brooklyn, New York, in 1949. He was Controller and Treasurer of Royal Lace prior to joining Great Northern as Assistant Controller in 1954. He is a Certified Public Accountant.

Don is presently Treasurer of the Company and will continue to hold this position in addition to his new duties as Clerk of the Corporation. He attended Husson College and joined Great Northern in 1934, and became Chief Accountant in 1945. In 1949 he was made Assistant Auditor, then Assistant Treasurer in 1955. He was appointed to his present position of Treasurer in 1956.

Controller's Dept.

William A. Levesque has accepted the position of Chief Accountant with Great Southern. Bill was formerly Bookkeeping Supervisor in the Controller's Dept. and had sixteen years' service with Great Northern.

Controller's Dept.

To assist during construction of the new mill at Cedar Springs certain technical personnel of the Great Northern Paper Company have been temporarily transferred to work with the Great Southern organization. The team is under the direction of Mr. Kelsie L. Fish. Their specific duties are explained below.

- | | |
|-----------------------------------|--|
| Robert E. Crossley
(Part-time) | -- Checking over-all job as well as effectiveness of the Great Northern team. |
| Kelsie L. Fish | -- Team Captain - power plant and steam distribution. |
| Paul D. Hubbe | -- Instrumentation and computer. |
| William C. Birt | -- Paper machines and auxiliaries - machine shop. |
| William H. Simpson | -- Field engineering assistance - wood yard & wood room - all building construction - all conveyors. |
| Charles P. Conley | -- Critical path scheduling. Training Great Southern personnel to take over this position. |

Manufacturing Dept.

A four-page folder describing the Cedar Springs operation went out recently, and some replies are back by return mail, and here are a few excerpts:

"Congratulations on your foresightedness in branching out.

This is smart and I know will prove most satisfactory

. . . you have taken another step in the right direction."

"It certainly is an impressive demonstration of your confidence in the continued growth and expansion of our economic system."

"As you well know, we have long thought Great Northern ought to be represented in the South and I am delighted to see it come about." (this was from a major customer.)

Sales Dept.

A brief publicity note in one of the printing trade magazines mentioning the booklet "Great Northern Today" drew 46 written inquiries.

Sales Dept.

Scandinavian newsprint producers are reported to have agreed to work until further notice at only 75 per cent of their present export capacity. This means curtailing total output for the home and export markets by about 20 per cent, it is stated. Last April it was agreed to limit export production by 12 per cent, but since then capacity has increased and stocks have been accumulating. By the end of 1963 manufacturing capacity in the three northern countries will have been increased by the installation of a number of machines each with an average of over 80,000 tons annual capacity.

World's Paper Trade Review -- 9/27/62

Forty-week earnings are slightly less than a year ago. The decline in export shipments reported in our previous interim reports for 1962 has continued through the third quarter. Domestic newsprint shipments continued at a rate slightly above last year and specialty papers continued to show a satisfactory growth. Summarized below are the forty-week results for the last 5 years:

	<u>Net Sales</u>	<u>Net Income</u>	<u>Common Share Earnings</u>
1962	\$49,054,115	\$1,867,354	\$1.80
1961	49,268,409	1,912,578	1.84
1960	46,739,815	1,909,236	1.84
1959	42,788,397	1,082,985	1.04
1958	39,804,483	326,348	.08*

* After deducting dividends paid on preferred shares.

Controller's Dept.

For many months now, the Company's salesmen have been making direct, personal contacts with potential users of coated papers. The results must remain confidential at this stage, of course, but it can be said that certain large publishers have shown deep interest in the Company's new coated paper and that trial rolls are already arranged at certain plants.

Sales Dept.

Residents of Millinocket and East Millinocket were invited to an Open House held at both mills on November 2, and responded by the hundreds to make the affair very successful and to warrant plans for another such affair in the near future.

Approximately four hundred guests received guided tours through the mills' facilities. Appropriate booklets were given to the visitors, explaining the various procedures and these were supplemented by informative signs placed throughout the plants.

Many of the visitors, suprisingly, were visiting the mills for the first time, and some were revisiting after an absence of several years. All were impressed with the expanded operations, and with the progressive features apparent throughout.

Manufacturing Dept.

One of the heaviest early snowstorms on record was received on October 26, ranging from 12 to 18 inches in the north country. This, along with the heavy rains which followed, made working conditions wet and disagreeable and considerably hampered our pulpwood operations, however, its economic effect on all of us can be properly classified as liquid gold. With an average precipitation of 3.84" over the adjacent water sheds, it raised the Company's storage to 35.7 B.C.F. from the 32.7 B.C.F. reported in our last newsletter. The storage now is 62.6% of full storage and 2.0 B.C.F. below rule curve storage for this time of year. Water-wise, the Company's position may be called excellent.

Manufacturing & Woodlands Dept.

Paper sheeted at East Millinocket during 44-week period ended 11/4/62 . . .

<u>Grade</u>	<u>Eleventh Period</u>		<u>Year to Date</u>	
	<u>1962</u>	<u>1961</u>	<u>1962</u>	<u>1961</u>
News	39.0	45.3	369.7	826.6
Addenda	-	-	-	264.1
Jet Printing	66.3	14.7	366.5	264.6
Layer Board	-	53.0	312.4	423.7
Pub Printing	83.6	31.1	424.1	324.2
Toll Ticket	-	-	-	41.9
Total	188.9	144.1	1,472.7	2,145.1

(Operating one shift in 1962 and two shifts in 1961)

Controller's Dept.

Another historical date in the Company's history of safety was Sunday, November 11, 1962 when East Millinocket mill attained the remarkable achievement of one million man hours without a lost time accident. This was compiled over a seven-month period.

Rather than rest on their laurels, however, and boast too loudly of this repetition of a previous record of one million hours racked up, the employees have set their sights for a higher record and are eagerly and continuously looking at the scoreboard each day with the hope of a much higher figure to celebrate at some future date.

Manufacturing Dept.

A new record was established on No. 6 paper machine at East Millinocket mill during the week ended November 4 when production totaled 2,600.6 tons for a daily average of 371.5 tons.

Manufacturing Dept.

The turnover among customers is continuous, and the vast majority of new ones are likely to be small -- or the Company's share of their business may be small at the start. Here is a sampling of some recent initial orders, with the tonnage usually being about a carload:

Gateway Press of Monroeville, Pa. This is a printer of weekly newspapers. The trial order came from just plain cold canvass.

Central Ohio Paper Company, Columbus, Ohio. This goes into web-offset. The order came from following up an inquiry from the customer, which inquiry may have come, in turn, from previous sales missionary work.

Ennis Business Forms, Houston, Texas. This was the direct result of an ad. Shipments, incidentally, go to Virginia, where they are picked up by Ennis trucks.

In a much larger tonnage range is business from the Government Printing Office, which the Company had a year ago but lost last year -- and now has regained for 1963.

Sales Dept.

Paper shipments to customers during 46 weeks ended 11/18/62

	Tons Shipped		% Change
	1962	1961	
<u>Newsprint</u>			
Domestic	299,299	292,933	+2.2
Export	13,327	49,809	-73.2
Total News	<u>312,626</u>	<u>342,742</u>	-8.8
<u>Specialty</u>			
<u>Domestic</u>			
Pub Printing	31,950	23,902	+33.7
Novel News	15,195	14,055	+8.1
Jet Printing	43,069	43,655	-1.3
Lightweight	31,864	23,802	+33.9
Others	7,352	5,326	+38.0
Total Domestic	<u>129,430</u>	<u>110,740</u>	+16.9
<u>Export</u>			
Pub Printing	3,143	11,035	-71.5
Lightweight	7,555	8,499	-11.1
Others	615	422	+45.7
Total Export	<u>11,313</u>	<u>19,956</u>	-43.3
Total Specialties	<u>140,743</u>	<u>130,696</u>	+7.7
Total Paper	<u>453,369</u>	<u>473,438</u>	-4.2
<u>Wrapper</u>	851	990	-14.0
Total Shipments	<u>454,220</u>	<u>474,428</u>	-4.3

Controller's Dept.

Paper production for 46 weeks ended 11/18/62

	1962		1961		% Change
	Tons	Daily Avg.	Tons	Daily Avg.	
<u>Production:</u>					
East Millinocket	259,257	805	264,422	821	(2.0)
Millinocket	199,046	618	208,397	647	(4.5)
	<u>458,303</u>	<u>1,423</u>	<u>472,819</u>	<u>1,468</u>	(3.1)

Paper on tracks and in storage

	November 18		October 14	
	Tons	Cars	Tons	Cars
Millinocket	1,171.6	44	2,176.8	72
East Millinocket	4,646.8	172	4,730.1	167
Searsport, etc.	57.6	-	377.9	-
	<u>5,876.0</u>	<u>216</u>	<u>7,284.8</u>	<u>239</u>
Less cars reported by mill as released Sunday, billed Monday		44		57
Mill report of cars on hand		<u>172</u>		<u>182</u>

Controller's Dept.

During a recent rail strike of one of the major railroads, a staff member applied the rights of citizenship by sending a wire to Mr. Kennedy urging the "efforts of your office to resolve this strike. Immediate action needed." A form reply came back in due time expressing thanks and announcing settlement of the strike.

Sales Dept.

Coater Progress . . . The coating preparation system has been in operation for the past month and batches of coating are being prepared daily to supply the coater. . . . Changes are being made to the starch-clay bulk handling system to bring it into satisfactory operating condition. Four carloads of clay and two carloads of starch have been unloaded to date. . . . Engineering has begun on the addition of titanium dioxide facilities to the coating preparation system, and approval to purchase equipment has just been received. This system will improve opacity on lightweight coated sheets. The system will also enable us to introduce calcium carbonate into the coating on a limited basis for offset runs. . . . The new reel has been installed on No. 8 paper machine and first-run base stock came off this machine last week. . . . The single drum winder has been supplying both coating base stock and uncoated paper for supercalendering. . . . The coater is in operation 12 hours per day, six days per week. This schedule will be held until enough satisfactory coated paper is made to supply eight shipping rolls for printing trials. After these orders are filled, coater operation will revert to an eight-hour day -- five-day week operation. When the results of the initial printing trials are received, a 25-ton order is scheduled for additional trials. All of this present operation is being performed without utilizing the flying splice equipment. Following completion of these trial orders, final shakedown of the flying splice equipment will be performed and this feature will be placed in operation. As of this writing, the coater has operated with coating being applied to both sides of the sheet at speeds up to 1700 FPM and with base stock ranging from 28# to 50# per book ream. . . . No. 1 supercalender is in operation and is being used to finish both coated and uncoated sheets. . . . The shipping roll winder has gone into operation and the operating personnel are quite enthusiastic about the electrical tension control which has been developed on this equipment. The roll conveying and wrapping and heading equipment is also in operation and several rolls have been handled over this system to evaluate its performance. . . . The broke pulping system is being operated by production personnel, and as can be expected on any start-up, is seeing considerable service.

Manufacturing Dept.

Coater Training . . . One of the major factors underlying the success accomplished to date in the coating preparation system is the emphasis top management places on training. No stone has been left unturned in order to provide the most competent crews possible. A well-planned outline of training for all of the coater operating personnel was quickly approved by management early in September. The newly selected coater foremen were sent out to the Black-Clawson Pilot Coater in Fulton, N. Y. for one week of training. They then proceeded to Newton Falls and Corinth, N. Y. for a week of training on the supercalenders. The coater operators were also sent out to the Pilot Coater for a week of training. Both groups were ably assisted by our Research Coater Group personnel and our Coater supervision. The supercalender operators were sent to Newton Falls and Corinth, N. Y. for one week of training.

Since returning to the Company facilities, the coater personnel have received many, many hours of on-the-job instruction in relation to coater procedures and equipment. This in-plant type of training will continue until the most knowledgeable and experienced coater personnel possible have been developed. Our goal is to make the best coated paper on the market.

Manufacturing Dept.

Pulpwood deliveries for the 46-week period ended 11/18/62

	Year to Date		
	1962	1961	1960
Cars on hand beginning	77	75	255
Received	13,264*	10,771	14,609
Released	13,239	10,734	14,783
Cars on hand ending	102	112	81

* 11,552 cars have been applied against the 15,000-car quota.

Controller's Dept.

Reconstruction of Caucomgomoc Dam, which is being restored for water storage and driving purposes, expects to be completed early in December. All bed logs, piers and heavy timber framework are in place; planking-over is well underway and driving sheet steel piling is ready to commence.

Woodlands Dept.

Seboomook and Sourdnahunk wilderness campgrounds proved to be very popular during its first season. . . . Sourdnahunk campground registered 414 groups or a total of 1,369 persons during the past season. Additional facilities to take care of more guests are planned for next year.

All construction, started in 1961, at the Seboomook wilderness campground, was completed in 1962; and although all of the facilities were not available for camping this year, the large increase in the number of campers who enjoyed this campground, seems to indicate increasing need for such areas in the future.

Woodlands Dept.

The Maine Tree Farm Committee made an inspection of some of the Company's timberlands for possible certification. The inspection took place on October 15, 16 and 17 in the Pittston Farm and Telos Lake areas.

Woodlands Dept.

The Company recently received an award from the Maine Association for Retarded Children in recognition of its contribution to the cause of retarded children, both locally and state-wide. The award was presented at the Association's Convention in Portland.

Great Northern was cited to the state organization by its affiliate in the Millinocket - East Millinocket area, whose work in the field of retarded children has been greatly accelerated by the cooperation of the Company.

Manufacturing Dept.

Influenza inoculation clinics have been held recently at both mills with a very good response on the part of the employees. At Millinocket, 643 shots were given and 342 were given at East Millinocket.

Manufacturing Dept.

Personnel changes . . . Lionel V. Noddin, formerly Warehouse Foreman at East Millinocket mill, was appointed to the position of Assistant Foreman of the Finishing Dept. at East Millinocket mill effective November 12, 1962. . . . Dr. Robert C. Johnson, formerly Project Engineer, is in charge of the Pioneering Research Group as Acting Group Leader, during Paul Hubbe's absence. . . . Lothrop B. Bartlett was employed on November 12 as Process Engineer. 'Chub' was superintendent of our Madison mill at the time of its sale in 1955.

In the Controller's Dept. . . . Russell F. Smart, formerly Accounts Payable Supervisor, was promoted to Bookkeeping Supervisor, and Frederick G. Clark, formerly Accounts Payable Control Clerk was promoted to Accounts Payable Supervisor -- both promotions effective November 1, 1962. . . . Charles G. Farrant left our employ on November 5, 1962, to accept a position with a Portland, Maine, company.

As of November 1, 1962, James S. Hooper and Herman N. Chick were transferred to the Woodlands Dept. to handle all woodlands purchasing activities which are now under the direct supervision of Woodlands Management. Jim's title is now Buyer - Woodlands Dept.

John Dunne, who has been working in the Inside Sales Dept. in the New York office, has been made a sales trainee and on November 12 started a six weeks' training at the mills. John has been with the Company 12 years, and in the past has been supervisor of orders, of statistics, and also of scheduling. . . . Marvin J. Winship has resigned as of December 1. He has accepted a position with Standard Packing Corporation as Assistant to the Chairman of the Board.

Controller's Dept.

Irving P. Phelps, salesman of the Boston Sales office recently entertained the following group at a hunting party in the Pittston Farm area. . . . Charles Tingley, Managing Director, and Lloyd E. Foss, Supv. Newsprint Quality Program of the American Newspaper Publishers' Association . . . and Al Russell, Alden Deway, Mark A. Rodenhouser and Richard Anderson from the Boston Globe.

Manufacturing Dept.

GREAT NORTHERN PAPER COMPANY

522 FIFTH AVENUE

PETER S. PAINE
PRESIDENT

NEW YORK 36, N. Y.

October 30, 1962

TO OUR STOCKHOLDERS

In our last two quarterly reports we have mentioned our proposed investment in a mill at Cedar Springs, Georgia. This is a special report on the same subject.

Great Northern has just completed the acquisition of a one-half interest in Great Southern Land and Paper Company, a Georgia corporation. Great Southern is the owner of a mill site on the Chattahoochee River in Southwest Georgia on which there is now being constructed a Kraft linerboard mill having a rated capacity of 700 tons a day. It also owns or has long-term leases on some 150,000 acres of timberlands in Georgia and Alabama, and it will own a short-line railroad to connect the mill with the Atlantic Coast Line and the Central of Georgia railways.

Great Northern's investment was made at a cost of \$15,000,000, the funds being obtained by refinancing \$31,500,000 of our 4% Notes, payable in installments through 1974, with an issue of \$46,500,000 of 4.95% Notes, payable in installments through 1982. The new notes are held by the same four insurance companies that held our former notes.

As you probably realize, our investment in this Georgia mill represents a major step for Great Northern and opens up promising opportunities for the Company. Until now our operations have been confined to the State of Maine, and in recent years we have been devoting our facilities almost exclusively to newsprint and groundwood printing papers. The Cedar Springs mill will manufacture Kraft linerboard, which is used in the manufacture of corrugated shipping containers -- the familiar brown boxes that are used to ship all kinds of material all over the world. Ultimately, it is our expectation that a machine for making newsprint and other printing papers will be installed at Cedar Springs.

The growth of the paper industry and the consolidations that have taken place over the last decade have pointed up the necessity for Great Northern to diversify both its product lines and geographical locations if it is to remain competitive. We have felt that potential earning power could be increased by the ownership of manufacturing facilities in the southern part of the United States, but have been deterred by the great cost of such an undertaking.

-2-

It was fortunate, therefore, that in February of this year we found that the management of Southern Land, Timber and Pulp Corporation were seeking a "partner" in their new mill under construction at Cedar Springs, Georgia. After extensive investigations, we came to the conclusion that their properties, organization and prospects would make an ideal complement to Great Northern's. In April we signed an agreement with Southern Land and Timber, and since that time we both have been working on the steps necessary to join forces.

We are happy to report that this has now been accomplished with the formation of a new company, Great Southern Land and Paper Company, in which Great Northern and Southern Land and Timber each has a 50% interest. In due course, Southern Land and Timber will be liquidated, and its stock in Great Southern distributed to some 25,000 stockholders. Great Northern will have the right to elect a majority of the Directors. Great Northern will also act for 20 years as the exclusive sales agent for Great Southern.

The officers of Great Northern feel that our Southern venture has tremendous possibilities for favorably influencing the future strength and growth of the Company. It gives us diversification into a product line which at this time is one of the strongest and healthiest in the whole pulp and paper industry. It gives us a one-half ownership in what we believe is potentially one of the most efficient Kraft linerboard units in the country, located on a navigable river in one of the best wood-growing regions in the United States. Perhaps most important of all, it gives us a foothold in the South, from which, when the time is ripe, we can move to take advantage of the growing market for newsprint and printing papers in that area. In saying this, however, we do not intend to imply any change in our program for our Maine operations. Our interest in the South is an addition to, and should supplement and strengthen, our position in Maine.

Because of this investment in the South, together with a broad product diversification program in Maine which includes our new coated paper operation, the characteristics of Great Northern have changed extensively. We are now able to present a complete line of printing grades ranging from newsprint to coated paper from the North, and with Great Southern we have a position in the basic Kraft industry in the South. We believe that these changes, opening up as they do the opportunity to service economically a far greater segment of the United States with a greater diversification of products, will be of great significance in the future.

Enclosed with this letter is a folder giving a brief description of the new mill at Cedar Springs and the officers and directors of Great Southern. The presently estimated cost of the entire project, including the mill itself, the railroad, timberlands, and working capital is \$57,100,000, of which \$30,000,000 will be represented by common stock and the balance by an issue of twenty-two year mortgage bonds which are being purchased by a group of eleven life insurance companies. The mill is scheduled to go into production during the last quarter of 1963.

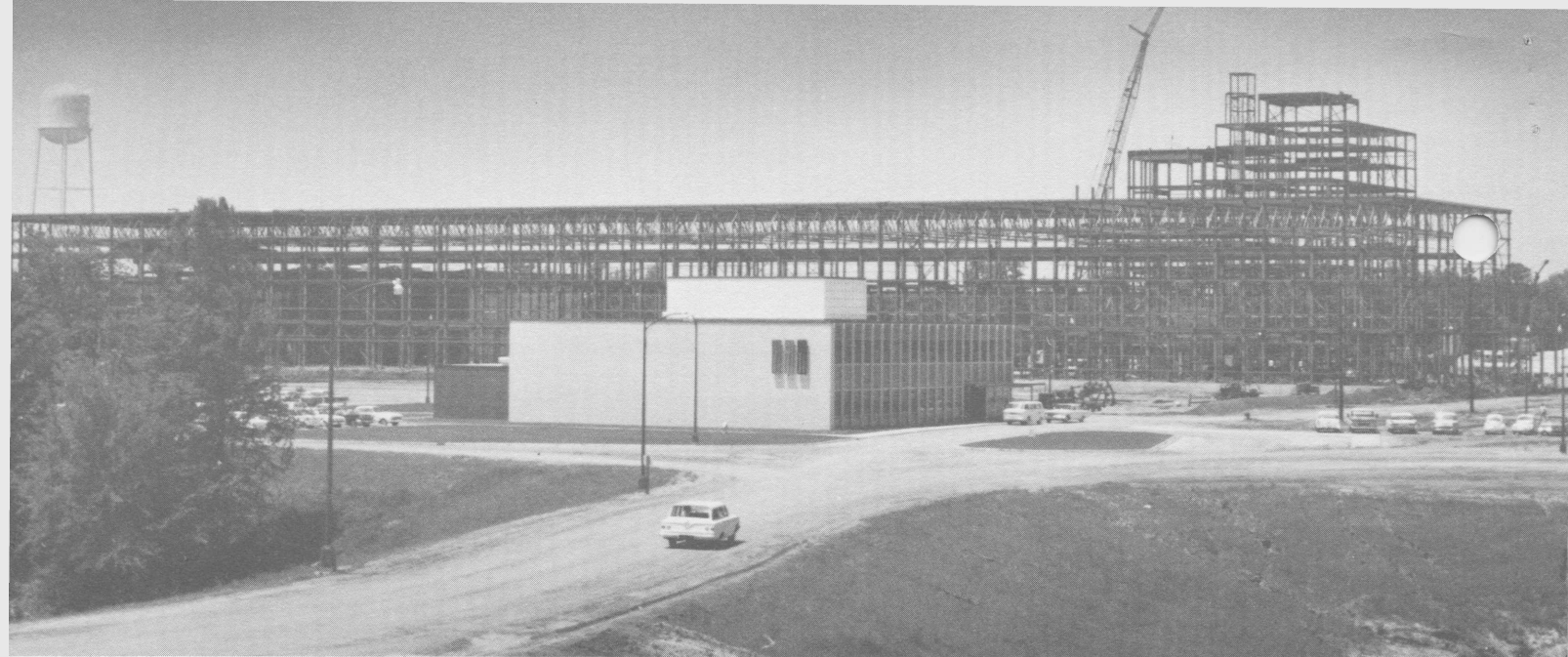
It should be pointed out that our investment at Cedar Springs cannot be expected to bear fruit immediately. We have already borrowed the funds with which we have purchased our interest in Great Southern. We will be paying interest on this loan for at least a year before the mill will be in a position to make and ship linerboard, and after Great Southern begins to earn money, there will have to be a period of accumulating earnings before dividends can be paid prudently. This means that there will be a period of time during which Great Northern's earnings will be adversely affected by our investment in Great Southern. We are confident that in the long run, however, the results will prove that the Cedar Springs mill is well conceived and well timed and that our investment in it will be greatly to the advantage of the stockholders of Great Northern Paper Company.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "A. S. Payne". The signature is written in dark ink and is centered below the typed text.



