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GREAT NORTHERN PAPER COMPANY

NEWSLETTER

FOR MANAGEMENT EMPLOYEES

Vol. XII No. 8

Stamford, Connecticut

November 26, 1973

SOUTHERN DIVISION MILL RECEIVES POLLUTION ABATEMENT RECOGNITION

An award for outstanding accomplishments in the abatement of water pollution, the first ever to be given to a pulp and paper mill in the State of Georgia, was recently presented to the Southern Division.

Formal ceremonies were conducted on November 12, when a special plaque acclaiming Cedar Springs for "the best operated and maintained industrial waste water treatment plant in Georgia", was presented to Bruce P. Ellen, executive vice president-Southern Division.

In making the award, Mr. Billy Turner, chairman, Water Pollution Control Section, Georgia Water and Pollution Control Association, explained that the judging was based not only on overall pollution abatement efforts but also on "good day-to-day operation of waste water treatment facilities as well as continuing programs to improve water quality."

The Georgia Water and Pollution Control Association has a membership of approximately 1,500, 515 of whom are members of the Water Pollution Control Section and the National Water Pollution Control Federation.

In compliance with the new Federal
"WELFARE OR PENSION PLANS DISCLOSURE ACT"
please see statement on Page 2.

2ND PAPER CONVERTER ACQUIRED BY NEKOOSA

The acquisition of Heco Envelope Company, Chicago by Nekoosa Edwards Paper Company, Inc., Port Edwards, Wisconsin, was announced on November 7. Making a joint statement, Gerard E. Vene-man, president of Nekoosa and Roger H. Miller, president of the envelope manufacturer, explained that Heco will operate as a subsidiary of Nekoosa, with Mr. Miller continuing in his present post. All other key management will also remain in their current positions.
(continued on next page)

NORTHERN DIVISION PREPARES FOR PREDICTED ENERGY CRUNCH

Indications of a possible fuel oil shortage in Maine have resulted in immediate energy conservation action at the Northern Division.

Dropping office temperatures to 65 degrees during working hours and to 60 degrees after 5 p.m. was one of several changes put into effect by Robert J. Shinnors, vice president-Northern Division. In addition, temperatures have been dropped below 60 degrees in warehouses and other similar buildings, and a survey is underway to determine if savings could be realized by reducing speed limits maintained by company vehicles.
(continued on next page)

PRODUCTION FOR THE TEN MONTHS ENDING OCTOBER 31, 1973

	1973		1972	
	Tons	Daily Avg.	Tons	Daily Avg.
CEDAR SPRINGS	601,517	2,077	624,653	2,130
EAST MILLINOCKET	298,898	998	323,423	1,076
MILLINOCKET	<u>344,422</u>	<u>1,150</u>	<u>262,685</u>	<u>1,239</u>
	1,244,837	4,225	1,210,761	4,445

NEKOOSA ACQUISITION
(continued from page one)

Nekoosa's first venture into the paper converting field occurred in December 1972 when the company acquired Wisconsin Envelope Company, Inc. of North Chicago, Illinois and Tullahoma, Tennessee.

Heco produces a wide range of envelopes, selling them to several thousand customers in the midwest. Its major customers include insurance companies, publishers, financial institutions, direct mail, and fund raising organizations and utilities.

Heco recently moved into a newly remodeled 125,000 square foot building in Chicago which was designed specifically to accommodate its rapid growth in the manufacture of specialty envelopes.

In discussing Heco, Mr. Veneman noted that the company has an excellent reputation in its specialized field. He said, "We consider paper converting to be an integral part of our business and are pleased that such an excellent company as Heco is joining us to strengthen our participation in this area of business."

ENERGY CONSERVATION PLANS
(continued from page one)

To further implement the conservation effort, Mr. Shinnars announced on November 21 the appointment of Ralph E. Gross to the newly created position of industrial conservation coordinator. Mr. Gross, and members of the recently formed

industrial conservation task force, a committee comprised of men involved in all aspects of Northern Division operations, will work with managers and department heads in an effort to find ways to make the most of available supplies of energy. They will also develop standby plans for meeting emergencies requiring temporary production cutbacks.

Additional energy conservation plans at Northern Division and steps being taken at Southern Division and Stamford will be reviewed in detail in the December Newsletter.

FULL DISCLOSURE ACT

In compliance with new Federal laws concerning pension plans, please be informed that you are entitled to examine copies of the description of pension or retirement plans under which you are covered and of the latest annual report which the company has filed with the U.S. Department of Labor.

These may be seen from 1 to 4 p.m. daily, Monday through Thursday, at the following offices: Stamford, at the office of the manager, salary and benefits; Millinocket area, at the respective personnel offices or the salary and benefits office at 14 Katahdin Avenue; Cedar Springs, at the office of the industrial relations manager.

You may also, by writing to any of the above offices, receive copies of the reports. They will be delivered within 5 days after the request is received.

REPORT ON 1972 GIFTS PROGRAM

Thirty-six Great Northern employees took advantage of the company's Matching Gifts Program last year, contributing \$4,642.50 to 56 educational institutions.

This program, established in 1966, was amended in 1969 to include any college, university, or secondary school in the United States or its possessions which grants a two or four-year graduate or undergraduate degree. Schools, privately or tax supported, which are accredited by a national, regional or professional accrediting organization, are eligible. Accredited or similarly well established independent secondary schools (defined as secondary schools which receive no more than ten percent of their support from any single establishment), also qualify.

Employees with at least three months service with the company may take advantage of the Matching Gifts benefit. Personal donations in cash which qualify for exemption under the Federal Income Tax Law, qualify under this program.

The employee's portion of the donation may be for restricted or unrestricted purposes, alumni or capital campaigns, endowments or scholarship, and may be made to more than one institution. The company's matching gift is always for unrestricted purposes.

The minimum amount to qualify for a matching gift is \$20.00. The maximum contribution which will be matched is \$500.00 per institution, per employee, per year.

An application for the Matching Gift Program can be obtained from the salary and benefits department or the personnel department. When completed, it should be forwarded to the school with the personal contribution. The college then completes the second part of the application form and returns it to the Finance Division of the company. When eligibility is verified, a check in the proper amount is drawn and sent to the school.

AT THE DIVISIONS

Plans for expansion of the finishing and shipping facilities at the Millinocket mill are presently in the engineering stage. Major construction will start in the spring of 1974 with start-up scheduled for November 1974.

The facilities will include a new Williams & Wilson finishing line (similar to the No. 11 paper machine finishing equipment), and a Reliance Electric Automate 33 Programmable Controller.

A new two-track train shed will be constructed west of the existing structure to hold six, 50-foot hydroframe rail cars. The north end of the existing train shed will be renovated to provide a pre-wrap storage area and new discharge ramp. This space will be made available by eliminating two car lengths of the existing train shed.

Neill & Gunter Limited of New Brunswick are consulting engineers for this project.

Two hundred forty-seven cooks at the sulfite mill in Millinocket were recorded the week of October 8. This surpasses the record of 238 cooks set earlier this year.

The third joint meeting between the research departments of Great Northern and Nekoosa Edwards was held in Millinocket October 29. Purpose of the session was to coordinate the research efforts of the two companies to better serve the needs of Great Northern Nekoosa. Common interest subjects discussed included