Great Southern Land and Paper Company



The Machine Room Building of Great Southern Land and Paper Company's new mill, shown here under construction, is 750 feet long and as tall as a six-story office building. In the foreground, the Administration Building. At far right, the upper stories of the Power and Recovery Boiler Building, 126 feet high. These buildings contain more than 3,000 tons of structural steel.

GREAT SOUTHERN LAND AND PAPER COMPANY is a newly-formed corporation owned jointly by Great Northern Paper Company and Southern Land, Timber & Pulp Corporation. It has been organized for the purpose of manufacturing paper and board at a mill now under construction at Cedar Springs, on the Chattahoochee River, near Blakely, Early County, Georgia.

The first product of the new mill will be kraft linerboard, a material used in the manufacture of corrugated boxes. The new mill is expected to be ready for production by the latter part of 1963, and will have a rated capacity of 700 tons per day of kraft linerboard. When in full operation it will employ approximately 350 persons.

In the basic design and construction of the mill, provision has been made for installing a second paper machine. It is anticipated that, if market conditions warrant it, this second machine will be for the production of newsprint and groundwood printing papers.

THE MILL SITE is on the eastern bank of the Chattahoochee River, a navigable waterway which divides the states of Georgia and Alabama. The site is 1,360 acres in area, and is situated in a bend of the river. It is excellently adapted to modern plant layout.

Transportation to and from the site is available by highway, river and railway. The Chattahoochee Industrial Railroad, approximately 20 miles in length, will connect the mill with the Central of Georgia Railroad at Hilton, Georgia, and with the Atlantic Coast Line at Saffold, Georgia.

PULPWOOD: the Company owns or has long term leases on approximately 150,000 acres of timberland. It will satisfy its pulpwood requirements from its own timberlands and from other timber stands within a radius of about 150 miles from the mill. Ample supplies of wood are available in this area.

THE MILL, now under construction, will be modern in every respect, and will be one of the most efficient kraft mills in existence. Much of the equipment has been especially designed for this mill, with efficiency, productivity, reliability and product quality among the principal considerations.

There will be complete electronic instrumentation throughout; this will be the first major paper mill to be so completely equipped in this respect.

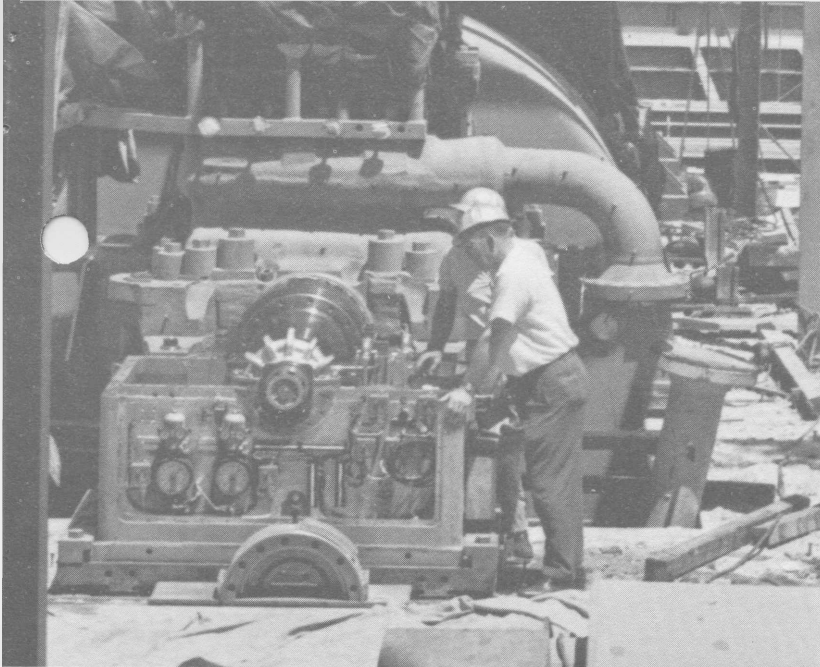
The operation and efficiency of the mill will be continually monitored by a General Electric data logger and process computer system especially designed for this use.

The Beloit fourdrinier paper machine will be 430 feet in length, and will be capable of producing a strip of linerboard up to 260 inches in width at the rate of up to 2,000 feet per minute.

A pulp mill with five digesters will produce the top and base stock required by the linerboard machine.

Water will be supplied to the mill from a 2,900,000-gallon service water storage tank, fed by a water filter plant with a capacity of 26,000,000 gallons per day.

The wood storage area will provide space for



Workmen installing steam turbine which will drive 38,000 KVA electric power generator at the Great Southern mill.



Construction in progress, Power and Recovery Boiler Building.

the equivalent of 25,000 cords of wood in chip form, together with necessary barking and chipping equipment.

A causticizing area will provide equipment for recovering chemicals used in the pulp processing, and preparing them for re-use in the digesters.

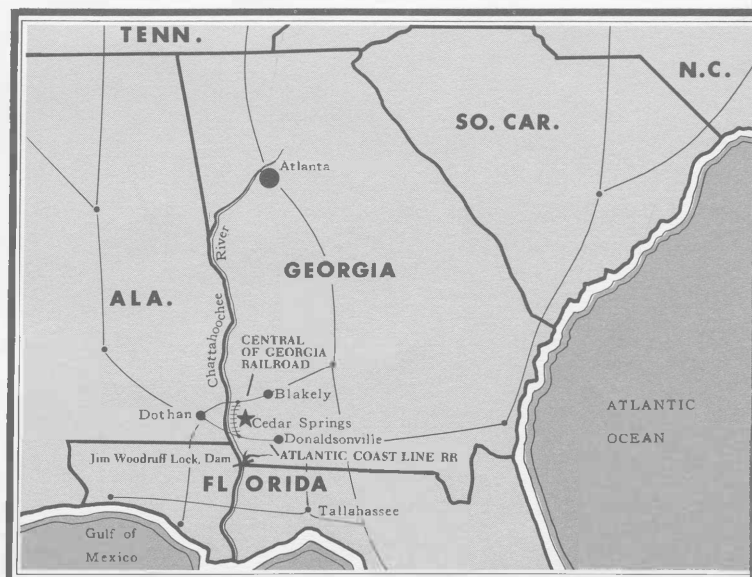
Calcium carbonate sludge, reclaimed from "white liquor" in the causticizing operation, will be re-burned in the plant's own lime kiln to yield calcium oxide for re-use in causticizing "green liquor" to "white liquor," used as a cooking liquid in the digesters.

The effluent disposal system will consist of two settling basins, each of 30,000,000 gallons capacity, and a holding reservoir of 180,000,000 gallons capacity.

The Babcock & Wilcox power boiler will burn a combination of bark waste and pulverized coal. There will also be a Babcock & Wilcox recovery boiler burning "black liquor" solids from the pulp mill. Each boiler will supply steam at 850 pounds per square inch and 900° temperature, for process steam and the generation of electric power.

Electricity to power the mill will be provided by a General Electric 38,000 KVA generator driven by a General Electric 30,000 KW steam turbine. The output will be sufficient to meet all power requirements of the mill and auxiliary facilities.

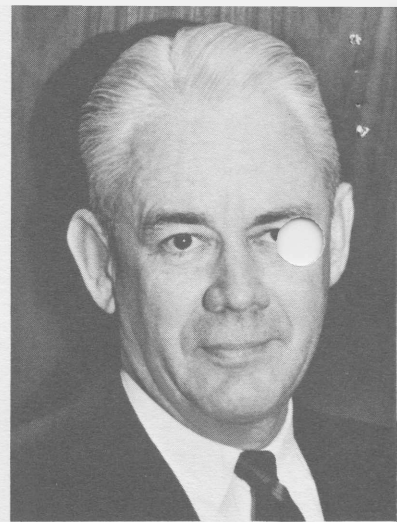
SALES REPRESENTATION: Great Northern Paper Company will be the exclusive Sales Agent of the new Company for the sale of its pulp and paper products.



The mill is located at Cedar Springs, Georgia, on the navigable Chattahoochee River 80 miles from the Gulf of Mexico.



Entrance to the Administration Building at the plant.



John J. Neely,
Chairman of the Board

M. C. McDonald,
Chairman of the Executive Committee

Peter S. Paine,
President and Chief Executive Officer

Edward L. Cowan,
Executive Vice President

OFFICERS

John J. Neely, *Chairman of the Board*

Peter S. Paine, *President & Chief Executive Officer*
Edward L. Cowan, *Executive Vice President*
Bruce P. Ellen, *Vice President, Production*

Leslie G. Kewer, *Vice President & Treasurer*
John F. Steedley, *Vice President, Engineering*
Robert Hellendale, *Secretary*

EXECUTIVE COMMITTEE

M. C. McDonald, *Chairman*

Edward L. Cowan
J. H. Heuer

Leslie G. Kewer
John J. Neely

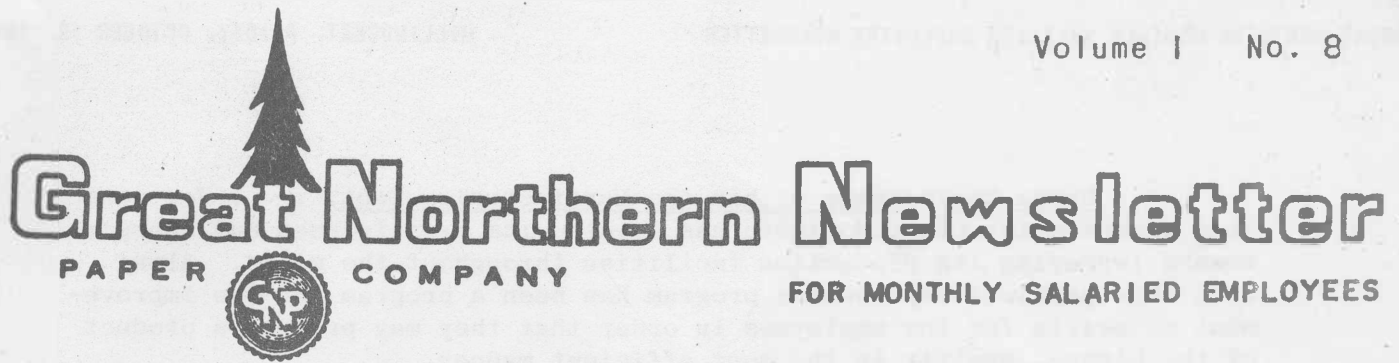
Peter S. Paine
T. Hiram Stanley

BOARD OF DIRECTORS

- John J. Neely, *Chairman of the Board*
(*President of Southern Land, Timber and Pulp Corporation*)
- R. C. Brooks
(*Director and Member of Executive Committee, Southern Land, Timber and Pulp Corporation*)
- Howard G. Brush
(*Vice President, Finance, Great Northern Paper Company*)
- Edward L. Cowan
(*Executive Vice President, Southern Land, Timber and Pulp Corporation*)
- Richard G. Croft
(*Chairman of the Board, Great Northern Paper Company*)
- Robert A. Haak
(*Vice President, Sales, Great Northern Paper Company*)
- J. H. Heuer
(*Vice President, Operations, Great Northern Paper Company*)
- Leslie G. Kewer
(*formerly Controller, Great Northern Paper Company*)
- M. C. McDonald
(*Director and Member of Executive Committee, Great Northern Paper Company*)
- Peter S. Paine
(*President, Great Northern Paper Company*)
- Walter D. Sanders
(*Director and Member of Executive Committee, Southern Land, Timber and Pulp Corporation*)
- T. Hiram Stanley
(*Director & Chairman of Executive Committee, Southern Land, Timber and Pulp Corporation*)

Great Southern Land and Paper Company

Cedar Springs, Georgia



Great Northern News letter
 PAPER COMPANY
 FOR MONTHLY SALARIED EMPLOYEES

MILLINOCKET, FRIDAY, OCTOBER 19, 1962

As of July 24, the Company has been engaged in a well-meshed advertising and direct mail campaign aimed at prospective customers for coated papers. The basic approach has been to introduce the market to the fact that Great Northern is soon to enter the field and, pending a product in hand, to highlight the qualities that would make the Company an exceptionally capable supplier.

Direct mail is the binder of the entire effort. The device of First Day Covers was used as an opening effort and will be continued for spot intelligence. On the first day of issue of a new stamp, the Post Office Department applies a special commemorative imprint to the front of an envelope mailed from the particular post office tied in with the event celebrated. The July 24 mailing, for instance, honored the Girl Scouts and was postmarked Button Bay, Vt., the home of the Girl Scout movement. The September 16 letter featured Sam Rayburn and was mailed from his home town in Texas. The Dag Hammarskjold commemorative will be mailed from the United Nations on October 24.

First Day Covers are not likely to be tossed into waste baskets, and they have actual value -- though small at the start -- to stamp collectors. The proof is in the response, which has been more than satisfactory.

Complementing these letters targeted on the prime coated paper prospects are striking four-page, full color inserts in Printing Production Magazine. There will be two different inserts, each of which will be run in two successive issues. After each insert has appeared in the magazine, it will become a direct mail piece in itself. Dovetailed with the commemorative letters and the four-page inserts was a special mailing of "Great Northern Today."

It will be difficult, as these mailings and ads and reprints of ads accumulate over the weeks, for a prospect not to be aware of what Great Northern is offering. It would be natural, after a while, for each to wonder "When is this new coated coming out?" and "Is it really any good?" This is just the frame of mind that's wanted; the door is open.

Sales Dept.

New headquarters for Purchasing . . . Effective November 1, 1962, the Purchasing Dept. will be located in the E&R building at Millinocket. E. D. Fairley has been promoted to Senior Buyer to replace G. A. Michaud who has resigned; S. B. Johnson and E. D. Crowther will transfer to Millinocket on the above date; R. R. Robinson and R. G. Carter will continue with the department. J. S. Hooper, Buyer, Woodlands Dept., will remain at the Bangor office and will be located on the 6th floor.

Purchasing Dept.

Human Engineering within the Manufacturing Dept. . . . For more than a decade the Great Northern has devoted its creativeness and energies toward improving its production facilities throughout the mills. Along with this physical improvement program has been a program for the improvement of skills for the employees in order that they may produce a product of the highest quality in the most efficient manner.

Training has many facets and each "skills area" requires a different training approach. Craft skills within the mill maintenance departments have been improved with the initiation of several well-formulated, four-year apprenticeship training programs. Many of the present craftsmen are graduate apprentices of our Machinist, Pipefitter, Millwright, Electrician and Instrumentation programs. Each of these programs consists of 8,000 hours of on-the-job instruction and a well-planned related technical study course. All are approved and registered with the Maine State Apprenticeship Council.

The technological advances incorporated within the paper department has necessitated a very special training approach. For many years papermaking skills were passed on to the younger employees by the older more experienced papermaker via word-of-mouth. Present day circumstances and requirements have required new knowledge and new operating skills. Consequently, in June 1962, Great Northern became the first company in the industry to develop and initiate an apprenticeship training program for papermakers. Although basically similar to our other apprenticeship programs, the papermakers' program is a three-year plan with 6000 hours of on-the-job instruction under the guidance of qualified job instructors. A related technical instruction course has been devised and will be conducted by those department heads immediately responsible in the mills.

In the area of Supervisory Development, the Training Dept. has devoted many hours of thought and planning as to the best training approach. In the past, supervisory development has been somewhat limited to those areas of immediate need. It is now contemplated to initiate a development program that will encompass the entire realm of supervisory responsibilities. In order to accomplish this each supervisor will attend a number of conferences, each of which will be designed to aid the supervisor in carrying out his responsibilities.

The supervisory plan, as it has been developed at the present time, will emphasize the role and needs of the mill supervisory personnel. Each mill supervisor will receive a personal notice as to the specific time and place for the supervisory conferences.

As can be seen from the above subject, management has certainly recognized the need for Human Engineering and has taken definite steps to carry out all aspects of its improvement program.

Manufacturing Dept.

Although it would appear to the ordinary observer that rain has been our constant companion for the last month, unfortunately for Company operations this is not so.

Present reports show that precipitation since the last newsletter is off 3.85% from the yearly average. The present storage is 32.7 B.C.F. compared with 36.8 B.C.F. a month ago, and 5.1 B.C.F. below rule curve storage for this time of year.

Manufacturing Dept.

Coater Mill Progress . . . First-run coated paper will come off the coater on November 1 if all goes well between now and then.

The coater unwind has been checked out using a 60" diameter roll. Checks are complete on automatic sequencing of the splice with the exception of the computing equipment.

The first dryer section has been operated at a speed of 3500 FPM with syphons and steam joints removed. The second dryer section has been operated under the same conditions at a speed of 4350 FPM. The major portion of the coater rolls have been run at 3500 FPM which is the designed speed of the coater.

The high velocity air system has been checked out and only needs to be balanced with a coated sheet. "Tough" paper will be run through the coater around October 22, 1962. This is a 50# sheet in 88" diameter rolls made on No. 8 paper machine single drum winder.

No. 1 supercalender king roll and windup have been operated at a speed of 2700 FPM. Electrical drive checks are being made by General Electric Company.

Mechanical installation of the shipping roll winder and finishing equipment is complete. Electrical and piping work has begun on this equipment.

Manufacturing Dept.

Bruce C. Amm, a former employee of the Canadian branch of the KVP Company, has recently joined the Coating Research Group. Bruce has had some experience with the commercial operation of a Flexiblade coater on breadwrap. He has come in time to assist us with the start-up of the coating preparation plant. The clay make-down system has produced clay slip of good quality. The clay slip recirculation, filtering, screening and batching system has been tried out and is working smoothly. Two batches of satisfactory coating color have been prepared. The cooking system, including the mix tank, holding tanks, cooker and storage tanks has functioned well. Additional trial cooks are planned to check out the recently completed portions of the color prep system including the starch weigh hopper, the soap system, the Badger water meter and the coater supply recirculation, metering and filtering system.

Manufacturing Dept.

The Company was host to a group of Bangor and Aroostook Corporation officials and management personnel during an official inspection visit to the railroad properties. The group included Mr. W. Gordon Robertson, President of the Bangor and Aroostook Corporation; Mr. W. Jerome Strout, President of the Bangor and Aroostook Railroad Company; several directors and officers of both organizations, and managers of various departments of the railroad.

Mr. and Mrs. J. H. Heuer were special guests during the entire trip and entertained the visitors on behalf of the Great Northern Paper Company at a luncheon at the Guest House.

A tour was made of the mill facilities at Millinocket with particular emphasis on the improved pulpwood delivery and processing facilities. The new coating plant and finishing department were also of special interest to the visitors.

Manufacturing Dept.

Pulpwood deliveries for the 41-week period ended 10/14/62

	Year to Date		
	1962	1961	1960
Cars on hand beginning	77	75	255
Received	12,411*	9,424	13,101
Released	12,386	9,425	13,258
Cars on hand ending	102	74	98

*10,699 cars have been applied against the 15,000-car quota.

Controller's Dept.

Ray M. Fernald, Pulpwood Buyer in the Houlton area, recently loaded his millionth cord of pulpwood over a period of 18 years, for delivery to our mills. The production from this area has earned upwards of \$20,000,000 -- 90% of this amount going to the farmers and the balance to wild land owners. About two-thirds of this tonnage has been shipped over the Bangor and Aroostook Railroad tracks and the balance by truck.

Woodlands Dept.

Pulpwood growth . . . Work on 216 permanent one-fifth acre growth plots, scheduled for remeasurement in 1962 is underway. Six to eight foresters are working on this project. Data resulting from these studies, when compared with that taken from the remeasurement of the same plots five years before, furnishes the necessary information for our foresters to compute growth rates on Company lands. By applying this rate of growth to our entire ownership, it is possible to estimate total average yearly growth rather accurately and to adjust forest inventory figures accordingly.

Woodlands Dept.

Four of the five Aroostook operating camps which were closed for four weeks during the potato harvesting season, were reopened for cutting on October 15.

Woodlands Dept.

Pulpwood cutters work hard and burn up lots of calories. Cooks are given considerable leeway in what foods to order, and it's a poor cook who runs out of raw material. All camps are now equipped with walk-in refrigerators. This has made it possible to reduce tote truck trips to some extent. A camp cutting 10,000 cords consumes a lot of grub. For example, the following items in pounds: meats, 11,700; dry beans, 400; coffee, 300; tea, 110; flour, 5,300; lard, 1,080; potatoes, 9,000; onions, 335; sugar, 2,600; raisins, 136; oleo, 1,500; bananas, 440; eggs, 1,525 dozen; milk, 2,400 cans; and 100 lbs. powdered milk. Other items on the menu include fresh tomatoes and cukes, corn on the cob, maple syrup, strawberry jam, catsup, cheese, juices, macaroni, head lettuce, rice, sardines, turkey, and tons of fruit and vegetables canned and fresh.
ANYBODY HUNGRY?

Woodlands Dept.

Paper shipments to customers during 41 weeks ended 10/14/62

	Tons Shipped		% Change
	1962	1961	
<u>Newsprint</u>			
Domestic	264,003	259,950	+1.6
Export	12,710	43,985	-71.1
Total News	<u>276,713</u>	<u>303,935</u>	-9.0
<u>Specialty</u>			
<u>Domestic</u>			
Pub Printing	29,185	20,352	+43.4
Novel News	13,467	12,434	+8.3
Jet Printing	38,773	38,704	+0.2
Lightweight	28,020	21,013	+33.3
Others	6,681	4,444	+50.3
Total Domestic	<u>116,126</u>	<u>96,947</u>	+19.8
<u>Export</u>			
Pub Printing	3,143	6,839	-54.0
Lightweight	7,059	6,970	+1.3
Others	615	374	+64.4
Total Export	<u>10,817</u>	<u>14,183</u>	-23.7
Total Specialties	<u>126,943</u>	<u>111,130</u>	+14.2
Total Paper	<u>403,656</u>	<u>415,065</u>	-2.7
<u>Wrapper</u>	638	843	-24.3
Total Shipments	<u>404,294</u>	<u>415,908</u>	-2.8

Controller's Dept.

Paper production for 41 weeks ended 10/14/62

	1962		1961		% Change
	Tons	Daily Avg.	Tons	Daily Avg.	
<u>Production:</u>					
East Millinocket	229,823	801	234,005	815	(1.8)
Millinocket	179,379	625	182,867	637	(1.9)
	<u>409,202</u>	<u>1,426</u>	<u>416,872</u>	<u>1,452</u>	(1.8)

Paper on tracks and in storage

	October 14		September 16	
	Tons	Cars	Tons	Cars
Millinocket	2,176.8	72	2,253.2	78
East Millinocket	4,730.1	167	2,636.2	100
Searsport, etc.	377.9	-	361.1	-
	<u>7,284.8</u>	<u>239</u>	<u>5,250.5</u>	<u>178</u>
Less cars reported by mill as released Sunday, billed Monday		57		56
Mill report of cars on hand		<u>182</u>		<u>122</u>

Controller's Dept.

Safety Goal . . . As of October 12, 1962, the East Millinocket Mill operated six months without a disabling accident. This mill has set an immediate goal of one million man hours without such an accident. If no employees have lost time on account of accidents by November 12, the mill will be on its second million hours. We are all rooting for them.

The feeling just now is similar to that of the players of the Yankees and Giants during the recent series.

Manufacturing Dept.

Paper sheeted at East Millinocket during 40-week period ended 10/7/62 . . .

<u>Grade</u>	<u>Tenth Period</u>		<u>Year to Date</u>	
	<u>1962</u>	<u>1961</u>	<u>1962</u>	<u>1961</u>
News	22.3	50.2	330.7	781.3
Addenda	-	42.3	-	264.1
Jet Printing	30.1	20.8	300.2	249.9
Layer Board	95.0	-	312.4	370.7
Pub Printing	10.2	2.3	340.5	293.1
Toll Ticket	-	-	-	41.9
Total	<u>157.6</u>	<u>115.6</u>	<u>1,283.8</u>	<u>2,001.0</u>

(Operating one shift in 1962 and two shifts in 1961)

Controller's Dept.

New additions to the Sales staff . . . As of October 1, Ben Appleton and Bill Sullivan joined the Sales staff. After a week's introduction in New York, Mr. Appleton started through the training course at Millinocket. Following graduation from Colgate, he joined the Marine Corps for training as a helicopter pilot and later became part of the Project Mercury team assigned to pick up Colonel Glenn. (As it turned out, the destroyer "Noah" was closer and made the pickup.)

Bill Sullivan will specialize in linerboard for the Cedar Springs operation. His office will be in New York and he will set up an order system. Bill attended Boston College while working as an industrial chemical salesman, and for the past five years has been with IP's Southern Kraft Board Division in New York.

Sales Dept.

Of interest to all in the pulp and paper industry are recent quick developments in the Province of Quebec. Although the Liberal government has for two years, through its Minister of Resources, campaigned for public ownership of private power companies, the sudden announcement that the government intended to go ahead with its plans for nationalizing of power companies, came as a great surprise to the companies involved.

Premier Lesage followed the ultimatum with the announcement that in a general election on November 14 he would ask for a mandate from the people to implement his announcement. Political experts anticipate overwhelming support for the Premier.

The Montreal Gazette, on October 5, followed up the story with the following item: "The possibility that mining and pulp interests may be next in Quebec's 'economic liberation' plans was suggested by the chief architect of the private power take-over scheme. Natural Resources Minister Rene Levesque indicated, however, that nationalization would not be the method used. 'We will have to find other formulae for the mining and pulp industries where French-Canadians don't really exist, either,' he declared before an enthusiastic audience of the Club Richelieu-Montreal in an address aimed at building up the case for power nationalization."

Socialism in some areas of our neighbor to the north has definitely outgrown the creeping stage.

Manufacturing Dept.

Stores Consolidation . . . On October 1, 1962 the Millinocket and East Millinocket storerooms were consolidated and the main stores office is now located at East Millinocket. Mr. William N. Kinley has been promoted to Supervisor of Materials and Stores, and as such will be responsible for the operation of the Stores, Receiving departments and Inventory in the entire Manufacturing organization.

Mr. Mahlon C. Spruce, Storekeeper, was transferred to East Millinocket and Mr. Richard A. York, Stockroom Foreman, and Mr. Lionel V. Noddin, Warehouse Foreman, will report to Mr. Spruce. Mr. Delmar F. Terrio, Stockroom Foreman at Millinocket, will report to Mr. Spruce, as at present, but will remain in the Millinocket location.

This move is made with the primary thought in mind of consolidating and streamlining physically, not only the office and clerical functions, but the actual materials inventory. Considerable savings to Great Northern should result in this consolidation.

In any move such as this, there will be many problems related to parts, inventories, supplies, etc., and all departments are requested to bear with Mr. Kinley and his group until all of the details are completely worked out and in operation.

The Storeroom function will report directly to the Manager of
Manufacture. Manufacturing Dept.

The Pioneering Group's work on continuous caliper profilers is progressing satisfactorily. Several profilers designed by Al Thompson and one manufactured by Detectron, Inc. are being tested. One of Al's instruments is now being run on the Experimental Paper Machine winder. Initial results are very encouraging and a patent application is being prepared.
Manufacturing Dept.

Promotions . . . On October 1, William R. Larabee was promoted to Superintendent of the Greenville Storehouse and Toting.

Charles R. Merrill has been promoted from Control Engineer at East Millinocket Mill to Area Engineer in the Plant Engineering Dept. at Millinocket . . . Arthur E. Curtis, formerly Control Engineer, was promoted to Pulp Mill Tour Foreman at East Millinocket Mill.

Woodlands and Manufacturing Depts.

Guests at Rainbow Lake Camp . . . Mr. R. V. Osborn and Mr. P. E. Jarvis of the New York Sales office were hosts to Mr. J. Mullane of Alco-Gravure, Hoboken, N. J.

Mr. I. P. Phelps of the Boston Sales office was host to a party of five . . . Mr. Paul Cummings, Publisher of the Peterborough Transcript, Peterborough, N. H.; Mr. and Mrs. Donald Dwight and Mr. and Mrs. Stewart Beckett. Mr. Dwight is Assistant to Publisher of the Holyoke Transcript-Telegram, Holyoke, Mass. and Mr. Beckett is Production Superintendent of the Hartford Courant, Hartford, Conn.

Mr. H. H. Heuer, Vice President - Operations of the Bangor office and Mrs. Heuer were hosts to Mr. and Mrs. Fred B. Wachs. Mr. Wachs is President of the Lexington Herald Leader, Lexington, Kentucky.

Rainbow Lake Camp closed for the season on September 30.

Manufacturing Dept.

Newsprint - Miracle Ingredient . . . I remember an earlier era when newspapers like old generals didn't die, they didn't even fade away. They went to work, like everybody else. Newspapers in those days were not just read, they were utilized.

After the mistress of the house had washed the wooden floors she covered them with newspaper. We had wall-to-wall newspaper. How many times did I come home from school to find my poor, tired mother stretched out on the floor, reading an editorial.

Kitchen shelves were covered with newspaper. Imaginative mothers like mine could create a scalloped edge with little dips every few inches, utilizing headlines for educational as well as dramatic effect like: Price of Food Goes Up.

The rotogravure section was selected for the bureau drawer because its brownish-red color matched our genuine-imitation mahogany. The bottom drawer was known as the Maternity Ward. When our cat was expecting (again) mama shredded a newspaper with her meat chopper and padded the drawer. Women understand such things. At our house kittens could read before they could walk.

I inherited most of my hats from older brothers, uncles, and forgetful strangers. The size was reduced to fit my head by folding a strip of newspaper under the inside leather band. It was not unusual for me to remove my hat and find imprinted on my youthful forehead the words "Cloudy and foggy."

Party hats were fashioned of cleverly folded newspaper, as were generals' hats, and Chinese hats, and chefs' hats, and kings' crowns, and sail boats, and shaggy trees, and bandits' masks, and rain-hats and megaphones, and telescopes, and fly-swatters. (For horse-flies the Racing Form was choice.)

A hand-rolled short, fat strip of newspaper served as a cork for medicine bottles and wine bottles as well as a packing for keyholes when privacy was desired. (Poor people did not feel entitled to privacy. Keyholes were for looking, not for locking.)

We cut our schoolbook covers out of newspaper. A child gifted with scissors could work it out so that a picture would appear smack on the front of the book, inspiring pictures like Dillinger coming out of the movies, or Bernarr McFadden napping in the snow.

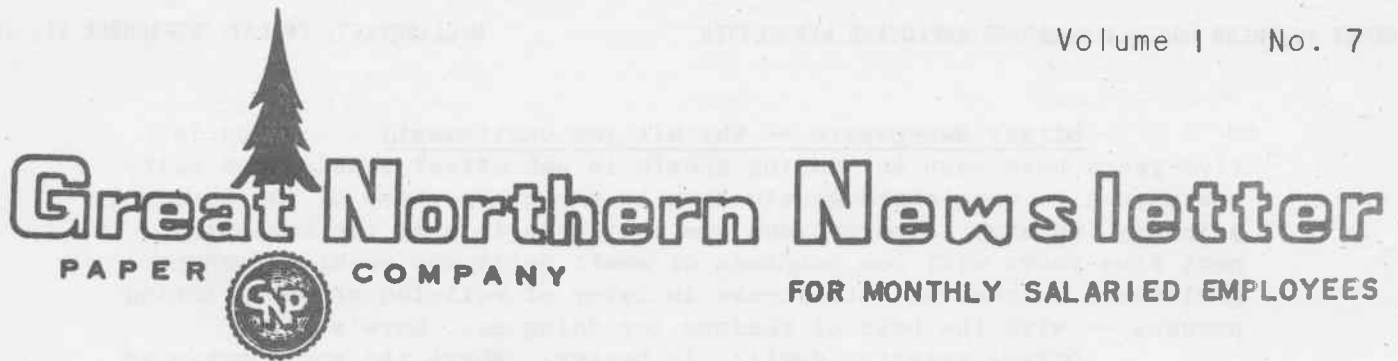
Garbage was gift-wrapped in newspaper. Dogs were taught human manners via the newspapers. Children, too, (apparently best treated like dogs) were slapped on the head with newspapers as a token preview of sterner measures to come if you didn't respond.

I must say, though, that no father I met was ever cruel enough to swat a kid with the Sunday paper. This might leave him stupid through the following Thursday.

The women of the family cut newspaper into dress patterns, for formal dresses the society page, for sportswear the used-car section.

If any parts of the newspaper survived they sold to the junk dealer who sold the lot to the newspaper publisher, all of which proves that the printed word is indestructible.

by Sam Levenson as printed in NEWSPRINT FACTS



Great Northern News Letter
PAPER COMPANY FOR MONTHLY SALARIED EMPLOYEES

MILLINOCKET, FRIDAY, SEPTEMBER 21, 1962

Last Monday morning in Washington, the Presidential "E-For-Export" Award was presented to the Export Sales Dept. by Secretary of Commerce Hodges. Joe Carena, accompanied by Don York and Charlie Sheafe, accepted the award for the Company. During the brief ceremony, which was reported to the national press, Mr. Carena received two blue and white "E" pennants and a framed citation. The pennants will be forwarded to the mill.

The citation reads as follows: "By increasing export sales by nearly 100 percent in 1961, the Great Northern Paper Company has demonstrated anew the ability of the American businessman to meet competition on a world-wide basis. The Company's successful sales campaign in India reflects credit on the American free enterprise system, and the entire export campaign has been of distinct benefit to the expanded international trade program of the United States. LUTHER H. HODGES, Secretary of Commerce."

Sales Dept.

The Maine-New Hampshire Section of TAPPI held its one-day area meeting in Millinocket on September 13 with Great Northern as host represented by Don Bail, Assistant Pulp Mill Superintendent at East Millinocket and Secretary-Treasurer of this group.

The multi-purpose room of the Engineering Research Center was headquarters for the affair. Close to 150 members registered and took part in the proceedings. Don Griffee, Pulp Mill Superintendent at Millinocket and Waldo Preble, Paper Mill Design Engineer read papers on "No. 4 Sulphite Digester Circulation System" and "Coating Equipment Layout," respectively.

Both mills were visited with particular interest in the new coater facilities at Millinocket. The guests were then entertained at a dinner preceded by a social hour.

One-day meetings of the TAPPI organization, such as this meeting in Millinocket, have become increasingly popular through the opportunity for members to meet with each other in their home areas.

Manufacturing Dept.

At a recent management Safety Meeting it was decided to equip all Woodlands trucks and cars with safety belts. Installations are being made as fast as possible.

Woodlands Dept.

Offset Newspapers -- Why all the excitement? . . . The last five years have seen an amazing growth in web offset printing of daily newspapers -- more rapid growth than in any other phase of the newspaper printing industry. Indications are that this is only the beginning. The next five years will see hundreds of small daily and weekly newspaper publishers abandoning letterpress in favor of roll-fed offset printing presses -- with the best of reasons for doing so. Here's why:

Offset printing quality is better. Where the workmanship is good, offset newspapers are clean and pleasing to the eye. Half-tone pictures are sharp and well-defined. Four-color (full color) offset, not yet in wide use, is spectacular by newspaper standards.

The offset process is clean and relatively simple. By using line-justifying typewriters (to even off the right-hand margins) and "paste-up" copy, the printer is rid of the need for complicated, expensive linotype machines, and for training highly skilled operators.

For small newspapers, offset is cheaper. Although still disputed, the publisher's own trade association, ANPA Research Institute, claims proof that any newspaper under 27,000 daily circulation can install an offset press and start making more money tomorrow -- even with no salvage at all on the abandoned letterpress. Furthermore, space utilization in an offset plant is better, tending to reduce plant investment cost.

Only the rapid technical advance of newspaper offset is holding back many small daily publishers. Something new is coming out every week and everyone wants the last word in equipment. But this is only a temporary brake. Within the next few years, even newspapermen reluctant to abandon still-useful equipment will have to face the offset decision or be left behind the parade.

What does this mean to Great Northern? . . . As this web offset technology has grown, Great Northern has developed a fast-selling line of products for offset newspaper printers. Great Northern's offset papers News-O, Valprint-O and Jet-O all have found good customer acceptance. Great Northern now has six daily offset newspaper customers, all but one being a new account within the last five years. In addition, over 125 weekly newspapers are being printed each week in various other plants on one or another of these Great Northern offset papers.

Volume tonnage also has been made for offset printed, pocket-sized weekly television guides published Sundays by the New York Herald Tribune, Cincinnati Enquirer, and Cleveland Press.

How about the big city newspapers? . . . For the metropolitan newspapers who buy 85% of Great Northern's newsprint output, the problems of converting to offset are much more complicated -- and expensive. In the first place, the high speed and versatility of modern newspaper letterpress (both factors essential to big, multiple-edition newspapers) cannot be matched by offset presses -- yet. Next is the question of costs (both investment and production) and of the reliability of prototype offset equipment. The Philadelphia Inquirer plant must print 5.5 million newspapers a week, in 50 different editions, on a split-second timetable. On a big night, nearly 3,000 printing plates are cast, placed and replaced on their presses. Other problems are those of training pressroom crews in a new technology and of controlling paper waste, which is higher on offset presses.

But, here again, these are only temporary drawbacks. In ten years, or less, it may not be surprising to see the Boston Sunday Herald or the New York Herald Tribune printed appealingly in full color offset -- on Great Northern offset news.

An improved sulfite pulp for Great Northern is being developed by mill and Research personnel. Current efforts are directed toward developing a pulp that has higher brightness and higher strength. This is being done by increasing the amount of sodium carbonate contained in the cooking liquor as sodium bisulfite. Extra sodium carbonate solution is metered to the digester through a rotameter before the cook is started. Only small additions are being made at one time to avoid upsetting conditions. It is expected to pay for the additional sodium carbonate through wood savings obtained from a higher pulp yield per pound of wood. Laboratory cooks using liquor with a higher sodium bisulfite content have shown an unbleached brightness as high as 75 GE.

To estimate the digester pulp yield for this and other programs a stainless steel perforated wire-covered cylinder was constructed early this spring. The cylinder or basket is hung from the neck of one of the large sulfite digesters. The chips that the basket is filled with are then cooked right along with the surrounding chips during the regular processing of the mill cook. When the cook is complete and the surrounding chips have been discharged to the blow pit, the basket is recovered. Measurement of the chips put into the basket and pulp obtained from it permits the weight of fiber or pulp per pound of wood to be calculated. This measurement of yield is a direct estimate of that of the entire digester, something not readily obtainable by other methods. The yield estimate and tests performed on the pulp from the basket and that from the rest of the digester help show the effects of the cooking process variables being studied.

Manufacturing Dept.

Coater Mill Progress . . . No. 8 paper machine single drum winder is complete and the winder is operational. An 88" diameter roll has been made by splicing reels together. Final checks still have to be made using 88" rolls.

The raw stock handling system is complete. The 88" diameter roll from the single drum winder will be used to check out the operation of this system.

All mechanical equipment for the coating preparation system is in place and work is in progress on piping, electrical, and instrumentation. Process piping is almost ready to operate with one formula on both coating heads. Starch will be unloaded on or about September 20 and clay will be unloaded on or about September 24.

Mechanical erection of the coater is complete. Electrical and instrumentation work is essentially complete. The D-C drives and coater consoles are being checked out.

No. 1 supercalender is complete except for equipment to modify the windup roll arrangement. This equipment will be shipped from Beloit Eastern on September 21. Piping and electrical work is not complete.

Mechanical installation of the shipping roll winder and roll finishing system is essentially complete. Electrical and piping work has begun and will be completed as soon as men become available from other jobs.

Manufacturing Dept.

The rear of the West Branch drive was sluiced through North Twin Dam on September 9. Mop-up crews are putting boats away and leaving everything in readiness for next year's drive.

Woodlands Dept.

Pulpwood deliveries for the 37-week period ended 9/16/62

	Year to Date		
	1962	1961	1960
Cars on hand beginning	77	75	255
Received	11,530*	8,734	11,803
Released	<u>11,512</u>	<u>8,745</u>	<u>11,925</u>
Cars on hand ending	<u>95</u>	<u>64</u>	<u>133</u>

*9,819 cars have been applied against the 15,000-car quota.

Controller's Dept.

Safety records continue to brighten the days of some mill supervisory people, whose continuous and persistent efforts to imbue their workers with the concept of safety are paying off.

Outstanding departments worthy of publicizing are . . . the Electrical Dept. at East Millinocket with a present accident-free record of 602,691 hours, the equivalent of 2,229 days; the Greenwood Dept. has accumulated 550,354 hours or 966 days.

At Millinocket, the Yard Dept. has had no lost time injuries for 605,559 hours or 1,210 days; the Steam Plant at this mill has racked up a record of 405,367 hours, the equivalent of 1,509 days.

Congratulations to those responsible, and best wishes for a lengthy continuation of these fine performances.

Manufacturing Dept.

During the summer season just ended, a total of 1,210 visitors became better acquainted with Great Northern through first-hand knowledge gained by a tour of the operations, with appropriate explanations by the tour guides.

Of course, the state of Maine headed the list of visitors with 428 individuals; Massachusetts followed with 184, and then New Jersey with 119, New York with 113 and Connecticut with 103. In all, twenty-four states were represented. Foreign countries included Canada with 18 visitors, England with 5, Egypt and West Africa each with 3.

Tour booklets describing the operations of the East Millinocket Mill are now available for visitors, and similar booklets are presently being compiled for the Millinocket mill.

Manufacturing Dept.

Personnel retired from the Woodlands Dept. during 1962 were honored at a banquet held at the Blethen House in Dover-Foxcroft on September 11. Guests of honor were Charles Frazier, Charles Gillette, Reginald Sawyer, Marion Gunn, John Mortell and Maurice Bartlett, and were each presented with a gold pin and a radio by John T. Maines, Vice President and Manager of Woodlands. Several former retirees were also present, including Robert Candors whose service dates back to 1906.

Woodlands Dept.

Company camps operated by Ken Bartlett, Wilmer Saucier and Alderic Milliard in the Aroostook area, closed down on September 7 to enable employees to help with the potato harvest. Camps will remain closed until the harvest is completed.

Woodlands Dept.

Paper shipments to customers during 37 weeks ended 9/16/62

	<u>Tons Shipped</u>		<u>% Change</u>
	<u>1962</u>	<u>1961</u>	
<u>Newsprint</u>			
Domestic	238,575	231,933	+2.9
Export	12,367	41,187	-70.0
Total News	<u>250,942</u>	<u>273,120</u>	-8.1
<u>Specialty</u>			
<u>Domestic</u>			
Pub Printing	26,192	16,987	+54.2
Novel News	11,527	10,785	+6.9
Jet Printing	34,425	34,355	+0.2
Lightweight	25,828	18,677	+38.3
Others	5,654	4,627	+22.2
Total Domestic	<u>103,626</u>	<u>85,431</u>	+21.3
<u>Export</u>			
Pub Printing	3,026	5,912	-48.8
Lightweight	6,759	6,747	+0.2
Others	615	287	+114.3
Total Export	<u>10,400</u>	<u>12,946</u>	-19.7
Total Specialties	<u>114,026</u>	<u>98,377</u>	+15.9
Total Paper	<u>364,968</u>	<u>371,497</u>	-1.8
<u>Wrapper</u>	<u>504</u>	<u>730</u>	-31.0
Total Shipments	<u><u>365,472</u></u>	<u><u>372,227</u></u>	-1.8

Controller's Dept.

Paper production for 37 weeks ended 9/16/62

	<u>1962</u>		<u>1961</u>		<u>% Change</u>
	<u>Tons</u>	<u>Daily</u>	<u>Tons</u>	<u>Daily</u>	
		<u>Avg.</u>		<u>Avg.</u>	
<u>Production:</u>					
East Millinocket	207,218	800	208,949	807	(.8)
Millinocket	161,430	623	163,261	630	(1.1)
	<u>368,648</u>	<u>1,423</u>	<u>372,210</u>	<u>1,437</u>	(1.0)

Paper on tracks and in storage

	<u>September 16</u>		<u>August 19</u>	
	<u>Tons</u>	<u>Cars</u>	<u>Tons</u>	<u>Cars</u>
Millinocket	2,253.2	78	4,128.1	150
East Millinocket	2,636.2	100	4,512.4	161
Searsport, etc.	361.1	-	291.0	-
	<u>5,250.5</u>	<u>178</u>	<u>8,931.5</u>	<u>311</u>
Less cars reported by mill as released Sunday, billed Monday		<u>56</u>		<u>44</u>
Mill report of cars on hand		<u>122</u>		<u>267</u>

Controller's Dept.

During the past two months the water situation has improved to the extent, that, with normal precipitation, fall and winter operations should proceed without undue emergencies. Present storage is 36.8 B.C.F. This is 64.5% of full storage and 2.7 B.C.F. below rule curve storage for this time of year.

Up to the first of July, the West Branch drainage area was approximately six inches below the sixty-three year average of precipitation, whereas, during the period from July 1, it has been three inches more than the average for the same number of years.

Manufacturing Dept.

Paper sheeted at East Millinocket during 36-week period ended 9/9/62 . . .

Grade	Ninth Period		Year to Date	
	1962	1961	1962	1961
News	50.5	72.0	308.4	731.1
Addenda	-	-	-	221.8
Jet Printing	24.3	10.3	270.1	229.1
Layer Board	-	100.4	217.4	370.7
Pub Printing	47.9	39.6	330.3	290.8
Toll Ticket	-	2.6	-	41.9
Total	<u>122.7</u>	<u>224.9</u>	<u>1,126.2</u>	<u>1,885.4</u>

(Operating one shift in 1962 and two shifts in 1961)

Controller's Dept.

Most employees are unaware that Maine unemployment compensation taxes are on the upswing. The Maine Employment Security Commission notified the Company that its contribution rate, effective July 1, 1962, took a jump of 60% -- from 1.0% to 1.6%. This tax is paid in full by the employer and applies to individual wages or salaries up to \$3,000 a year. Dollarwise, this will mean an increase of \$66,000 on the assumption that the taxable payroll for the last half of 1962 and the first half of 1963 will approximate that of the preceding tax year.

This increase is the result of the abnormally large number of benefit payments made during the last few years, especially since the recession of 1958, which seriously depleted the State's reserve funds. During the period of 1950 through 1957, the benefits paid averaged approximately \$7,520,000 per year. For the four years from 1958 to 1961, however, the yearly average jumped 100% to \$15,000,000. The 1961 payments were \$15,382,776. Rates as a rule are influenced by the balance of funds available for benefits in the State's coffers. In 1956 these funds were the highest in the State's history, totaling \$45-1/2 million. At the end of 1961, however, only one-half of this amount or \$23 million remained.

Controller's Dept.

The Research Dept. has been conducting a series of seminars to familiarize its people and others with some of the technical problems involved in coating. In the first meeting Henry Gore covered the design and operation of our coating preparation system. The second discussion was led by Howard Jackson and was concerned with the problems encountered in testing coated paper and in evaluating printing trials.

The most recent meeting was led by discussion leaders Jim Gans and Pete Haber from Georgia Kaolin Company, and Paul Shirley and Baxter Willey from Penick and Ford, on the subjects of clay and starch.

They have recently announced the first Manufacturing seminar of this season to be given by the Wyandotte Chemical Company on October 2 in the multi-purpose room of the Engineering and Research Center. The subject will be "Calcium Carbonate in Paper Coating."

Manufacturing Dept.

Promotions . . . On September 1, at East Millinocket Mill, William C. Birt was promoted from Area Engineer to Senior Area Engineer . . . Marcel N. Dyer was promoted from Assistant Foreman of Finishing to Foreman of Finishing . . . O. J. Lombard was promoted from Acting Plant Engineer to Plant Engineer. . . . Also on September 1 Robert C. Underkoffler of the Research Dept. was promoted from Draftsman to Junior Engineer.

Effective September 24, Harold Fiske will be promoted from the position of Construction Foreman to Area Foreman in the Millinocket Mill Maintenance Dept.

Effective September 17, the following were promoted to Tour Foremen - Coating at Millinocket . . . E. Gilbert Haight, Jr., formerly Tour Foreman - Pulp at East Millinocket . . . W. Eugene Pease, formerly Assistant Foreman - Stock Prep. at Millinocket . . . Richard D. Pound, formerly Tour Foreman - Sulphite at Millinocket.

Manufacturing Dept.

Congratulations and best wishes . . . Another long-term supervisor leaves Great Northern after 38 years of valuable service, when on October 1, Jim Wilson takes a well-earned retirement.

He is one of the best known foremen with the Company, as in his position in the Millinocket Woodroom for twenty years, he was the first man to greet many employees coming to the mill for the first time.

Many of the employees in the trades and paper room departments have nostalgic memories of their youthful working days under Jim Wilson, who was responsible for their learning Great Northern ways and whose training suited them for advancement in the mill. To the woodroom employees, he was a working boss. None of his men worked harder than he, and the woodyard saw him more often than his office.

Jim started in as an apprentice in the old Bureau of Tests, and was Night Foreman until November 4, 1946 when he became Foreman of the Woodroom. The best wishes of all are extended for a happy and healthful retirement.

Manufacturing Dept.

During the chest X-ray and diabetes survey, carried out recently at both mills, a very satisfactory percentage of the employees took advantage of the opportunity for a check-up on their physical condition, through the facilities offered by the State Department of Health and Welfare. A total of 1,068 employees received the tests at Millinocket, and 688 employees at East Millinocket.

These figures are approximately 9% above the national average of industry for East Millinocket, and 3% above for Millinocket.

Manufacturing Dept.

Mr. Frederick V. Ernst, Junior Salesman, who has been handling some of the gravure accounts, has left the Company to continue his education at the Harvard Graduate School of Business.

Manufacturing Dept.

Guests at Rainbow Camp during the past several weeks. . . .

Mr. J. A. Pintard of the Chicago Sales office, was host to a party of four . . . Mr. & Mrs. John Gutzmer and two sons. Mr. Gutzmer is Head Pressman of the Hammond Times, Hammond, Indiana.

Mr. M. A. Meyers of the New York Sales office entertained Mr. James Genovese of Newsday, Garden City, New York.

Mr. C. Davis of the New York Sales office entertained Mr. C. J. Fisher, Vice President - Manufacturing, and Mr. J. W. Howe, Purchasing Agent, both from Wyomissing Paper Products, Reading, Pennsylvania.

Mr. & Mrs. J. B. Ware of the New York Sales office entertained Mr. & Mrs. C. Jaeger from Montgomery-Ward, Chicago, Illinois.

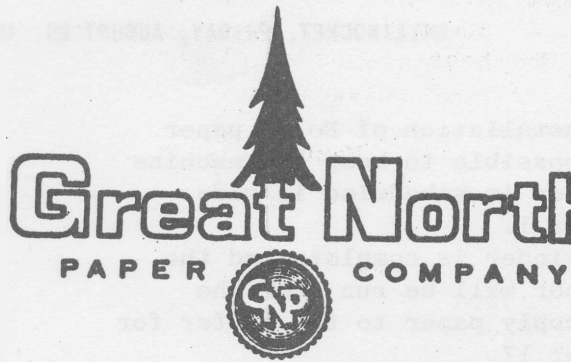
Manufacturing Dept.

The American Paper and Pulp Association has given some timely facts regarding not only the impact of the paper industry on the economy of the United States at present, but also on how rapidly it is expanding and how vigorously it helps conserve our natural resources. Even to those in the industry all the facts are not generally known. For example:

1. America actually is growing more wood than is being cut;
2. There are 850 pulp and paper mills in the United States;
3. Paper and allied products industries employ 560,000 people at an annual payroll of \$3.4 billion;
4. Total sales of \$13.2 billion in 1961 was an increase of \$6.3 billion over 1950;
5. In the past decade capital expenditures (and Great Northern was right in there) totaled five billion dollars;
6. The per capita use of paper is slightly over 400 lbs. per person and has a potential use of 500 lbs. by 1975;
7. During the last fifty years the population of the United States doubled while paper consumption increased ten to twelve times;
8. Paper and allied products paid their way to the tune of \$600 million annually for Federal taxes and \$200 million annually for state and local assessments;
9. Freight charges to the industry totaled over one billion dollars in 1961 and payments for pulpwood were another eight hundred million dollars;
10. Research took an expenditure of an additional sixty-five million dollars;
11. All but eight of the fifty states have pulp or paper mills within their boundaries.

In a paperless void, news, ideas, and information vital to the nation's strength and security would come to a dead stop. Even voice communication -- America's telephone, telegraph, radio and TV networks -- would quickly become silent. Most serious of all would be the threat to the nation's strength and security -- if vital correspondence, maps, documents, orders, and information vanished from the scene!

Manufacturing Dept.



Great Northern News letter

PAPER COMPANY

FOR MONTHLY SALARIED EMPLOYEES

MILLINOCKET, FRIDAY, AUGUST 24, 1962

An initial order has been received from Italy for 66 tons of catalog -- the first time catalog has been imported from the U. S. It will be used for telephone directories, and if the trial goes well it could lead to substantial tonnage. The Export Dept. is also negotiating with Spain for the same quality paper for telephone directories, and one trial already has been satisfactory.

Overseas newsprint prices have reached their lowest level in years, largely because of excess capacity on this side of the ocean and in Europe. In Manila, the newsprint contract price has been reduced \$10 per ton by American and Canadian suppliers. The Southland mill is now letting newsprint go out in export all over the world at a price equivalent to \$100 a ton, net mill.

Sales Dept.

All members of the Purchasing Dept. occupied with duties pertaining to Manufacturing and Operations will be located in headquarters at Millinocket and East Millinocket by January 1, 1963. This move will allow the Purchasing Dept. personnel to be closer to the scene of operations and thus carry out their work more effectively.

Also involved in this move will be the setting up of a Central Stores headquarters to be located at the East Millinocket Mill. This is being done in order to simplify and reduce inventories and to consolidate for greater efficiency.

An announcement of over-all reorganization of the above functions as to reporting, etc., will be forthcoming in the near future.

Manufacturing Dept.

Installation of a new roll grinder at the East Millinocket Mill is scheduled to be in operation during the Spring of 1963. The Ingersoll Milling Machine Company of Rockford, Illinois is supplying the machine which was designed in Germany and is to be built in the United States. This new unit is designed to grind rolls rapidly and accurately. Grinding of a calender roll with the new machine will be completed in about one-fifth of the time required with the present equipment.

A very special foundation is necessary for satisfactory operation of the machine. The total weight of the foundation and roll grinder will be approximately 450 tons. The supplier will design the spring-mounted foundation based upon findings from their soil examination.

Manufacturing Dept.

Progress of Coating Project -- Installation of No. 8 paper machine reel is being held off as long as possible to keep the machine in service until ready for coating. Shutdown is scheduled in mid-September and start-up is slated for October 1.

No. 8 paper machine single drum winder is complete and the electrical drive is being checked out. Paper will be run over the winder on August 27. It will be used to supply paper to the coater for check-out of that unit on or about September 17.

The maintenance locker room is occupied and the old locker room is being demolished. The monorail paper conveyor has not yet arrived, but preliminary work is nearing completion.

Some of the unwind flying splice parts are here and erection has begun. The splice-o-matic computer equipment and console have not yet been shipped -- the supplier is still checking out the equipment.

The coater erection is virtually complete and piping and wiring is well along. This portion of the project is being pushed to completion to allow time for the extensive electrical check-outs.

The coating preparation piping is progressing after some delay due to rejection of some unsatisfactory outside stainless steel pipe fabrication. The starch silos are erected and other parts of the bulk handling system are arriving currently. The supplier's mechanical superintendent is expected by the end of this week to supervise the installation.

Erection of No. 1 supercalender is nearly complete and start-up is scheduled for October 15. The No. 2 supercalender will follow a month later. One of the huge bottom roll bearings for this unit was rejected because it was scored prior to arrival. A replacement is on the way.

Baseplates are being set on the shipping roll winder and erection will begin immediately. Start-up is scheduled for October 22. The finishing equipment is arriving at the mill at this writing. Start-up of this equipment is also slated for October 22.

Manufacturing Dept.

A book entitled "Pulp, Paper and Process Flow" has been recently issued to management and supervisory personnel throughout the Company by the Research Dept.

The Process Flow book represents the efforts of several people over a considerable period of time, and is intended as a ready reference for most phases of Great Northern's operations. This book will be useful only if it is accurate and kept up to date. It is the intent of the Research Dept. to make periodic revisions as manufacturing processes change and/or other areas of Company operations are written up for inclusion.

At present, the areas covered by the book include written material and schematic flow diagrams of Company Organization, Pulpwood, Water, Power, Groundwood, Chemigroundwood, Sulfite, Paper, Finishing and Control. The Research Dept. has solicited constructive criticism for additions or corrections from all those who come in contact with this new book.

Manufacturing Dept.

A more economical method with savings in the range of \$14,000 per year has been effected by a change in deliveries of fuels (gasoline, kerosene and diesel fuel) in the Greenville area, with the approval and cooperation of the Woodlands Dept. A contract with Mobil was renegotiated in May for both Woodlands and Mill departments on a firm basis for three years with a reduction in prices of products, and including deliveries by their agent in Greenville. A blanket order has been issued to Mobil for the Greenville area.

In June, six of the larger camps in the Greenville area were equipped with bulk installation of L. P. gas to replace 100# cylinders. Central storage of 100# cylinders needed for small usage points is now Pittston Farm. While the dollar saving of product is only about \$1,000 per year, the convenience of bulk installations at the large camps, and reduced handling of 100# cylinders will undoubtedly reflect further savings. This is covered by a blanket order on firm basis for one year with Maine Gas & Appliances, Inc.

Effective August 17, Dead River L. P. Gas Co. established a bulk plant in Millinocket to service the larger fleet of L. P. gas-generated paper handling and lift-trucks at both mills. We have also arranged for bulk installation of L. P. gas at the Johnston Pond camp, and central storage of 100# cylinders at the Millinocket Woodlands Storehouse for small usage points in Woodlands and at both mills. Reduction in price of product and handling reflect savings of about \$4,000. Blanket orders have been issued.

A blanket order has also been issued to Bragdon Oil Co. in Millinocket, for fuels delivered to Woodlands operations in that area, and to Putnam Bros. in Houlton for Woodlands operations in the Aroostook area.

Blanket orders minimize the clerical work in the Woodlands, Mills, and Purchasing departments.

Purchasing Dept.

A cost control and budget proposal for Woodlands is being set up by Fred Morrison of the Controller's Dept. and Ed Lumbert of Woodlands. In connection with this, they have visited with many of the supervisory personnel in the Aroostook, Greenville-Pittston, and Millinocket areas.

Interest in the project is much in evidence and suggestions offered by operating people indicate that considerable thought has been already devoted to the subject. All expressed the opinion that budgeting and cost control could provide them with a useful tool in planning and carrying out their varied Woodlands activities.

Woodlands Dept.

The planned Labor Day shutdown of the mills is 120 hours at East Millinocket (144 last year) and 96 hours at Millinocket (same as last year). The idle period will be as follows (all as of 8:00 A.M.):

	<u>Down</u>	<u>Start-up</u>
East	Saturday, Sept. 1	Thursday, Sept. 6
Millinocket	Sunday, Sept. 2	Thursday, Sept. 6

The holiday period designated in the labor agreement is 48 hours. The additional down-time is dictated by our present inventory-order position.

Manufacturing Dept.

Pulpwood deliveries for the 33-week period ended 8/19/62

	Year to Date		
	1962	1961	1960
Cars on hand beginning	77	75	255
Received	10,574*	7,854	10,652
Released	10,575	7,847	10,715
Cars on hand ending	76	82	192

*8,863 cars have been applied against the 15,000-car quota.

Controller's Dept.

An average accumulation of five inches of rainfall on the West Branch drainage area since the first of August has resulted in an increased natural flow. Company-wise, if not favorable for vacationists, recent rainfall has been welcome.

The present storage is 39.8 B.C.F. which is 4.6 B.C.F. below the rule curve, as compared with 43.7 B.C.F. at the same time last year.

The West Branch Drive is now below Ripogenus Dam, and water used from Rip, where the drive is now in this area, will result in some increased storage at North Twin. The drive should be all into North Twin after Labor Day.

The fire hazard conditions in woodlands areas has been further reduced by the recent precipitations.

Manufacturing & Woodlands Dept.

Although the heavy rainfall has been good for driving, woods operations have been slowed down considerably. Conditions are very, very muddy, and slippery working conditions have caused some accidents. The mud has also been hard on horses and chain saws. Trucking of wood has been slowed down or carried on under very adverse conditions.

Woodlands Dept.

Woodlanders are proud of the fact that their 1961 safety record earned them an A.I.M. Certificate of Merit. The year 1962 is a different story, but everyone is convinced that you cannot have all bad breaks two years in a row, so watch Woodlands earn another Merit Certificate for 1963.

Woodlands Dept.

With news of Newfoundland Pulp and Chemical Company Ltd.'s plans to build a \$47 million newsprint mill in Newfoundland, with an annual capacity of about 210,000 tons a year, and of Gaspesia Pulp and Paper Company Ltd.'s plans to construct a high speed newsprint machine at Chandler, P.Q., it is hard to reconcile the following news item carried in the Canadian Press recently:

"Bowaters Newfoundland Pulp and Paper Mills Limited here will lay off 150 employees and cut production to a five-day week operation starting October 1, Assistant General Manager H. K. Joyce said Tuesday.

Earlier, General Manager Albert Martin said in an interview the cutback is caused by a surplus of newsprint on the international market."

Manufacturing Dept.

Paper shipments to customers during 33 weeks ended 8/19/62

	Tons Shipped		% Change
	1962	1961	
<u>Newsprint</u>			
Domestic	212,999	207,968	+2.4
Export	11,778	38,317	-69.3
Total News	<u>224,777</u>	<u>246,285</u>	-8.7
<u>Specialty</u>			
<u>Domestic</u>			
Pub Printing	23,471	14,681	+59.9
Novel News	10,184	9,324	+9.2
Jet Printing	30,905	30,062	+2.8
Lightweight	24,826	16,836	+47.5
Others	5,033	3,896	+29.2
Total Domestic	<u>94,419</u>	<u>74,799</u>	+26.2
<u>Export</u>			
Pub Printing	1,825	5,688	-67.9
Lightweight	5,055	5,049	+0.1
Others	541	316	+71.2
Total Export	<u>7,421</u>	<u>11,053</u>	-32.9
Total Specialties	<u>101,840</u>	<u>85,852</u>	+18.6
Total Paper	<u>326,617</u>	<u>332,137</u>	-1.7
<u>Wrapper</u>	440	677	-35.0
Total Shipments	<u>327,057</u>	<u>332,814</u>	-1.7

Controller's Dept.

Paper production for 33 weeks ended 8/19/62

	1962		1961		% Change
	Tons	Daily Avg.	Tons	Daily Avg.	
<u>Production:</u>					
East Millinocket	188,502	816	190,126	823	(.9)
Millinocket	145,717	631	147,657	639	(1.3)
	<u>334,219</u>	<u>1,447</u>	<u>337,783</u>	<u>1,462</u>	(1.1)

Paper on tracks and in storage

	August 19		July 22	
	Tons	Cars	Tons	Cars
Millinocket	4,128.1	150	1,462.8	50
East Millinocket	4,512.4	161	2,866.1	108
Searsport, etc.	291.0	-	241.5	-
	<u>8,931.5</u>	<u>311</u>	<u>4,570.4</u>	<u>158</u>
Less cars reported by mill as released Sunday, billed Monday		44		38
Mill report of cars on hand		<u>267</u>		<u>120</u>

Controller's Dept.

Repairs to Caucomgomoc Dam has started . . . This dam, which was badly damaged by high water in May of 1961, serves primarily as a water storage facility. A road has been built to the dam site.

Woodlands Dept.

Paper sheeted at East Millinocket during 32-week period ended 8/12/62 . . .

Grade	Eighth Period		Year to Date	
	1962	1961	1962	1961
News	49.4	14.4	257.9	659.1
Addenda	-	42.6	-	221.8
Jet Printing	39.4	9.4	245.8	218.8
Layer Board	7.6	-	217.4	270.3
Pub Printing	26.2	-	282.4	251.2
Toll Ticket	-	-	-	39.3
Total	<u>122.6</u>	<u>66.4</u>	<u>1,003.5</u>	<u>1,660.5</u>

(Operating one shift in 1962 and two shifts in 1961)

Controller's Dept.

Professional personnel from various departments of Great Northern have had the opportunity of attending the Summer Institute for the Pulp and Paper Industry at the University of Maine. Two curriculums of three weeks each were offered. The first session was on Pulp Technology and the second on Paper Technology. Among those who have attended since its inauguration are:

Pulp Technology

Bruce Babb
Frank Krasofski
Walter Kronfelt
Milo Neal
Louis Rotar
Thomas Young

Paper Technology

Herman Peterson
Waldo Preble
Louis Rotar
Patrick Welch

The Institute was initiated under the auspices of the Pulp and Paper Foundation of the University of Maine in 1960. Mr. J. H. Heuer was the 1962 Chairman of the Summer Institute Committee. To achieve its purpose of serving the pulp and paper industry and allied companies, the end result was a formal program augmented by top faculty members from pulp and paper schools and leading specialists from industry and suppliers. Here employees in supervisory, administrative or sales level who lacked formal training on pulp and paper could get a background and a better understanding of the industry. For those who have had such training it served as a refresher. The goal being to broaden the participant's knowledge and impart old and new aspects of technical processes.

Each Summer Institute has produced constructive criticism from participants which has been incorporated into an excellent curriculum. The students gain immeasurably from the lectures, informal discussions with specialists and faculty, panel discussions and bull sessions. The atmosphere is ideal for the exchange of ideas, experience and knowledge.

Each session has visited the East Millinocket Mill which has impressed these visitors from near and afar. Great Northern has been complimented by all groups on our hospitality, appearance of the mill and the liberal discussion of our operation. A pamphlet of the East Millinocket Mill was formulated by Research at the first Institute and has since been a momento passed on to all students at each Institute.

Manufacturing Dept.

As a means of furthering knowledge of Great Northern among its employees through first-hand observation, this summer a group composed of union presidents from both mills has been given an opportunity to visit various Company operations.

Under the guidance of Mill Personnel Supervisors, J. C. Preble and R. E. Montgomery, the project consisted of a three-day tour of the technical, woodlands, and various departments of the Company.

The first visit was to the new Engineering and Research Center at Millinocket. Here the department heads described the functions of their departments followed by a conducted tour of the facilities of the Center. During the tour, answers to questions regarding the uses and purposes of the various laboratories, etc. were given.

The following day was devoted to visiting a part of the Woodlands activities. This began with a visit to the Ripogenus area, where the dam and McKay Power Station were inspected. Strange as it may seem, this was the first visit to this important area of Company activity by some in the party. The visit at Ripogenus and Chesuncook Lakes included a boat ride in the newest ship of the Great Northern fleet, the William Hilton. After lunch the party proceeded to Greenville where the shop, storehouse and other facilities made quite an impression on the visitors in the size and scope of the activities carried on there.

The Pittston Farm was the next stop, where arrival coincided with chow time. Under the guidance of the area superintendent and his assistant, the group inspected Seboomook and Canada Falls Dams and the Company-built public recreation area and campground at Seboomook. On return to Pittston Farm an evening of relaxation was enjoyed and sleep came quickly after the day's outdoor activities.

The following day, the group visited the Bangor Office, after a luncheon at the Tarratine Club where Mr. Heuer greeted them and advised of Company activities and its plans for the future. The visit continued to the various departments to meet the personnel in each.

The impact of this first such visitation has been mutually favorable for both the employees involved and the Company. The tour of the Company's woodlands operations made a lasting impression of Great Northern's greatness, which previously has been heard or read about but not really assimilated.

Manufacturing Dept.

The groundwood market is very soft, with the price structure being practically non-existent. Many mills are saying: "I will not lose this business at any price" -- and then they are also going out and trying to get extra business. It is all part of a cycle: too much capacity among paper suppliers; too many rising costs on the part of publishers. And one of the first things the publisher tries to cut is paper -- both in price and in downgrading. In the present market, the dominant consideration is machine time.

After a while, though, the trend has a way of reversing and the demand is on for more and more good paper. It's a cycle that seems to come along about every three or four years.

Sales Dept.

Company guests at Rainbow during the last four weeks

M. A. Meyers of the New York Sales office, was host to a party of five Mr. Edward Nevins, Composing Room Foreman of the Trenton Times, N. J., accompanied by his son George and young friends John Maloney, Tommy McNeil and Steve Lane.

J. L. Dardenne of the New York Sales office entertained a group of five . . . Mr. & Mrs. Frank Blodgett. Mr. Blodgett is Pressroom Foreman of the Philadelphia Bulletin. . . . John McDevitt of the Philadelphia Inquirer . . . and Mr. & Mrs. Keith Kenyon. Mr. Kenyon is Pressroom Supt. of the Wall Street Journal, Chicopee, Mass.

T. R. Simpson of the Boston & Chicago Sales office entertained Mr. Raymond Cox of the Bangor Daily News, Bangor, Maine.

I. P. Phelps of the Boston Sales office entertained a group of three . . . Mr. & Mrs. William R. Reed. Mr. Reed is Publisher of the Taunton Gazette, Taunton, Mass. . . . and Mr. Fred Maier, Purchasing Agent of the J. L. Hammett Co., Cambridge, Mass.

D. I. Turnbull of the Cincinnati Sales office, and Mrs. Turnbull, entertained Mr. & Mrs. Larry W. Nash. Mr. Nash is Purchasing Agent for the Cincinnati Enquirer, Cincinnati, Ohio.

B. G. Lockhart of the New York Sales office entertained Mr. Alex Kosiara, Production Supt. of the Middletown Times Herald-Record, Middletown, N. Y., and James Ottaway, Jr., son of the owner of the paper.

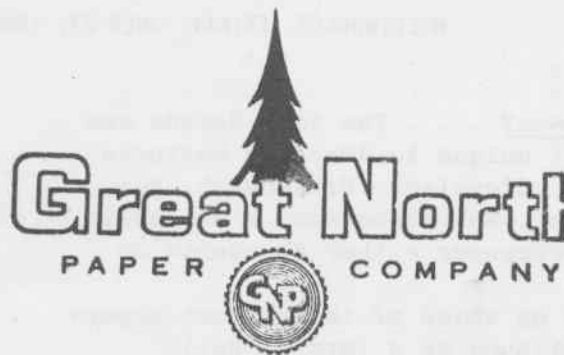
W. E. Cozens of the New York Sales office, and Mrs. Cozens, entertained Mr. George Carl, Mrs. Jean Laycock, and two daughters. Mr. Carl is Vice President of Fawcett Publications of New York City.

Other guests were Mr. Eugene Kopp with his wife and two daughters. Mr. Kopp is Plant Manager of Home State Farm Publishers, Cleveland, Ohio. . . . and Mr. M. T. Allen with his wife and two daughters. Mr. Allen is Plant Manager of the Wall Street Journal in Washington, D.C.
Manufacturing Dept.

Congratulations and best wishes . . . On September 1, John Bailey Brown retires after thirty-nine years of service. John began employment with the Company as a Clerk under Mr. B. L. Seelye in the Auditing Dept. He was transferred to the Millinocket Mill Payroll Dept. in 1931 and was promoted to Paymaster, March 1, 1940. He continued in that capacity until January 1, 1962, at which time he became Supervisor of Office and Payroll.

In his various positions, John undoubtedly had more personal contact with the employees of the Millinocket Mill than any other employee and built up an acquaintanceship with all. An accomplished singer, he is a well-known figure socially in the town. The best wishes of all are extended to J. B. for good health and many years of relaxation and enjoyment.

Manufacturing Dept.



Great Northern Newsletter

PAPER COMPANY

FOR MONTHLY SALARIED EMPLOYEES

MILLINOCKET, FRIDAY, JULY 27, 1962

The Sales Dept. plans to issue a series of articles on the newsprint market. The first two parts of the series follow:

The Balance of 1962 -- What's the Newsprint Sales Outlook? . . .

The Newsprint Sales Group offers an optimistic view of newsprint sales the remainder of the year -- provided general business activity holds at least its present level.

The key to publishers' newsprint demand (which means Great Northern's sales) is advertising linage in daily and Sunday newspapers. A one-page department store ad in a mass-circulation Sunday newspaper in Boston, New York or Philadelphia may account for 5-10 extra tons of newsprint by itself. Linage also is the key to the newspaper's financial health, for circulation income usually does not even cover the cost of the newsprint.

For the first five months of 1962, linage ran 2.6% ahead of last year, an increase well ahead of the magazines but somewhat behind television. Sales of advertising to national advertisers (such as autos, soft drinks, soaps) were disappointing to publishers, who nonetheless were heartened by the relatively good local business -- which is the traditional strong point of newspapers generally.

The reasons for the weak spot in National Advertising are not entirely clear, but most publishers readily admit that competition from TV is tough -- both for readers' time and advertisers' money. With TV talent and production costs increasing rapidly, the price of TV time also is climbing. Some advertising men see many big national advertisers cutting newspaper ad budgets in order to stay with TV. This has to be faced.

Newsprint consumption by U.S. publishers has gained 2.9% this year so far over last. That's the average; it probably was considerably over that in the South and in the West, and a bit below in the Northeast. The handiest regional comparison is that of paging, and while the average U.S. daily is now 39 pages thick, the average in the Northeast is only 35. On Sundays the U.S. average is 120 pages; for the Northeast it is 118. This extra paging makes quite a difference in tonnage, for it has to be multiplied by circulation.

Publisher inventories are about normal, or a little below, and if employment (which leads to considerable Classified Advertising linage) and consumer spending (the stimulus to Retail Advertising) remain good, Great Northern's domestic news sales will finish out the year two or three percentage points ahead of last year.

A Federal tax cut would release more cash to consumers generally and probably would push newsprint sales higher, along with the rest of the economy. Long-range prospects are even better, for they relate to gains in the reading public. The famous post-war infant crop soon will be hitting newspaper-reading ages -- and the time when they'll be buying their own papers.

Sales Dept.

Newspaper Mergers -- What's the reason? . . . The last decade has seen a surge of newspaper mergers, a trend not unique to American business but nonetheless disturbing. Chicago, Detroit, Cleveland, Pittsburgh, New Orleans, Boston, Charlotte, Los Angeles, Albany, San Francisco, Minneapolis -- each of these cities have seen an important newspaper either abandoned or combined or merged with a competitor.

In Boston and New York, speculation on which of the present papers will survive and who will merge with whom continues as a form of daily semantic exercise. In both of these cities it is a cold statistical fact that the total advertising revenue available to all newspapers is not large enough to long sustain the number of daily and Sunday newspapers now published (in Boston, 5 daily and 3 Sunday; in New York, 7 daily and 4 Sunday). Sooner or later something has to give.

Here, as in other large cities, the major ad growth has gone to network television -- a medium which has shown big muscle in moving consumer goods, from Revlon lipsticks to Chevrolets. Only in certain areas of retail advertising (supermarkets, department stores, discount houses, chain drug stores and the specialty shops) have metropolitan newspapers shown respectable gains in advertising sales.

Why is this? Mostly it's a change in merchandising patterns. The mass producer of a consumer product (like lipsticks, for instance) may spend 15% or more of his whole budget on a high-powered, coast-to-coast television campaign which, if successful, practically guarantees a fast turnover at the local retailers.

Looking through your local newspaper, you'll see that most of the national advertising falls into a relatively few categories of business -- airlines, oil companies, soft drinks, whisky and beer, and automobiles. This is the evidence. In the field of national advertising, newspapers just haven't delivered the goods as well as TV.

What does this mean to the newspapers? For many years the big-time newspapers (along with the magazines) had a virtual monopoly on national advertising. An advertiser simply could not get his story across to the public without newspaper advertising. The "electronic media" have changed all that and the effect has seriously retarded growth in the newspaper business.

In this condition, the big-city newspapers are finding it difficult to offset increasing costs with increased productivity. For one thing, the technological development of newspaper production equipment (presses, line-casting machines, mail room equipment, specialized electronic gear) has lagged. Equipment to do the job for a metropolitan newspaper with real efficiency is just now coming on the market. For another thing, labor -- particularly in the big cities -- has shown little or no regard for the publishers' productivity problems. As in the case of the current Minneapolis newspaper strike, the mechanical unions often oppose every publisher's effort to improve efficiency wherever manning is in the least affected.

As is true for the papermaker, the metropolitan publisher is likewise involved in a high-capital industry. Estimates on the completion cost of the new Miami Herald plant run as high as \$25 million -- to produce 500,000 newspapers daily. The final cost of the New York Times plant now under construction will run substantially in excess of that figure. To raise this kind of money, publishers are finding lukewarm support from the money-lending banks and insurance companies. Only in some of the smaller newspaper "monopoly" cities like Louisville, Rochester and Atlanta can publishers show investors a respectable return on invested capital.

To offset this handicap, the trend toward mergers of competing newspapers or the combined production of two competitors in one plant (as in St. Louis) are logical remedies.

Sales Dept.

Progress of Coating Facilities . . . The major components of the coater have been erected with the exception of the flying splice unwind. This will be inspected at Black-Clawson's plant on July 25 and, if satisfactory, shipped immediately. The supercalender frames have been erected, the windup sections assembled, and the 26-ton bottom rolls are being prepared for erection. The unwind portion of the coated paper shipping winder foundations are nearing completion. The clay storage tank is currently being installed by Stebbins. The two starch silos are enroute and should arrive next week. The heating and ventilating equipment, under contract to J. O. Ross Engineering Company, is being installed, with a penthouse taking shape on the train shed roof to house the equipment. The locker rooms are shaping up, with ceramic tile work and locker installation underway.

The three coater building bridge cranes are in operation, and the crane over No. 8 paper machine single drum winder has arrived. Foundations and baseplates for this winder are complete. Wiring, piping, and instrumentation are in progress throughout the job. The overhead trusses and walls are being painted. Block work is nearing completion.

Manufacturing Dept.

Coating Research Program . . . The Research Dept. is continuing to devote a major portion of its efforts to various problems related to the coating field. Since last October our Research people have conducted eleven week-long trials on pilot coaters. Three trials in October were concerned with evaluating various commercially available trailing blade coaters. The next eight trials were run on a forty-inch coater at the Black-Clawson laboratory in Fulton, New York. These trials were used to evaluate our base stocks, develop formulations, and to study operation of the Flexiblade Coater. Paper produced during these trials has been successfully printed on commercial letterpress equipment and on semi-commercial offset and gravure presses.

Two coating trials are being planned for August. One will be a training trial to familiarize operating personnel with the Black-Clawson coater and the other will be to produce coated paper samples for the Sales Dept.

In addition to this pilot coating work, we have active programs underway on developing suitable coated paper printability tests, on testing competitive coated papers, and on evaluating various coating ingredients and formulations. A considerable amount of time is also being spent on checking out various design features and operating techniques for our proposed coating preparation system.

Manufacturing Dept.

Finishing Room Automation . . . An Engineering request has been initiated, at management's direction, to undertake a study leading to automation of the Millinocket finishing facilities to improve efficiency of the operation.

Manufacturing Dept.

At the start of our operating season, April 1, it was decided to produce a total of 553,000 cords of softwood this year. Approximately 50% of this total was to be produced in Phase #1, ending September 1. As of the end of July, approximately 230,000 cords have been produced -- 41.5% of our total 1962 quota, or 83% of the first phase quota.

Woodlands Dept.

Approximately 110,000 cords will be cut selectively on Company lands this year. To produce this amount of wood it will be necessary to cut about 18,000 acres of forest land. Because a lot more trees are left behind for growing stock under selective cutting, our foresters predict that we will be able to make the next harvest on this land within 25 years. If the land had been operated this year on the old inflexible diameter limit basis, it would be 45 years before the next cut were possible.

Woodlands Dept.

Pulpwood deliveries for the 29-week period ended 7/22/62

	Year to Date		
	1962	1961	1960
Cars on hand beginning	77	75	255
Received	9,326*	7,035	9,686
Released	9,266	6,938	9,858
Cars on hand ending	<u>137</u>	<u>172</u>	<u>83</u>

*7,614 cars have been applied towards the 15,000-car quota.

Controller's Dept.

The recent rainfalls in northern Maine have been sufficient to reduce the threat of serious forest fires, and have increased the natural flow so that it now approaches the normal summer flow. Although the total rainfall for the year has been considerably below normal, progress on river drives has been good. North Branch, Seboomook and the Main River sections have been completed. Section 1 Drive, which starts at the head of Chesuncook and comprises booming out and Chesuncook towing operations, is the present area of activity.

Engineering and Woodlands Depts.

Governor Baxter's recent acquisition for the Park will fulfill his dream of a 200,000-acre Baxter Park. The Company retains cutting rights on this latest 7,700-acre purchase for a period of eleven years. No present camp lease property is to be affected.

Woodlands Dept.

The first of the new B&A Railroad 6000 series cars have arrived and are already in use. These cars have a cushioned under-frame with a capacity of 140,000 lbs. They are designed for double-decked loads. In all, sixty such cars are to be put into service. Cars have already been shipped to the Louisville Courier-Journal, Philadelphia Inquirer and Cleveland Plain Dealer. The number of full-size rolls contained in the shipments varied from 80 to 92 rolls a car, with a maximum weight of 138,000 lbs.

Manufacturing Dept.

Paper shipments to customers during 29 weeks ended 7/22/62

	Tons Shipped		% Change
	1962	1961	
<u>Newsprint</u>			
Domestic	188,116	184,059	+2.2
Export	11,150	30,030	-62.9
Total News	<u>199,266</u>	<u>214,089</u>	-6.9
<u>Specialty</u>			
<u>Domestic</u>			
Pub Printing	20,178	12,679	+59.1
Novel News	9,177	8,300	+10.6
Jet Printing	27,868	25,573	+9.0
Lightweight	21,711	15,348	+41.5
Others	4,652	3,538	+31.5
Total Domestic	<u>83,586</u>	<u>65,438</u>	+27.7
<u>Export</u>			
Pub Printing	1,606	4,811	-66.6
Lightweight	4,764	5,043	-5.5
Others	457	198	+130.8
Total Export	<u>6,827</u>	<u>10,052</u>	-32.1
Total Specialties	<u>83,586</u>	<u>65,438</u>	+27.7
Total Paper	<u>289,679</u>	<u>289,579</u>	-
<u>Wrapper</u>	368	607	-39.4
Total Shipments	<u>290,047</u>	<u>290,186</u>	-

Controller's Dept.

Paper production for 29 weeks ended 7/22/62

	1962		1961		% Change
	Tons	Daily Avg.	Tons	Daily Avg.	
<u>Production:</u>					
East Millinocket	164,385	810	165,506	815	(.7)
Millinocket	<u>127,370</u>	<u>627</u>	<u>128,511</u>	<u>633</u>	(.9)
	<u>291,755</u>	<u>1,437</u>	<u>294,017</u>	<u>1,448</u>	(.8)

Paper on tracks and in storage

	July 22		June 24	
	Tons	Cars	Tons	Cars
Millinocket	1,462.8	50	2,695.0	95
East Millinocket	2,866.1	108	3,311.3	131
Searsport, etc.	241.5	-	241.5	-
	<u>4,570.4</u>	158	<u>6,247.8</u>	226
Less cars reported by mill as released Sunday, billed Monday		<u>38</u>		<u>59</u>
Mill report of cars on hand		<u>120</u>		<u>167</u>

Controller's Dept.

The road crew based at the Pittston Farm has completed improving the road into Ross Farm to accommodate the campsite owners in that area.

Woodlands Dept.

Paper sheeted at East Millinocket during 28-week period ended 7/15/62 . . .

<u>Grade</u>	<u>Seventh Period</u>		<u>Year to Date</u>	
	<u>1962</u>	<u>1961</u>	<u>1962</u>	<u>1961</u>
News	33.1	83.1	208.5	644.7
Addenda	-	6.7	-	179.2
Jet Printing	46.8	25.8	206.4	209.4
Layer Board	47.4	-	209.8	270.3
Pub Printing	50.4	51.3	256.2	251.2
Toll Ticket	-	-	-	39.3
Total	<u>177.7</u>	<u>166.9</u>	<u>880.9</u>	<u>1,594.1</u>

(Operating one shift in 1962 and two shifts in 1961)

Controller's Dept.

The Company has been host to a number of guests at Rainbow Camp during the past several weeks. . . . C. D. Tiedemann of the Chicago Sales office, was host to a party of eight . . . Mr. William Pasley and Mr. Herbert F. Haake, Pressroom Superintendent and Production Manager, respectively, of the Christian Science Monitor. Mr. Haake was accompanied by Mrs. Haake and their son. Also in the group were Mr. and Mrs. Thomas Sweeney with their two children. Mr. Sweeney is associated with Montgomery Ward and Company in Chicago.

Mr. Tiedemann and his wife also entertained another group of 12 . . . Mr. & Mrs. Burrell Small and two sons. Mr. Small is Publisher of the Kankakee Journal of Kankakee, Illinois . . . Mr. Lloyd Brown and two daughters. Mr. Brown is Offset Superintendent of the Wesleyan University Press in Columbus, Ohio . . . Mr. & Mrs. Joseph Wolpert. Mr. Wolpert is Advertising Manager of Pep Boys of Philadelphia, Pa. . . . and Mr. & Mrs. Hugh McCauley and daughter. Mr. McCauley is Vice President of Alco-Gravure, Hoboken, N. J.

Mr. B. G. Lockhart of the New York Sales office entertained Mr. Harry Horton, Pressroom Foreman of the Geneva Times, Geneva, N. Y.

Mr. & Mrs. P. E. Jarvis of the New York Sales office entertained a group of five . . . Mr. & Mrs. Max Stettner. Mr. Stettner is Press Foreman of the Neo Gravure Printing Co., Weehawken, N. J. . . . Mr. & Mrs. Ted Mitchell and son. Mr. Mitchell is Asst. Press Supt. of Alco-Gravure, Hoboken, N. J.

Mr. Jarvis and his wife also entertained Mr. & Mrs. Earl Bryant and son. Mr. Bryant is Press Supt. of the Ruralist Press, Atlanta, Georgia.

Mr. & Mrs. F. V. Ernst of the New York Sales office entertained Mr. & Mrs. Preston Powell. Mr. Powell is Sales Manager & Director of Estimating at the Art Color Printing Co., Dunellen, N. J.

Mr. & Mrs. R. V. Osborn of the New York Sales office entertained Dr. Warren Rhodes and two daughters. Dr. Rhodes is Head of Graphic Arts Research of the Rochester Institute of Technology, Rochester, N. Y.

Mr. & Mrs. J. P. DeMarrais of the New York Sales office entertained Mr. & Mrs. Donald Baker. Mr. Baker is Asst. Production Manager of the Bergen Evening Record, Hackensack, N. J.

Mr. I. P. Phelps of the Boston Sales office entertained a group of six . . . Mr. Alexander Poindexter of the Eastern Color Printing Co., Waterbury, Conn. . . . Mr. Carter H. White, Gen. Mgr. of the Meriden Record, Meriden, Conn. . . . Barnard L. Colby, Gen. Mgr. of the New London Day, New London, Conn. . . . Roland Whittier, Mechanical Supt. of the Kennebec Journal, Augusta, Maine . . . Woodbridge A. D'Oench, Publisher of the Middletown Press, Middletown, Conn. . . . James J. Steward, Jr., Business Manager of the Hartford Times, Hartford, Conn.

Manufacturing Dept.

During the past several months East Millinocket Mill has been working with a synthetic forming medium to replace the conventional bronze wire. The fabric used is manufactured by Formex Company and, if generally used by the paper industry, could replace bronze wires for use on Fourdrinier paper machines. It will also revolutionize the transportation and storage problem. Old-time papermakers' eyes popped - first when they saw the crude handling of the fabric in shipment -- four came uncrated on the top of a station wagon -- and then when they saw them handled as easily as canvas by the storeroom crew.

To perfect the use of a fabric in place of a wire a considerable amount of development work was done by the East Millinocket Mill personnel to eliminate the problem of stretch of the fabric and the extreme drag of the flat boxes. With this accomplished, the use of Formex fabric has been proven as a replacement for the bronze wire with the following advantages:

1. Longer life. (up to 124 - 125 days)
2. Cost per ton saving. (Even though costing more per square foot, the cost per ton of paper can be halved.)
3. Freedom from common wire problems such as edge cracks, ridges, stock jams and fatigue failure.
4. The fabric can be handled as a felt and is not as delicate as wire.
5. No seams to contend with.
6. Acceptable paper quality in terms of runnability and printability.

At present East Millinocket Mill is running Formex fabrics on #1 and #2 paper machines and another is available for the big #6 machine.

With all the success of the Formex fabric, however, the Company's eggs are not going into one basket. East Millinocket's #4 paper machine has used some newly-developed Fourdrinier wires. To-date a stainless steel wire (Lindsay Steelcrimp) has successfully run for 44 days; a McCluskey Cobalt steel wire (Tuftex) for 49 days; and another Tuftex for 39 days. There is a Lindsay Steelcrimp on #4 machine at present. All the metallic wires ran double the time ordinarily expected of bronze wires. There have been no abnormalities in either runnability or sheet formation.

The concept of stainless steel wire is not new, but seaming has been the difficult problem. The Steelcrimp which ran for 44 days did not fail at the seam, but was removed on account of "flex cracks" in the main body of the wire. It also gave trouble guiding on the front edge. The guide pan had to be lined with tough metal, and the oscillation built into the wire gave trouble when trimming. The Steelcrimp presently being used is performing excellently in these respects.

The McCluskey Tuftex wire, originally installed, failed due to cracks on the back half of the wire. This wire got some rough treatment in its early life when the guide roll bearing housing came loose and pim-pled the entire back half of the wire. The second wire developed a cross machine direction crack for an unexplained reason. A better performance on these wires is expected, as tests at the McCluskey plant showed six times bronze wire life.

Manufacturing Dept.

The Central Engineering Dept. has adopted one of the newest techniques for scheduling and planning construction work. This technique is called Critical Path Method (CPM). It will eliminate the use of bar charts for scheduling construction on jobs.

The CPM was applied to the coater project and it is proving to be a valuable tool to construction and engineering. The CPM used for the coater project has been programed on the IBM computer at the University of Maine. The output data from the computer is now being used in the field.

CPM is a graphic representation of the steps required to complete a project. It demands complete and logical planning. It reveals the relationship of the various activities within a project and points out the problem areas according to their priority. It is possible to use CPM for scheduling engineering and large maintenance jobs.

Manufacturing Dept.

Welcome aboard . . . John T. Stonefield and Robert G. Fritchie, both graduates of Northeastern University with B. S. degrees in Chemical Engineering, have joined the Research and Development Dept. Mr. Stonefield will be working in the Pulp Research Group, and Mr. Fritchie will be working in the Technical Service Group. . . . Albion L. Kelley has joined the Research and Development Dept. as a Project Engineer. Mr. Kelley, who previously worked in the Engineering Dept., returned to the University of Maine to obtain a certificate in Pulp and Paper Technology. Mr. Kelley also holds a B. S. degree in Mechanical Engineering. . . . Dr. R. Stevens Kleinschmidt joined the Company as Hydraulic Engineer on July 16, 1962. Dr. Kleinschmidt comes to Great Northern after three years as professor at Northeastern University. He holds a Doctor of Science degree from Harvard University where, while obtaining his degree, he participated in research work for the Atomic Energy Commission and designed and supervised construction of the hydraulics laboratory at Harvard.

Promotions . . . Peter S. Pikelis of the Engineering Dept. was promoted on July 1 from Junior Engineer to Engineer. . . . Also on July 1 R. L. Sweet of the Research Dept. was promoted from a Junior Project Engineer to Research Engineer.

Congratulations and best wishes . . . On August 1st, Mike Ryan, another of Great Northern's old employees, drops his active role with the Company and takes retirement. Michael Joseph, as he was christened, started his career in the paper industry with Pejepscot Paper Company as a stenographer. On October 22, 1923, he came to Great Northern as a ledger clerk for Superintendent Joe Nevins. In 1924, he became Mr. Nevins' secretary and continued in that capacity under Bob Hume and Mill Managers Ivan Ames and Paul Schaffrath. . . .

Also on August 1st, "Reg" Sawyer of Woodlands will retire. Reg, Supervisor of GNPCo.'s telephone system in the Greenville area has been with the Company since 1934. Through wind, rain, sleet and snow, Reg has kept the lines in the Greenville area in service and served the Company well. He plans to continue living in the Greenville area.

As Mike and Reg go into retirement, we wish them good health and many years of relaxation and enjoyment.

Manufacturing and Woodlands Depts.



Great Northern Newsletter

PAPER COMPANY



FOR MONTHLY SALARIED EMPLOYEES

MILLINOCKET, FRIDAY, JUNE 29, 1962

There was well in excess of 1,000,000 tons of excess newsprint capacity in North America at the beginning of this year, roughly 10% of capacity. Seven-day operation of mills throughout Canada would increase annual capacity by another 600,000 tons, and new construction would add still another 1,000,000 tons or more in the next two to three years.

But, watch for a possible test case over the seven-day week in Canada's pulp and paper industry. There have been some requests made to the Ontario Attorney-General's Department to investigate the drift by Eastern Canadian paper mills to Sunday operation. At least one mill, Spruce Falls Power & Paper Co., a Kimberly-Clark subsidiary, has been operating seven days a week at capacity. Several other companies have signed agreements with unions permitting continuous operation when necessary.

No formal complaints, however, have been presented to the Attorney-General. Should complaints arise, the Attorney-General has the discretion, under the Lord's Day Act, to prosecute or to reject demands for prosecution. The pulp and paper industry believes the Ontario government recognizes the industry as basically continuous in operation and Eastern Canadian mills, running five and six days, are at a competitive disadvantage with B. C. and U. S. mills, which run seven days. Current pressure on the Attorney-General's Department could gain strength if the Lord's Day Alliance revives its suggestions, raised during the past year, for departmental investigation of Sunday operations. The Alliance, which is dedicated to the work-free Sunday, is alarmed at the papermill trend to seven-day operation.

New construction in progress and contemplated is as follows:

<u>Company</u>	<u>Location</u>	<u>New Annual Capacity</u>	<u>Approximate Start-up</u>
Alberta West Newsprint Mills	Whitecourt, Alta.	100,000	Apr. 1964
Alexandra Forest Industries	Peace River area, B.C.	150,000	?
Anglo Southern Paper	Texarkana, Texas	?	?
B. C. Forest Products	Crofton, B.C.	120,000	1964
Crown Zellerbach	Kremmling, Colo.	-	Postponed
Crown Zellerbach Canada	Vancouver Island, B.C.	40,000	Feb. 1963
Gaspesia P&P	Chandler, Que.	100,000	4th qtr. 1963
Hearst Corporation	Sheet Harbour, N.S.	90,000	?
MacMillan, Bloedel & Powell River	Port Alberni, B.C.	140,000	Apr. 1963
Newfoundland Pulp & Chemical	Come-By-Chance, N.F.	210,000	Oct. 1966
Noralyn Paper Mills	Beuche, La.	140,000	?
Rothsay Paper	East St. John, N.B.	140,000	?
Great Southern Land & Paper Co.	Cedar Springs, Ga.	?	?

Controller's Dept.

Newsprint production in North America, during the first five months of 1962, fell slightly below that for the same period in 1961; however, U. S. newsprint production reached a record level according to the Newsprint Service Bureau. Shipments from North America and the U. S. for the first five months were above those for the same period of 1961 . . .

<u>Production</u>	<u>Jan.-May '62</u>	
	<u>Tons</u>	<u>Chg. '61</u>
U. S. A.	903,952	+2.5
Canada	2,745,267	-0.9
Total North America	<u>3,649,219</u>	-0.1
Great Northern	153,876	-7.2
 <u>Shipments</u>		
U. S. A.	898,178	+3.6
Canada	2,643,594	-0.2
Total North America	<u>3,541,772</u>	+0.7
Great Northern	151,474	-6.0

Great Northern figures are as reported to the Newsprint Service Bureau and include Pub Printing and Jet for Sunday supplements. For the five months, GNPCo.'s share of production was 17.0% of U.S.A. total and 4.2% of North America.

Controller's Dept.

Great Northern Paper gets around . . . deep within a recent news story in Editor & Publisher magazine was a quote that . . .

" . . . besides commenting on the color of the ad, some readers observed that the 'feel' of the stock was different from that of regular newsprint. Some readers likened it to 'magazine' or 'supplement' . . . "

What makes this comment rather unusual is that it came unsolicited as a part of a survey on the reactions of readers to a spectacular, full-color, hi-fi preprint ad on Coca-Cola, run as a special test in the New Orleans States-Item. The purpose of the test was to find out about the ad, not the paper. The printer of this preprint was Specialty Paper Company of Dayton, and the paper selected for this special test was GNP Pub Printing.

As yet, there is not a great deal of tonnage of hi-fi preprints. Probably more important to Great Northern than actual tonnage involved in this case was what might be the far-reaching effects of the preprint for what it was -- an ad. The readership scores were almost unbelievable, with 99% of those who bought a paper noticing the ad. This undoubtedly will bring in Coca-Cola advertising linage in all parts of the country, and probably will influence other advertisers, perhaps in the manner of the famous full-page Shell ads which may have given Coca-Cola the inspiration in the first place. What is good for newspapers is good for Great Northern, and nothing helps a newspaper like linage. A bottle of coke sold in New Orleans does not hurt Millinocket at all!

Sales Dept.

Total newspaper advertising linage in fifty-two sample cities rose 3 per cent in May over that of May, 1961, according to Media Records; linage for the first five months of 1962 was up 2.6 per cent.

Controller's Dept.

Paper shipments to customers during 25 weeks ended 6/24/62

	<u>Tons Shipped</u>		<u>% Change</u>
	<u>1962</u>	<u>1961</u>	
<u>Newsprint</u>			
Domestic	162,837	159,657	+2.0
Export	9,911	27,899	-64.5
Total News	<u>172,748</u>	<u>187,556</u>	-7.9
<u>Specialty</u>			
<u>Domestic</u>			
Pub Printing	18,233	10,809	+68.7
Novel News	8,411	6,862	+22.6
Jet Printing	24,324	22,534	+7.9
Lightweight	17,852	13,454	+32.7
Others	4,394	3,335	+31.8
Total Domestic	<u>73,214</u>	<u>56,994</u>	+28.5
<u>Export</u>			
Pub Printing	1,606	3,106	-48.3
Lightweight	4,046	4,044	-
Others	406	120	+238.3
Total Export	<u>6,058</u>	<u>7,270</u>	-16.7
Total Specialties	<u>79,272</u>	<u>64,264</u>	+23.4
Total Paper	<u>252,020</u>	<u>251,820</u>	+0.1
<u>Wrapper</u>	<u>336</u>	<u>606</u>	-44.6
Total Shipments	<u>252,356</u>	<u>252,426</u>	-

Controller's Dept.

Paper production for 25 weeks ended 6/24/62

	<u>1962</u>		<u>1961</u>		<u>% Change</u>
	<u>Tons</u>	<u>Daily Avg.</u>	<u>Tons</u>	<u>Daily Avg.</u>	
<u>Production:</u>					
East Millinocket	143,361	819	145,189	830	(1.3)
Millinocket	112,195	641	112,360	642	(.1)
	<u>255,556</u>	<u>1,460</u>	<u>257,549</u>	<u>1,472</u>	(.8)

Paper on tracks and in storage

	<u>June 24</u>		<u>June 10</u>	
	<u>Tons</u>	<u>Cars</u>	<u>Tons</u>	<u>Cars</u>
Millinocket	2,695.0	95	3,099.0	111
East Millinocket	3,311.3	131	2,305.5	88
Searsport, etc.	241.5	-	241.5	-
	<u>6,247.8</u>	<u>226</u>	<u>5,646.0</u>	<u>199</u>
Less cars reported by mill as released Sunday, billed Monday		<u>59</u>		<u>60</u>
Mill report of cars on hand		<u>167</u>		<u>139</u>

Controller's Dept.

Both the Millinocket and East Millinocket Mills are scheduled to shut down over the July 4th holiday. Mills will go down at 8:00 P.M. Tuesday, July 3 and will start up at 8:00 A.M. Friday, July 6.

Manufacturing Dept.

Personnel changes since the start of the newsletter. . . . Central Personnel -- John B. Rogers has been transferred to the Central Personnel Office as Staff Assistant. Mr. Rogers' duties will be to assist James R. Adams, Manager of Personnel - Mfg. Mr. Rogers joined the Company on July 1, 1960 as Personnel Assistant of the Millinocket Mill Personnel Office, which position he has held until the time of this transfer.

Engineering & Research -- Robert E. Crossley was promoted to Assistant Manager of Engineering & Research on May 1, 1962. In addition to his new duties, Mr. Crossley retains his former responsibilities of Chief Engineer. Mr. Crossley joined the Company on November 24, 1952 as Assistant Engineer. . . . Paul I. Firlotte and Thomas A. Warren, both employed in 1956 as Junior Engineers were advanced to Senior Engineers on June 1, 1962. . . . Avern B. Danforth was employed on May 1, as Chemist in the Research and Development Dept. Mr. Danforth graduated from the University of Maine in 1960 and was formerly employed at the DuPont plant in New Jersey. . . . Joseph G. Lebrasseur was employed as Junior Physicist in the Research Dept. on May 1. Mr. Lebrasseur graduated from the University of Maine this year. . . . Donald E. Curran was employed on June 18 as Junior Engineer in the Engineering Dept. Mr. Curran is a University of Maine graduate and son of Lawrence V. Curran, multilith operator in the Controller's Dept.

East Millinocket Mill -- Charles R. Merrill, formerly Tour Foreman- Steam, was transferred to Control Engineer on June 1. . . . George L. Manny, formerly Assistant Steam Plant Superintendent, was transferred to Tour Foreman- Steam on June 1.

Millinocket Mill -- Joseph H. Bigl, formerly Paper Process Engineer, was transferred to the Plant Engineering Dept. as Area Engineer in the Paper Room and Coater area, effective June 18, 1962. . . . Paul T. Illingworth, formerly Assistant Supt.-Steam, was transferred to the Plant Engineering Dept. as Area Engineer. He will cover special projects and will assist in the mill's instrumentation supervision. . . . Mr. John J. Thibodeau joined Great Northern on June 18 as Personnel Assistant to J. C. Preble, Personnel Supervisor of the Mill Personnel Dept.

Sales -- James A. Mernagh, former Order Supervisor of the New York Sales office, is now Supervisor of Office Services - New York. . . . Chandler B. Parker and Frederick C. Walter, formerly Sales trainees, are now Sales Servicemen in the New York office.

Woodlands -- Eugene L. Putnam was promoted from Forester to Supervisor - Division of Forest Engineering. His new duties will include assisting the Superintendent of Forest Engineering and the planning and coordinating of field and office work for the Forest Engineering Dept. . . . Lawrence Hurd, who has been acting Chief Scaler in the Pittston-Caucomogoc Area, has been promoted to Chief Scaler of this area. Operations have been fairly light in this district for several years, but will be back to a normal level this year. . . . Harald Clyve, who has been Operation Inspector in Aroostook County has been promoted to Supervisor of Contract Logging Operations and will have supervision of several of our large contract logging operations in Aroostook County. . . . Edward E. Chase, Jr. who has been doing general forestry work in Aroostook County is now promoted and assigned as District Forester in the Ashland operating area.

Manufacturing, Sales, & Woodlands Depts.

Retirements . . . The oldest employee in length of service now with the Company takes a well-earned retirement on July 1.

Charles W. Morgan leaves the activities of the East Millinocket Mill after fifty years of continuous service.

Charlie started in at East Millinocket on May 1, 1912 at the age of fourteen. The mill at that location was then only four years old, so he has seen it and the Town of East Millinocket grow from infancy.

Few have had the varied career in a mill as Charlie. He has been fifth hand, fourth hand, sulphite weigher, sampler, billing clerk, stenographer and Foreman. His knowledge of the mill, and particularly the Finishing Department, could only be accumulated through years of experience.

His colleagues and the employees at East Millinocket all carry a personal respect and affection for him, and during his recent serious illness and convalescence, their sympathies and good wishes have been continually with him.

Charlie is now restored to reasonably good health and will be able to enjoy the leisure of retirement with the feeling of a life well spent as a good employee and a respected supervisor.

On July 1st one of Great Northern's and the paper industry's masters of the papermaking art officially retires after almost thirty-nine years of service with the Company. Very unobtrusively, Angus McLean closed his desk and said adieu to Great Northern and those in the Millinocket Mill whose present skills are a tribute to Mack, who was their mentor and advisor.

The story of Mac's progress through the various positions from apprentice in the old Bureau of Economy, which he entered in 1921, is a story of faithful performance and loyalty to the Company, and of a friendly boss, fair to all, and ready always to help those who worked with him through good times and bad.

Mac's first assignment in a supervisory position was as Assistant Foreman in the Millinocket Sulphite Mill. From there he progressively advanced until 1927, when he became Night Superintendent at the Millinocket Mill. He served in that position through the vicissitudes of World War II, with the paperroom many times so short-handed that production was almost impossible. It was only because the men wouldn't let Mac down, that they worked untold hours to see the mill through.

Angus McLean was a perfect example of how to lead. Few there are who can remember when he ever scolded or complained, but many can remember when, after they had made mistakes, he patiently explained the reason why they had failed and encouraged them to better their efforts.

In 1958, his services as an expert in the newsprint field were further utilized when he was made Manufacturing Staff Assistant.

Mr. & Mrs. McLean have moved from Millinocket and are presently summering at his boyhood home in Cape Breton, Nova Scotia.

Manufacturing Dept.

Ben T. Pike, formerly of the Department of Economic Development, has been employed as executive secretary by the Maine Association for Multiple-use of Maine Timberlands. His office will be located at Augusta. This association is made up of Maine timberland owners with the purpose of promoting and publicizing use of Maine timberlands for recreational purposes. J. T. Maines is president of this association.

Woodlands Dept.

The stream survey of the upper Penobscot River, done annually by the R&D Dept. since 1952, has been started for 1962. This is a water quality testing program. As an adjunct to this program, the Institute of Paper Chemistry will conduct a biological survey of the river bottom. The Institute made a similar survey in 1960. The objectives of the river surveys are these:

1. To measure the quality of the river water in terms of dissolved oxygen content and other chemical characteristics.
2. To measure the effect of waste entering the river on water quality and river flora and fauna.
3. To assist in measures to maintain good water quality.

In 1959, equipment was installed in the draft tubes of the turbines at the East Millinocket Mill dam which artificially introduces air to the river, thus providing more dissolved oxygen for self-purification of the river. The effect of this re-aeration has been evaluated since its inception, and its benefits have been great.

Early in 1961, the State of Maine Water Improvement Commission started its own river survey designed to obtain data for river classification according to water quality. It is expected that several years will be required to accumulate the necessary data.

Great Northern has co-operated with the Water Improvement Commission by supplying information on sampling locations, allowing entry privileges on Company land, supplying samples of sewer effluents and flows and making worthwhile suggestions in improved testing techniques.

Earlier this year a meeting was called by the National Council for Stream Improvement between the Commission and all pulp and paper companies on the Penobscot River. At this meeting it was decided that a joint survey should be undertaken by personnel from both industry and the Commission. About half the river will be tested during a consecutive 20-day period late in July and early in August. During the first ten days the Commission will test the section from Ferguson Pond to Mattawamkeag, while people from Eastern at Lincoln and Penobscot Chemical Fibre at Old Town are testing the Mattawamkeag to Milford section. For the following ten days, Great Northern personnel will test the Ferguson Pond to Mattawamkeag section while the Commission tests the lower section. This procedure will allow exchange of information and cross-checking of data between the Commission and pulp and paper industries.

Manufacturing Dept.

The Sales-Manufacturing meeting . . . On June 21 in New York, the entire Sales staff and key representatives from Manufacturing sat down for the whole day to exchange information and views on the Company's approaching entry into the coated paper market. Some of the topics covered were -- and we are not venturing beyond listing them here -- the fundamental reasons behind the decision to enter this new field, and how it fits in with the Company's capabilities and potentials. There also was discussion on the particular coating equipment selected, the mechanics of the operation, target dates for saleable paper, inherent problems along with reasons for over-all optimism. Also covered were methods of quality control, the need for communication between Sales and Manufacturing on customer needs, the many variables in paper and its printing, and how paper must be amenable to the needs of letterpress, gravure, and offset printing processes. The size of the market, its location, and Great Northern's opportunities were noted as were plans to help the program off the ground and keep it moving through continued advertising and sales promotion.

Sales Dept.

Whenever insurance is discussed, whether it is personal insurance, industrial insurance or otherwise, the first question inevitably asked is "how much will it cost?"

One of the major factors in determining the cost of any insurance is the amount of money paid out in the settlement of claims, whether it is under an individual policy or under a contract covering several thousand people.

The Company's over-all insurance program includes important contracts which provide special coverages for its employees. Under one part of the program extensive benefits are made available to protect both employees and their families. Another one provides protection for Company employees in the event they are injured in on-the-job accidents.

A recent review of the Company's group insurance program for all active employees and their families indicates that benefits paid out are running at the rate of roughly \$525,000 for a 12-month period. The latest figures available for losses paid under Workmen's Compensation insurance for a comparable period total close to \$175,000 for industrial accident cases.

Together, these figures make the staggering total of \$700,000 or close to three-quarters of a million dollars in insured claims payable for just one 12-month period for the benefit of Company employees and their families. A figure such as this is something few people realize when they think in terms of individual insurance benefits. The final premium cost to provide for such benefit payments, however, very definitely reflects such total payments as these.

Insurance Dept.

Part of the story of JET . . . Now that Jet is so well established, it may be interesting to look back on its evolution. Originally, Jet was custom-made to the problem of a single customer and later extended into the general market. This particular customer publishes many magazines, and what he wanted was a more economical printing grade of paper that would do substantially the same job. Technically, he wanted an A-2 printing grade (brightness of 64/65) instead of the A-1 grades (68 average brightness) being supplied.

The problem was given to Great Northern, and a system of introducing bleaching agents into the headbox of one of the paper machines proved a success. The first samples drew instant approval and a trial of two carloads. The customer then came to New York personally and entered an order for one thousand tons as a start.

As it worked out, he was able to use Jet both to improve the quality of some of his publications and also to substitute for more expensive grades without material loss of quality. Incidentally, in his negotiations with Great Northern, he reviewed other Company grades and found he was able to make good use of Publication Printing also. The story, in brief, was one of accommodation to a customer's needs. Some of Great Northern's paper also may be seen in the pocket book edition of the best seller -- Born Free; and in the series of classic publications by Dell -- such as the Shakespearean reprints, Boswell's Life of Samuel Johnson, Vanity Fair, and The Brothers Kamarazov.

Sales Dept.

Paper sheeted at East Millinocket during 24-week period ended 6/17/62

<u>Grade</u>	<u>Sixth Period</u>		<u>Year to Date</u>	
	<u>1962</u>	<u>1961</u>	<u>1962</u>	<u>1961</u>
News	37.8	60.9	175.4	561.6
Addenda	-	28.9	-	172.5
Jet Printing	47.7	103.5	159.6	183.6
Layer Board	51.4	52.4	162.4	270.3
Pub Printing	25.5	51.6	205.8	199.9
Toll Ticket	-	7.2	-	39.3
Total	<u>162.4</u>	<u>304.5</u>	<u>703.2</u>	<u>1,427.2</u>

Controller's Dept.

Pulpwood deliveries for the 25-week period ended 6/24/62

	<u>This Week</u>	<u>Year to Date</u>		
		<u>1962</u>	<u>1961</u>	<u>1960</u>
Cars on hand beginning	108	77	75	255
Received	289	7,956	6,190	8,798
Released	248	7,884	6,226	8,944
Cars on hand ending	<u>149</u>	<u>149</u>	<u>39</u>	<u>109</u>

Controller's Dept.

Two pulpwood operating camps were reopened last week in the Pittston area . . . Henri Marcoux has taken over the old Belanger operation at Caucomgomoc . . . Adelard Gilbert camp reopened in the Scott Brook area.

Woodlands Dept.

Progress of Coating Facilities . . . The Paper Mill Superintendent and his group have moved into a new office located at the dry end of No. 5 Paper Machine. The Core Supervisor and Stock Preparation Foreman have moved into a new office located at the dry end of the Wrapper Machine. The office formerly occupied by these people has been demolished to make room for the single drum winder installation on No. 8 Paper Machine. This machine will also be equipped with a horizontal rail reel and a traversing basis weight gauge. The new equipment is required to make large diameter (up to 88 inches) rolls for coating.

In the Coater Building the second bridge crane is now in use. The south end of the building is being closed in. Erection of the super calenders will start immediately. Winder foundations are being installed. The agitators for the coating preparation tanks have been set.

Mfg. Dept.

Because of the time and effort required to prepare a newsletter such as this, newsletters will be issued once every four weeks instead of on a bi-weekly basis. Barring unforeseen difficulties, future letters during the balance of the year will be mailed on the following dates:

July 27	Oct. 19
August 24	Nov. 16
Sept. 21	Dec. 14

Material for letters should be submitted in time for editing on the Wednesday previous to the dates listed.

Controller's Dept.



Great Northern Newsletter

PAPER COMPANY



FOR MONTHLY SALARIED EMPLOYEES

MILLINOCKET, FRIDAY, JUNE 15, 1962

A dimension of international trade in Maine is measured by the volume its two seaports serve as receiving or shipping points for goods using water-borne trade routes. The table below shows the exports and imports for Portland and Searsport:

<u>TONNAGE (in thousands) -- 1961</u>		
	<u>Portland</u>	<u>Searsport</u>
<u>Imports (Dry Cargo)</u>		
Phosphate Rock		74.4
China Clay	69.0	
Wood Pulp	29.3	
Salt		9.1
Tapioca Flour	1.4	6.5
Bauxite		5.6
Casein	3.6	
Steel	2.3	
General	.8	
Total	<u>106.4</u>	<u>95.6</u>
<u>Exports (Dry Cargo)</u>		
Paper & Newsprint	4.6	81.0
Scrap Iron	65.6	
Grain	48.5	
Flour	13.2	
Potatoes		1.7
General	.3	
Total	<u>132.2</u>	<u>82.7</u>
Coal (Domestic)	280.6	63.5
Sulphur (Domestic)	6.2	14.9
Oil	<u>16,000.0 (est.)</u>	<u>876.3</u>
GRAND TOTAL	<u>16,525.4</u>	<u>1,133.0</u>

Among manufacturing industries in Maine, only the paper industry operates at such a volume and has such raw material needs as well as markets to generate a significant amount of cargo for Maine ports.

In 1961 over 85,000 tons of paper were exported from the two ports, most of which was shipped from Searsport. This paper tonnage represented 40 percent of all cargo exports. The other exports of grain, flour, and scrap iron are not related to Maine manufacturing nor are they cargoes based on the immediate hinterland within the State. The grain and flour tonnage originates in the Midwest.

With respect to imports, China clay, casein, tapioca flour, and wood pulp are primarily related to the paper industry. These commodities accounted in 1961 for 54 percent of the total dry cargo import tonnage.

An examination, however, of the total tonnage of the two ports reveals that the dry cargo is but a small part of the total. An overwhelming part of the tonnage, 96 percent, is oil, both crude and refined. In recent years crude oil has constituted at least three quarters of total oil entering Portland. This volume is destined for Canada and Portland's role is dependent upon the existence of the Montreal-Portland pipeline system.

What paper was exported from Maine was practically all Great Northern paper. It is the shrinkage in this business as shown in the following chart which has prevented a significant improvement in shipments this year as compared with last year.

Paper shipments to customers during 23 weeks ended 6/10/62

	Tons Shipped		% Change
	1962	1961	
<u>Newsprint</u>			
Domestic	149,762	145,948	+2.6
Export	8,662	25,576	-66.1
Total News	<u>158,424</u>	<u>171,524</u>	-7.6
<u>Specialty</u>			
<u>Domestic</u>			
Pub Printing	17,164	10,235	+67.7
Novel News	7,370	6,051	+21.8
Jet Printing	22,670	20,780	+9.1
Lightweight	16,014	12,317	+30.0
Others	4,063	2,968	+36.9
Total Domestic	<u>67,281</u>	<u>52,351</u>	+28.5
<u>Export</u>			
Pub Printing	1,606	3,051	-47.4
Lightweight	4,046	3,595	+12.5
Others	406	120	+238.3
Total Export	<u>6,058</u>	<u>6,766</u>	-10.5
Total Specialties	<u>73,339</u>	<u>59,117</u>	+24.1
Total Paper	<u>231,763</u>	<u>230,641</u>	+0.5
<u>Wrapper</u>	366	568	-35.6
Total Shipments	<u>232,129</u>	<u>231,209</u>	+0.4

Traffic and Controller's Depts.

The mileage rolls up -- The Sales staff must do more than con-
tact customers and prospects by phone and letter, and what may be the routine of individual rounds takes on a certain salience when gathered into a list. Following were some of the ports of call of the New York Sales staff during the current fortnight --

Chicago, 4 trips; Louisville, 4 trips; Cincinnati, 3 trips; Atlanta, 2 trips; Philadelphia, 6 trips; Rainbow Lake, 3 trips; and Dayton, Neenah, Nashua, Detroit, Buffalo, Rochester, Chicopee Falls, Danbury, Hartford, Millinocket, Altoona, Butler, Beaver Falls, Watertown, Milford, Cleveland, Erie, Pittsburgh, Boston.

This does not include efforts of the district offices, which radiate from Chicago, Cincinnati, Washington and Boston. Also, it does not include the Export Dept.'s recent stops in South America.

Sales Dept.

Paper production for 23 weeks ended 6/10/62

Production:	1962		1961		% Change
	Tons	Daily Avg.	Tons	Daily Avg.	
East Millinocket	131,199	815	133,928	832	(2.0)
Millinocket	103,824	645	102,928	639	.9
	<u>235,023</u>	<u>1,460</u>	<u>236,856</u>	<u>1,471</u>	(.8)

Paper on tracks and in storage

	June 10		May 27	
	Tons	Cars	Tons	Cars
Millinocket	3,099.0	111	2,277.9	80
East Millinocket	2,305.5	88	1,464.5	58
Searsport, etc.	241.5	-	262.6	-
	<u>5,646.0</u>	<u>199</u>	<u>4,005.0</u>	<u>138</u>
Less cars reported by mill as released Sunday, billed Monday		<u>60</u>		<u>36</u>
Mill report of cars on hand		<u>139</u>		<u>102</u>

Controller's Dept.

An order for 95 tons of Jet-R was recently received from Goldsmith Brothers, well known in the downtown New York City financial district as the only true department store of the area. Goldsmith depends heavily on their annual catalog for much of their business and the catalog gets considerable handling. Their switch to GN Jet was not a casual one.

This customer has a thorough purchasing department, probably resulting from the keenly competitive nature of their business. Their occasional orders have been serviced carefully by us and because of this and Great Northern's advertising, Goldsmith Brothers have developed a sort of institutional respect for Great Northern Paper Company. Over the months this customer has been sent samples of successful catalogs on Jet-- now we have received their first order. While this is not a large account it is a valuable one, particularly for word-of-mouth.

Sales Dept.

The inside of the Administration Building has taken on a new look. When the Engineering and Research and Mill Timekeeping Depts. left the Administration Building, their place was taken by Central Personnel and the Billing, Auditing and Systems divisions of the Controller's Dept. Some remodeling of the old building had to be done. The old alleyway where the time clocks were located was made into an office for the Cost Dept. The former men's waiting room has become the Billing Dept.'s quarters. Auditing, Systems and Pulpwood have been installed on the third floor and more space is being made available to Central Typing. When the Paper Analytical Lab leaves the basement of the Administration Building, that area will be remodeled for the print shop which has been located for many years in the west end of the basement under most adverse conditions. The Controller's Dept. is now all under one roof.

Controller's Dept.

On May 22, in the monthly booklet entitled 'Southern Landmarks,' John J. Neeley, President of Southern Land, Timber & Pulp Corp. said -- "The agreement we entered into dated April 5, 1962 with Great Northern Paper Company regarding the mill at Cedar Springs was announced to you along with the last issue of Landmarks. This agreement contemplates the organization of a new jointly owned company to be named Great Southern Land and Paper Company.

"Initially Southern Land will acquire \$15,000,000 worth of stock in the new company by conveying net assets, including timberlands and investment in the mill, equal in book value to such amount, and Great Northern will acquire \$15,000,000 worth of stock for \$15,000,000 cash; later Southern Land and Great Northern may acquire additional stock for assets or cash.

"The agreement also contemplates that if the Southern Land stockholders approve, they will ultimately receive stock in the new company in exchange for their present stock. The performance of the agreement is subject to various conditions, including the approval of the stockholders of Southern Land, Timber & Pulp Corporation at the stockholders' meeting mentioned below.

"On May 11, 1962, Southern Land filed a Registration Statement with the Securities and Exchange Commission to register certain shares of the Company previously sold due to possible violations of the Securities Act. Copies of the Prospectus which is part of this Registration Statement will be sent to stockholders as soon as such circulation is feasible. When the above Registration Statement becomes effective, there will be a call of a stockholders' meeting of Southern Land, Timber & Pulp Corporation to approve the transactions contemplated by our agreement with Great Northern Paper Company. There are many preparatory steps necessary to set up the new company and complete the proposed transactions. We do believe that with good fortune we can present the proposals to you in detail soon."

But there are also complications -- as reported in the May 31st issue of the Wall Street Journal -- "SEC Regulations May Complicate Plans for Georgia Paper Mill -- A Southern Land, Timber & Pulp Corp. stock registration statement filed recently with the Securities and Exchange Commission could complicate plans of Southern Land to jointly build with Great Northern Paper Co. a \$53.6 million pulp and paper mill near Cedar Springs, Ga. According to the statement, Southern Land may have to offer to redeem up to approximately half of its 18,926,374 common shares to satisfy SEC stock registration requirements.

"A spokesman for Great Northern in New York City said Southern Land's 'little problem' was taken into account when the two companies agreed on the joint venture last month. He minimized likely effects of the redemption offer and said the joint venture is 'going ahead exactly as planned.'

"Until now, Southern Land has offered its stock for sale only to residents of Georgia. As an intrastate offering, the shares were exempt from SEC regulations, which govern only interstate securities sales. But in registering its stock with the commission, Southern Land concedes that its 'exemption may have been lost' through possible prior sales of its shares out-of-state. Loss of exemption requires a company both to register with the SEC and to offer to redeem all shares sold in the previous 12 months."

Pulpwood deliveries for the 23-week period ended 6/10/62

	<u>This Week</u>	<u>Year to Date</u>		
		<u>1962</u>	<u>1961</u>	<u>1960</u>
Cars on hand beginning	57	77	75	255
Received	186	7,437	5,702	8,237
Released	182	7,453	5,715	8,392
Cars on hand ending	<u>61</u>	<u>61</u>	<u>62</u>	<u>100</u>

Controller's Dept.

Due to our fresh wood program, the peeled wood season was short-lived this year. This will be the last week of peeling spruce and fir for 1962. The remainder of our softwood requirements will be produced as rough wood. Cutting operations are progressing in orderly fashion.

Woodlands Dept.

Preparations are being made to take an aerial photographic survey of the wood in Dolby Pond storage. This wood, kept separate from other wood by careful handling into segregated areas, is from last year's drive and is the last of the wood which was surveyed last fall. The reason for the aerial survey is to establish the physical quantity of this wood to compare with the book inventory after all older wood has been used.

The survey will be flown in two stages. The first stage is a high level pass at 8 to 10,000 feet. The area covered by the wood is determined from this flight. The second stage is a low level flight at about 1,000 feet. On blown-up photographs from this flight, sample wood plots are counted and the number of cords per acre is determined. Knowing the concentration of wood per acre and the area involved, an estimate for the number of cords in the Dolby water storage is then determined.

Manufacturing Dept.

During the last five-month period, the precipitation over the West Branch drainage area has been six inches below the 63-year average for that period of time. On June 4, we reached a peak storage of 49.3 B.C.F., approximately 86.5% of full storage and 3,100 B.C.F. below the rule curve. This signifies that we must continue to use an average flow of not over 2,400 C.F.S. to assure water supply for the future. Operation of the hydro-electric system is proceeding on this basis as much as power demands will allow.

Manufacturing Dept.

A disturbing situation that continues to be a problem is the rash of accidents that have been occurring in the Woodlands Dept. All agree that no one consciously performs unsafe acts which could cause injurious accidents to themselves or their fellow workers. The old saying "twice is a habit," probably is a contributing factor to the occurrence of accidents. After repeating the same unsafe act several times, we develop an unsafe habit. It is up to all Supervisors to recognize these unsafe acts before they develop into habits.

Woodlands Dept.

A survey of progress on the Coating Mill construction shows the base stock passageway is virtually closed in. The roof deck has been placed and floor slabs are poured. Construction of locker room facilities in this area will follow.

Most of the framing for the coater is erected. The coater heads and many motors are in place. Air handling fans are set and duct work is being erected.

The electrical control rooms are blocked in and electrical equipment is being set. The sprinkler piping is progressing.

Foundation work for finishing equipment is on schedule. Concrete work in the area of No. 1 Super Calender is being rushed so erection of machinery can start.

The starch silo foundations are poured and work is continuing on the clay slurry storage tank foundation.

Manufacturing Dept.

The Chip Screens Job is nearing completion. Structural steel is set. Chip screens are set. Delivery of framing for three conveyors is yet to be made. Startup is scheduled for July 9.

Manufacturing Dept.

On May 28, the Millinocket Mill Yard employees completed an even three years without a lost time accident.

The record of 557,845 hours was duly recognized with a cook-out at the Rice Farm on Saturday, June 9. The affair was attended by nearly all the employees of the yard division as well as by Mr. P. M. Schaffrath, Mill Manager, and Mr. Tony Madore, former Yard Superintendent, under whose supervision a great part of the record was attained.

This outstanding accomplishment not only reflects credit on the yard employees generally, but on the supervisory people whose instruction and example is responsible for the safety attitude of the men in the crew.

Manufacturing Dept.

The Company's summer apprentice program for this year is presently in operation with approximately 90% of the student applicants assigned to their summer positions.

Over a period of many years Great Northern has been able to assist worthy youths to further their education through this opportunity during vacation, and in most cases, to supplement their college curricula with on-the-job training.

Manufacturing Dept.

At time of issue, Great Northern is host to the Mechanical Pulp-
ing Conference of T.A.P.P.I. The meetings are being held in the Multi-Purpose Room of the Engineering and Research Center, and J. W. Griffin, East Millinocket Pulp Mill Superintendent, is the Company representative. Thursday was devoted to regular conference business with a noontime buffet lunch and an evening social hour and banquet at the Guest House. Mill tours are scheduled for Friday.

Manufacturing Dept.

Seboomook wilderness campground is now in operation. It consists of living quarters for the leasee, a store where groceries, ice and gasoline may be purchased, a 4-room guest cottage, 40 picnic sites, 10 lean-tos, 10 house trailer sites, unlimited tenting space, well water, 1/2 mile of sandy beach at the mouth of Carry Brook, and an excellent wharf. It also provides free boat launching and parking for day-to-day recreationists.

Sourdnahunk wilderness campground is in the process of construction. By July 15 the project will be about 90% complete. In the meantime, sufficient sites are ready to accommodate 15 to 20 campers. When finished, it will have living quarters for the leasee, a small grocery and supply store, natural ice, gas and oil, 10 lean-tos, 10 trailer sites, 30 campsites and a good water supply. A free boat launching and parking area is available for day-to-day recreationists.

Although the summer recreation season has barely started, early registrations at these campgrounds indicate that they will become popular spots for vacationers.

Woodlands Dept.

The Company has been host to several parties at Rainbow Camp during the past two weeks.

One group, accompanied by F. V. Ernst of the Sales Dept. was composed of Donald Irvin, Research Director of Specialty Papers Company, Dayton, Ohio; William Trimback, Foreman of Rewinding Room Specialty Papers Company, Dayton, Ohio; and Robert Andrews, Superintendent of Specialty Printing, Nashua Corporation, Nashua, New Hampshire.

Another group, with E. J. Ward, of the Sales Dept. was composed of Arthur Lockwood, Vice President, Hankins Container, Union, New Jersey; Robert M. Bucher, Plant Superintendent of Hersey Chocolate Corporation, Hersey, Pennsylvania; Charles H. Miller and Val Lautar, Vice President and Manager respectively of the Hersey Corporation. Also in this group was Charles B. Weaver, Jr., Vice President of Weaver's Warehouse, Inc. at Harrisburg, Pennsylvania.

Mr. Jack Pearson, Traffic Manager of Alco-Gravure, Hoboken, N.J. arrived with Robert Black of the Sales Dept.

Rainbow is a particularly important operation for the Sales staff, for it is the ultimate in relaxed association with customers and prospects practically at our own terms. A great deal of care is taken by the individual salesmen in selecting guests. Because of the relatively short season, the guest list must be limited. There is no underestimating the power of the goodwill induced.

Manufacturing & Sales Depts.

GREAT NORTHERN MONTHLY SALARIED EMPLOYEES NEWSLETTER

MILLINOCKET, FRIDAY, JUNE 1, 1962

News Release to: "Official Board Markets" - - "Peter S. Paine, President of Great Northern Paper Company, announces the appointment of Robert C. Macauley, Executive Vice President of M. L. Macauley Co., Inc., as adviser to Great Northern Paper Company to establish the sales policy for the sale of linerboard from the Cedar Springs mill of the proposed Great Southern Land & Paper Company.

"Great Northern Paper Company will be sales agents for the Great Southern Land & Paper Company, and in his new capacity Mr. Macauley will report directly to Robert A. Haak, Vice President, Sales, of Great Northern Paper Company.

"Mr. Macauley is well known in the industry, with many years' experience in the linerboard field."

The M. L. Macauley Co., Inc. are well-known mill representatives in the kraft paper and board field.

Coating Project -- Construction is progressing at a rapid pace in all areas of the job.

The new Paper Mill Superintendent's office is erected and work is going ahead on the interior. Meanwhile the Single Drum Winder foundations are being prepared just outside the old Paper Mill Superintendent's office.

The base stock passageway is being closed in and floor slabs placed. The operating floor slab in the coater building is complete and the coater framework is well underway.

The electrical control rooms, offices, and labs are taking shape as block wall construction progresses.

One of the big bridge cranes is operating, and its use is speeding the erection of equipment. The other crane is on the road and as soon as it arrives and is erected, the south end of the building will be closed in.

On the lower level the large stainless steel tanks of the coating preparation area are in place, ready for piping. The floor slab at this level is about one-third complete, and foundations for the finishing equipment are underway. The bridge crane at this level is sitting on the rails.

Outside the building, the big octagonal shaped starch silo foundations are nearly complete. The railroad siding serving these silos is complete.

In engineering, night work continues as it has throughout the job. The big push now is on piping, electrical and instrumentation, and a concentrated effort is being made to complete this work, with nearly the entire department on the job.

Purchasing, Engineering Division, is keeping the wires hot to all suppliers, expediting material and equipment. These people, also working late hours, tell us they wish the suppliers would keep their offices open at night so they could spread out these phone calls on limited phone lines available to them.

Manufacturing Dept.

The export business -- In somewhat wry perspective, one might say that few industries fit into the economic mold desired by the Administration as snugly as newsprint. There is the relaxing of foreign trade barriers, prolonged price stability, excess manufacturing capacity (serving both to stabilize present price levels and to delay future price rises if consumption spurts), and relative labor tranquility.

The lifting of the tariff back in 1911 was an almost obligatory favor to newspaper publishers, with Canadian mills being the other beneficiary. Both have benefited, but now an outlander has appeared -- with most telling effect. This is overseas competition, and it is making its mark on both Great Northern's domestic and export tonnage.

Why have our exports plummeted? Why are they now running about half of what reasonably could have been expected? Scandinavian competition! Finland and Sweden sell newsprint at least \$5 per ton below U. S. and Canadian prices. This, of course, is cutting into the market -- domestic and export.

Five new machines started up over there recently, adding a half-million tons of new production annually, and they're getting rid of that extra tonnage by price and other concessions. It is perfectly legitimate for a domestic consumer to save \$5 per ton -- or \$5,000 on 1,000 tons; \$50,000 on 10,000 tons -- and it may well be that the worst is yet to come.

In overseas competition, the Scandinavians also are having their influence. In addition to a lower price, there are echos now and then of deals such as long-term credit, financing of printing presses, payment acceptance in the currency of the importing country, and other concessions going beyond the normal limits of international trade.

All this notwithstanding, Great Northern's activities in the export field have made the Company an important factor in world markets. Great Northern paper now is going literally to the four corners of the earth. It is being printed in Spanish, Italian, French, Portugese, Malayan, Tagalog (Philippines), Hindu, Moslem, and many other languages. Not only does this apply to newsprint but also, in isolated cases, to airweight printing. Printing results have been excellent.

A recent visit to South America brought about the reactivation of two newsprint contracts -- 300 tons monthly for 'Ultimas Noticias' of Caracas, Venezuela and 120 tons monthly for 'El Pais' of Cali, Colombia.

Two new accounts also were brought in, one being with 'El Correo' of Medellin, Colombia and the other with 'Grabados Nacionales' of Caracas, Venezuela. Along with newsprint, 'El Correo' included a trial order of airweight printing intended for its airmail editions.

Our specialty grades are arousing more and more interest abroad, as evidenced by the second new account -- an initial order for 220 tons of 34# publication printing by 'Grabados Nacionales.' This magazine publisher will substitute our pub printing for a supercalendered groundwood sheet in a basis weight of 37# (24x36) which traditionally has been ordered from Scandinavia.

Great Northern rolls are reaching their final destinations in excellent condition, even considering the distances these shipments travel. And some times from the port of discharge there is still an arduous journey to the distant interior, inevitably by a mode of handling and transportation that is still primitive. We are happy to report that the condition of our rolls, standing side-by-side with those from Canada, Europe and Scandinavia, is second to none. Our Finishing Depts. at the mills deserve, in truth, a 'pat on the back.'

Sales Dept.

The Company was represented on May 22 at an industry-wide meeting in Washington arranged by the Government to iron out problems in the purchasing and supplying of paper for the Government Printing Office and a great many other Federal agencies. This was the first meeting of its kind ever held and it was so successful that it will become a fixture each May.

Particular emphasis was placed on purchasing and paper research procedures, with considerable discussion on specifications and the rejecting of unsatisfactory shipments. Mention also was made of the Government's system of personal inspection of mill operation, the system of invitations to bid on Government needs, sampling procedures, color variations and standards, and the differences between Government and industry paper requirements.

The Company also has been invited to attend interim meetings of special sub-committees, such as the Technical Sub-Committee of the Joint Committee on Paper.

The Company was also represented at the meeting of the Web Offset Section of the PIA (Printing Industry of America) in Cincinnati earlier in May. This also was fruitful, though it must be mentioned that the newly-formed Web Offset program is not yet so well organized as those of the older sections.

The principal problem in supplying paper for the web offset process is the tendency of coated papers to blister. This is a universal manufacturing problem, but because of the many factors and variables involved in both paper manufacture and also printing, the cause of blistering, or the tendency of a particular paper to blister, is often difficult to trace.

Sales Dept.

Those who happened to see the Perry Como show highlighting the State of Maine on Wednesday, May 16, might be interested in some of the background. To begin with, getting mention on any of these network shows is something of a publicity coup. Why should Kraft give an outside company \$65,000 or \$70,000 worth of time? Also, if Kraft is going to permit a Maine industry to be seen on their time, why Great Northern? Why not S. D. Warren, for instance?

A chain of fortuitous circumstances traces back through the Company's advertising agency -- Simonds, Payson of Portland. Their publicity expert in New York (Jim McLaughlin) had worked hard to get the State of Maine into the highly successful current format of the Como show. Then, once getting acceptance on the schedule, he had to move up the date to the month of May in order to hit the tremendously important (for his client in this, the State of Maine) tourist season -- that is, it had to come during the time when people make up their minds where to go on vacation.

Considering the dominating tourist motive, it is rather remarkable that an industrial scene was admitted at all -- particularly one of a mill displaying its name in large letters on top. If anyone did not particularly appreciate the comedy sketch on toothpicks' running so closely upon a glimpse of a part of Company operations, then it must be mentioned that Kraft liked it. A deep bow to Mr. McLaughlin.

Sales Dept.

Quote from article in May issue of PRINTING PRODUCTION MAGAZINE entitled '20th Century Production Feat' and featuring THE NATIONAL OBSERVER:

" . . . For making maximum use of black and white printing of halftones as well as text matter a high grade newsprint was selected. Great Northern jet, 40 lb. on a magazine and 36 lb. on a newsprint basis, was chosen for its whiteness, brightness and more than usual heavy calendering. 'It is also more expensive,' said John McCarthy. 'But take a look at the results we get by printing 65 line screen halftones on Great Northern jet and you'll see why we selected this newsprint.' . . . "

Sales Dept.

We have had a most pleasant exchange with the people at Triangle Publications due to the mill's fine performance in getting out emergency shipments. The paper had to reach some of the auxiliary plants of Triangle due to a production stoppage at the Philadelphia plant, and the paper was received via truck within 48 hours of the hurry call.

Sales Dept.

Paper sheeted at East Millinocket during 20-week period ended 5/20/62 . . .

<u>Grade</u>	<u>Fifth Period</u>		<u>Year to Date</u>	
	<u>1962</u>	<u>1961</u>	<u>1962</u>	<u>1961</u>
News	33.4	102.7	137.6	500.7
Addenda	-	10.9	-	143.6
Jet Printing	39.6	18.8	111.9	80.1
Layer Board	-	54.4	111.0	217.9
Pub Printing	36.7	32.1	180.3	148.3
Toll Ticket	-	27.8	-	32.1
Total	<u>109.7</u>	<u>246.7</u>	<u>540.8</u>	<u>1,122.7</u>

(Operating one shift in 1962 and two shifts in 1961)

Controller's Dept.

Recently, there has been much discussion on the merits of profits per machine hour vs. profits per ton for various grades of paper made by GNPCo. Grades that reflect a high profit per ton are not necessarily the most profitable. For example, a lightweight sheet may show an operating profit of say \$20 per ton with three tons being made in an hour. This is an operating profit of \$60 per machine hour. A heavier sheet may show an operating profit of say \$15 per ton, but because of the heavier basis weight, 4-1/2 tons an hour can be produced. This is an operating profit of \$67.50 per machine hour. As can be easily seen, the Company would be more profitable manufacturing the second grade rather than the first in spite of the latter's higher per ton profitability.

Controller's Dept.

Paper shipments to customers during 21 weeks ended 5/27/62

	Tons Shipped		% Change
	1962	1961	
<u>Newsprint</u>			
Domestic	136,712	132,668	+3.0
Export	6,559	24,880	-73.6
Total News	<u>143,271</u>	<u>157,548</u>	-9.1
<u>Specialty</u>			
<u>Domestic</u>			
Pub Printing	16,251	9,220	+76.3
Novel News	6,803	5,622	+21.0
Jet Printing	21,174	18,593	+13.9
Lightweight	14,679	11,252	+30.5
Others	3,955	2,753	+43.7
Total Domestic	<u>62,862</u>	<u>47,440</u>	+32.5
<u>Export</u>			
Pub Printing	1,393	3,051	-54.3
Lightweight	4,046	3,595	+12.5
Others	308	120	+156.7
Total Export	<u>5,747</u>	<u>6,766</u>	-15.1
Total Specialties	<u>68,609</u>	<u>54,206</u>	+26.6
Total Paper	<u>211,880</u>	<u>211,754</u>	+0.1
<u>Wrapper</u>	366	520	-29.6
Total Shipments	<u>212,246</u>	<u>212,274</u>	-

Paper production for 21 weeks ended 5/27/62

	1962		1961		% Change
	Tons	Daily Avg.	Tons	Daily Avg.	
Production:					
East Millinocket	119,309	812	121,465	826	(1.8)
Millinocket	93,969	639	93,521	636	.5
	<u>213,278</u>	<u>1,451</u>	<u>214,986</u>	<u>1,462</u>	(.8)

Paper on tracks and in storage

	May 27		May 13	
	Tons	Cars	Tons	Cars
Millinocket	2,277.9	80	1,997.6	63
East Millinocket	1,464.5	58	1,486.7	57
Searsport, etc.	262.6	-	503.0	-
	<u>4,005.0</u>	138	<u>3,987.3</u>	120
Less cars reported by mill as released Sunday, billed Monday		36		42
Mill report of cars on hand		<u>102</u>		<u>78</u>

Controller's Dept.

A new record was established on Sunday, May 27 at East Millinocket. No. 6 paper machine produced 401.1 tons of newsprint in 24 hours. This is the first time a Great Northern paper machine has reached the 400 figure. It is a goal which all East Millinocket personnel have been aiming at for some time. Congratulations go to East Millinocket Mill for the attainment of this record!

Manufacturing Dept.

A three-man committee has been appointed to recommend a procedure to (1) consolidate the two mill storerooms at East Millinocket, leaving a small (inventories investment-wise) service storeroom at Millinocket, and (2) transfer Mill Purchasing from Bangor to Millinocket.

Included in their study will be recommendations to reduce the paper work from requisition to the purchase order, and to assume that storeroom record-keeping will be picked up in part on an electronic computer to be located in the Controller's Dept. It will not be possible to pick up all storeroom record-keeping on the computer until supply materials have been catalogued and coded.

The study committee is composed of W. N. Kinley of the Millinocket Plant Engineering Dept., A. L. Meucci of the Research Dept. and James Heeremans, Systems Specialist from Arthur Andersen & Co. representing the Controller's Dept.

The committee will start work on Monday, June 11, 1962.

Controller's Dept.

Work has started in rehabilitating sections of the Administration Building to accommodate the Billing, Auditing and Systems departments which are now quartered in offices off the premises over Levasseur's store.

The first group to be moved will be the Billing Dept., and it is now planned for them to move in the former Men's Waiting Room by Monday, June 11. Shortly thereafter, the Auditing and Systems groups will move into renovated quarters on the third floor of the Administration Building.

Controller's Dept.

Water Storage and Use -- During the past two weeks there have been only light rainfalls. This fact, combined with above average temperature, has reduced the natural flow rapidly. Unless we get above average rain it is unlikely that total storage will increase and that our maximum Spring storage will be at 49 BCF. This is approximately 84% of full storage. Storage of 49 BCF as of June 1 is approximately 3 BCF below the standard rule curve storage which signifies that we must continue to use an average flow of not over 2,400 c.f.s. to assure water supply for the future.

Operation of the hydro-electric system is proceeding on this basis with increasing amounts of high cost condensing steam power used to reduce the demand for hydro-electric power.

Manufacturing Dept.

The first visitors for this season arrived at Rainbow Camp on May 28. This group accompanied by W. E. Cozens, E. J. Ward and M. A. Meyers of the Sales Dept., were Mr. J. R. Pearson, Assistant Vice President of McGraw-Hill Publishing Company; Mr. Carl Dartt, President of Colonial Paper Company, Darien, Connecticut; Mr. Charles O'Conner, Book Sales Manager of Royal Paper Company, New York City; Mr. Ellis Service, General Manager of the Bethlehem Globe-Times, Bethlehem, Pennsylvania; and Mr. Eugene A. Simon, Publisher of the Valley News, Tarentum, Pennsylvania.

Manufacturing Dept.

Pulpwood deliveries for the 21-week period ended 5/27/62

	<u>This Week</u>	<u>Year to Date</u>		
		<u>1962</u>	<u>1961</u>	<u>1960</u>
Cars on hand beginning	74	77	75	255
Received	308	7,026	5,292	7,828
Released	<u>340</u>	<u>7,061</u>	<u>5,319</u>	<u>8,014</u>
Cars on hand ending	<u>42</u>	<u>42</u>	<u>48</u>	<u>69</u>

Controller's Dept.

Cutting Operations -- All of the operating camps in Aroostook County started their sap-peeled wood operations on May 28. Several independent contractors peeled some wood the previous week.

Company roads are in their poorest condition. Soft spots are appearing in many areas but as yet no bad holes have developed on the main roads. The North East Carry road is not passable to cars.

Woodlands Dept.

The River drives are well underway. The first boom was towed from the Pemadumcook landing to North Twin on Wednesday, May 23. The towboat "William Hilton" is busy on Chesuncook. Wood landed in Umbazookskus is afloat. Upper Little Bog has been cleaned and the crew is picking rear near the lower dam. About a 1,500-cord rear remains and one or two days of fair wind will take the rear into Big Bog. Weather cooperating, most of the 30,000 cords on the North Branch drive will be thru Big Bog in a few days. Wood is all sluiced thru Sourdnamunk Dam.

All pulpwood cut in the Sourdnamunk-Telos area from now on will be landed at the head of Chesuncook Lake, so this will be the last drive out of Sourdnamunk for a few years. Sourdnamunk has been driven for possibly over 100 years and was also the site of the first known short (4') log drive in the State.

Woodlands Dept.

Camp site leases -- The Division of Forest Engineering has had crews out this Spring making camp site surveys. One crew is working at Ambajejus Lake in the Deep Cove area, where at least one hundred new camp sites will be available for lease. Another crew is working in Aroostook County on the shores of Big Machias Lake; there will be at least one hundred leases at this lake. Still other surveys have been made in Oakfield on Timoney Lake; at Cross Lake in Aroostook County, and at Lake Moxie near Bingham.

Approximately 250 new leases are surveyed each year for an ever-increasing group of recreationists who enjoy summer camps on our lake shores. The rental of 100' lots varies from \$10 to \$100 a year, with the average lot going for \$30 to \$35 a year. There are now over 2,000 active leases on the Company's land - mostly in concentrated areas such as at Ambajejus Lake in Piscataquis County, and Long Lake in Aroostook County.

Leases for camp sites in the Millinocket area may be obtained through the Company's District Forester, Alvin E. Ingalls, 157 Prospect Street, Millinocket, Maine, (Tel. 723-9003), and in the Aroostook area through District Foresters Ed Chase, Ashland, Maine (Tel. Hem. 5 4451), and Dave Brooks, Patten, Maine (Tel. Patten 95).

Woodlands Dept.

The third meeting in the current manufacturing seminar was held Monday, May 28, in the multi-purpose room of the Engineering and Research Center. This session had the largest group in attendance with 125 operating and supervisory personnel present.

The subject for the meeting was 'Coated Paper' and the panel was composed of Dr. Victor Mattson, Director of Research; Mr. Waldo Preble, Papermill Design Engineer; Mr. Don Nelder, Coating Supt.; Mr. Dick Maley, Supercalendering Supt.; Mr. Henry Gore and Mr. Steve Koslovich. Dr. James R. Schoettler, Technical Director, was moderator.

Following the panel presentation, the moderator charged each employee, concerned in any way in the manufacture of coated paper, with a personal responsibility to contribute his best endeavors toward a Great Northern product of quality. He said each must give his best so that the product will have excellent runability and printability so that customers will not only buy but continue to buy Great Northern.

A discussion period followed the panel presentation and was both lively and informative. The number and scope of the questions was an indication of the great interest in this new phase of the Company's diversification program.

Manufacturing Dept.

An interesting comment was recently made by a top executive of a Canadian producer of pulp and paper, during a discussion of Canadian currency devaluation. He said, "we can't tell precisely what its effect will be because newsprint is in oversupply. It might mean, however, that Canadian companies will obtain marginal orders that might have been turned down earlier. It gives us more room to maneuver." As his company was able to underbid Great Northern on an export order earlier in the year, the marginal orders he mentions could now have the margin widened in favor of Canadian producers by approximately 8%.

Manufacturing Dept.

The seventh annual banquet honoring the retired employees of the mills was held this year on May 24 at the Millinocket Municipal Auditorium.

This event, which to those senior citizens is their most important social event, was the most successful yet held.

The attendance was approximately 220 with some of the guests traveling as far as one hundred miles to share in the festivities.

Manufacturing Dept.

Once again the Company has arranged to present Savings Bonds at graduation exercises of both Stearns High School and Schenck High School for the outstanding student in Mathematics, Science, and Vocational Shop. One fifty-dollar bond will be awarded to the outstanding student in Mathematics and Science; one fifty-dollar bond to the student who has shown most improvement in Mathematics and Science; one twenty-five-dollar bond to the student who has shown second great improvement in Mathematics and Science; and one fifty-dollar bond to the outstanding student in the Vocational Shop Course.

Manufacturing Dept.

GREAT NORTHERN MONTHLY SALARIED EMPLOYEES NEWSLETTER

MILLINOCKET, FRIDAY, MAY 18, 1962

Information has been received from Southern Land, Timber & Pulp Corporation that a registration statement has been filed by Southern Land with the Securities and Exchange Commission in Washington. This is the first of a series of steps that must be taken by Southern Land to clear up complicated legal problems that must be disposed of before the joint venture with Great Northern can be consummated. When the registration statement becomes effective under Securities and Exchange Commission regulations, Southern Land will then call a stockholders' meeting to approve the venture. Construction is proceeding slowly for the time being; the major effort will not get under way until financing has been completed.

R. Hellendale

The horizon at the south end of the Millinocket Mill is rapidly changing these days and the question that obviously comes up is, "When will Coating be a reality in the Great Northern Paper Company?" . . . At the present time, our Research group is extremely active in all phases of coating investigational work to allow us to be ready to go to work just as soon as the coating equipment is properly shaken down. Research has made several mill paper trials on No. 6 paper machine, resulting in a sheet suitable for coating base stock. The paper has been sent to the Black-Clawson Laboratory at Fulton, New York for coating on their pilot coater, which is similar in basic design to our production-sized unit. In order to properly finish the paper after coating, it has been super-calendered both at Bergstrom Paper Company in Wisconsin and New York & Penn Co. in Lockhaven, Pennsylvania. Printing trials of the super-calendered paper have been run at the Williams' Press in Albany. All of this development work has taken a good deal of time and will be continuing right up to the time of plant start-up. Results appear good and Research is quite enthused.

October 1 is the date to get the coating operation underway. It is expected that excellent quality coated paper will be available for tonnage orders by the first of the year.

Don Nelder, as Coating Superintendent and Dick Maley, Superintendent of Super Calendering & Finishing will be selecting their supervisory group and operators in August and September. They will be put through very stringent training before start-up, so that there will be a minimum of upset while getting the plant into operation. Vic Mattson and his group, who are carrying out the Research work, will go into the Coating plant to assist Don and Dick from the technical viewpoint. This is a big job for the Millinocket Mill to undertake and between Engineering, Research and the Mill operators, an excellent team program has been worked out.

Such an operation is upsetting at the Millinocket Mill and we hope that everybody concerned will bear with it, realizing that the prestige of Great Northern and the general return on the marketed coated paper will be greatly in the Company's favor.

D. F. Pollard

Bangor Daily News Special Supplement was mailed to customers and prospects for the dual purpose of telling the Company's story and also as an example of letterpress printing on Jet.

So far, some 19 responses have come back to the New York office. Some were routinely polite acknowledgments, and some went a bit further, such as

" . . . The printing of the special section on Jet Printing L newsprint looks very good. I think that your president, Mr. Paine, sums it up very well when he says, 'I can see no limits to the growth potential of this company' "

" . . . The printing stands out very nicely on the Jet Printing. It is too bad that we can't afford to run this better sheet on our daily issues I hate to hit a sour note, but I do note that even this better paper has a rather serious show-through. This is indicated on Page 5 of my issue where the word 'Logan' shows through plainly from Page 6 We hope the new Research Department will enable you to eliminate entirely the serious show-through problem "

" . . . I wish I had a morning paper that looked as good and was as readable, as is this special edition. I know the printing has a lot to do with it, but the paper has a lot more As you may or may not know, we have been successful in switching some of our customers to Jet from poorer quality paper, and actually some people have switched down to Jet from a more expensive stock, because the printing quality is better "

" . . . We do want to remind you that last October we did make very good use of this same Great Northern product for our 90th Anniversary edition. We know that when you send out a bunch of form letters it is hard to pick out one individual and custom-build the letter just for him. However, in my response I can't help but repeat our enthusiastic message to you of last October when we expressed our keen satisfaction in your Jet newsprint and the job it did for us on our Anniversary edition and while we are throwing bouquets your way, thanks again for hosting us at the Hunt Breakfast . . . in my opinion, that was the best party of ANPA week "

H. Thurlow

The snow cover over the West Branch watershed this past winter was one of the lowest on record. Fortunately, water storage was above the rule curve so that we started the water year on April 1 with 19 BCF of water in storage. To date, 25 BCF has been added to the storage. This has been accomplished by conservative use of water flows and use of supplemental steam power in recent weeks to keep the flow at approximately 2400 c.f.s. at Millinocket. Based on an average of the last ten years we can anticipate adding approximately 4 BCF more to our water storage. This is, of course, dependent primarily on the rainfall which we have during the next month. Over a long period of years the rainfall in June has ranged from 2" to 12" so that any attempt to forecast water in storage is dependent on future weather.

Rule curve operation, which is based on the entire 1901 to 1960 record of the river flows, has been established on a basis that when on a given date the storage is below the rule curve it is necessary to maintain an average flow of 2400 c.f.s. to prevent running out of water at some time in the future. When water is above rule curve, additional flow can safely be used to reduce the demand for the more expensive steam power. At the present time, we are slightly below the rule curve and flows are being held at 2400 c.f.s.

W. F. Daniell

River driving on the North Branch of the Penobscot got under way on May 7. Water supply for driving is less than normal at this time of year. The 1962 drive includes wood at the following locations:

North Branch	30,500	ords
Black Pond	1,300	"
Chesuncook	15,000	"
Ragged Stream	4,000	"
Sourdnahunk	20,000	"
Pemaduncook	15,000	"
	85,800	"

R. E. Clifford

Company camps in Aroostook County opened for the 1962 cutting season on May 7---Kenneth Bartlett's operation is on T.14 R.9, about 30 miles west of the town of Eagle Lake; Alderic Milliard and Wilmer Saucier are cutting on T.12 R.9, 25 miles west of Ashland; and Raymond Guerette is cutting on T.12 R.11, approximately 50 miles west of Ashland. These camps will produce both peeled and rough wood which will be trucked to Moody and MacDonald sidings, then, shipped by rail to Millinocket. Each camp will have approximately 50 men and cutting is scheduled until Christmas. All camps will operate on a five-day week basis with cook-rooms closed on Saturday and Sunday until the hauling season.

Dan Garrity's camp at Johnson Pond will open on May 21 with approximately 35 to 40 men and will be open until late Fall. Dan has five young Yugoslav refugees. These men were sailors on a communist ship, and after several trips to this country decided that they preferred our freedom to communist regimentation. These able young men have had some woods experience in the 'old country' and were referred to us by interested New York parties. They have full FBI clearance.

R. E. Clifford

Furthering our multiple use policy, a great many improvements are being made at the Sourdnhunk campsite. When completed there will be lean-to's, shelters, picnic tables, tenting sites and trailer parking space. The site has been leased to Donald S. Reed.

Rates for the use of camp ground facilities are nominal. There is no charge for launching a boat and plenty of free parking space is available for those not wishing to use the leased area. Although the ice is not out yet, the site is open and has had several satisfied customers.

R. E. Clifford

The CP R.R. has agreed to a per-car rate on pulpwood shipments for a one year trial

It is expected that 12,000 to 14,000 cords per year for the next several years will be shipped from Jackman, Lowelltown and Holeb areas

While pulpwood rates from BAR origins have been on a per-car basis for many years, this is the first time the CP has agreed to per-car rates . . . they have always insisted that pulpwood rates be per hundred pounds.

This wood could be trucked and water driven from Canada Falls and there would be some saving in putting this wood into the drive, but rail shipments will permit greater flexibility in delivery and give fresher wood to the mill.

F. R. Keenan

A reduction in the rail rates on groundwood papers to a limited number of destinations such as Louisville and Chicago was scheduled to go into effect May 15.

However, the Middle Atlantic Conference -- a rate-making organization of Motor Truck Carriers -- has petitioned the Interstate Commerce Commission to suspend the reduced rates.

If the I.C.C. overrules this request for suspension, the new rates will go into effect June 5 if the ruling is made before that date. If they rule to suspend, it will be a long story.

F. R. Keenan

Great Northern part of Offset Newspaper Project . . . The Rochester Institute of Technology at Rochester, New York, recently publicized a project to study the application of web offset to color printing in newspapers. Three companies in conjunction with the Institute comprise a team to test and evaluate costs, times, etc., as well as pointing the way for newspapers to produce the quality of color printing desired by their advertisers.

The participating companies are Great Northern, supplying the necessary newsprint, the Worcester Telegram and Gazette of Worcester, Mass., and the United States Printing Ink Corporation of Little Ferry, N.J.

Great Northern has assisted the Institute with research support regularly since the web offset lab was instituted in 1950. In addition the Company has conducted a regular testing program at the Institute, comparing and improving its paper supply for web offset application.

W. E. Praught

How GNP helps the student . . .

The Company was host on Monday, May 7 to four professors and twelve senior students from the pulp and paper department of Syracuse University. The group toured both mills and the Engineering and Research Building, during which a comprehensive explanation of processes and facilities was given.

At East Millinocket a question and answer period was held and another was conducted at Millinocket at the end of the day.

As in past years, the Company has sponsored four outstanding high school students from Millinocket and East Millinocket at the University of Maine Open House Research Day. Two young men from each high school are chosen for this visit each year, and a great majority of the students who have taken part have chosen the U. of M. as their educational institution with Great Northern as their potential employer.

The Junior Achievement "Future Unlimited" annual banquet was held Monday, May 14, with a good attendance of Company officials, achievers and their guests.

Greetings from Great Northern were expressed by Mr. D. F. Pollard and reports of the three companies' activities were given by the respective J. A. presidents.

Highlight of the evening was the presentation of awards by Mr. Pollard, Mr. W. L. Adams, J. A. Director, and Robert Marsh, Arthur Michaud and Keith Veazie, Management Advisors.

The program of Junior Achievement, as pointed out by Mr. Pollard in his remarks, is one of the most rewarding of community activities carried out by Great Northern. Three J. A. Companies are presently being sponsored by the Company.

W. E. Praught

Visitors during the past week were three representatives from Western Litho and Printing, Poughkeepsie, New York. While here they visited both mills and the Woodlands Department operation at Johnson Pond. The gentlemen were Gene Oweca, Doug Gould, and Don Scarborough. Their particular interest was in the Company's specialty grades.

W. E. Praught

The confidential price list in the hands of sales personnel was revised as of May 1.

The change stems from the offering of Publication Printing in 33# basis weight instead of 34#.

H. Thurlow

The beautiful 4-color hi-fi preprint on Ballantine Beer (golden hops, dew on bottle, etc. etc.) that appeared in May 7th N.Y. Herald Tribune also ran in many dailies in the Ballantine sales area . . . which includes Washington, D.C., but not up as far as Boston. It was printed gravure on GNP 34# Pub Printing at Nashua.

H. Thurlow

Paper shipments to customers during 19 weeks ended 5/13/62

	Tons Shipped		% Change
	1962	1961	
<u>Newsprint</u>			
Domestic	122,936	119,421	+2.9
Export	6,157	23,921	-74.3
Total News	129,093	143,342	-9.9
<u>Specialty</u>			
<u>Domestic</u>			
Pub Printing	14,468	8,389	+72.5
Novel News	6,438	5,330	+20.8
Jet Printing	18,937	17,221	+10.0
Lightweight	12,683	8,956	+41.6
Others	3,334	2,414	+38.1
Total Domestic	55,860	42,310	+32.0
<u>Export</u>			
Pub Printing	1,393	3,051	-54.3
Lightweight	3,446	3,196	+7.8
Others	259	43	+502.3
Total Export	5,098	6,290	-19.0
Total Specialties	60,958	48,600	+25.4
Total Paper	190,051	191,942	-1.0
<u>Wrapper</u>	313	463	-32.4
Total Shipments	190,364	192,405	-1.1

Tonnage shipped was 1% less than the 192,169 tons forecasted on February 16, 1962 for shipments during this period.

R. E. Broughton

Paper production for 19 weeks ended 5/13/62

	1962		1961		% Change
	Tons	Daily Avg.	Tons	Daily Avg.	
<u>Production:</u>					
East Millinocket	107,233	806	109,030	820	(1.6)
Millinocket	84,165	633	84,988	639	(1.0)
	191,398	1,439	194,018	1,459	(1.4)

W. O. Wagner

Paper on tracks and in storage

	May 13		May 6	
	Tons	Cars	Tons	Cars
Millinocket	1,997.6	63	623.7	21
East Millinocket	1,486.7	57	1,213.1	46
Searsport, etc.	503.0	-	588.9	-
	3,987.3	120	2,425.7	67
Less cars reported by mill as released Sunday, billed Monday		42		32
Mill report of cars on hand		78		35

W. O. Wagner

Paper sheeted at East Millinocket during 16-week period ended 4/22/62

Grade	Fourth Period		Year to Date	
	1962	1961	1962	1961
News	20.8	84.7	104.2	398.0
Addenda	-	55.9	-	132.7
Jet Printing	20.2	4.5	72.3	61.3
Layer Board	-	-	111.0	163.5
Pub Printing	35.8	17.8	143.6	116.2
Toll Ticket	-	4.3	-	4.3
Total	<u>76.8</u>	<u>167.2</u>	<u>431.1</u>	<u>876.0</u>

(Operating one shift in 1962 and two shifts in 1961)

W. O. Wagner

Pulpwood deliveries for the 19-week period ended 5/13/62

	This Week	Year to Date		
		1962	1961	1960
Cars on hand beginning	79	77	75	255
Received	310	6,385	4,825	7,579
Released	<u>331</u>	<u>6,404</u>	<u>4,827</u>	<u>7,781</u>
Cars on hand ending	<u>58</u>	<u>58</u>	<u>73</u>	<u>53</u>

J. H. McVey

This is the first issue of the bi-weekly newsletter for distribution to all monthly paid employees. Barring unforeseen difficulties, it is planned to mail future letters during the balance of this year on the following dates:

- | | |
|---------|----------|
| May 18 | Sept. 21 |
| June 1 | Oct. 5 |
| June 15 | Oct. 19 |
| June 29 | Nov. 2 |
| July 13 | Nov. 16 |
| July 27 | Nov. 30 |
| Aug. 10 | Dec. 14 |
| Aug. 24 | Dec. 28 |
| Sept. 7 | |

These letters will be only as interesting as the news items which they contain. If you have any information which you think would be of interest to the 400 monthly-paid employees receiving this letter, please submit the information to your department representative listed below:

- | | |
|-----------------------|-----------------|
| Controller's Dept. | D. M. Ouellette |
| Engineering Dept. | H. D. Carroll |
| Insurance Dept. | T. H. Flanagan |
| Manufacturing Dept. | W. M. Praught |
| Purchasing Dept. | A. E. Gourley |
| Research & Dev. Dept. | A. L. Meucci |
| Sales Dept. | H. L. Thurlow |
| Traffic Dept. | F. R. Keenan |
| Treasury Dept. | S. G. Hawes |
| Woodlands Dept. | R. E. Clifford |

D. M. Ouellette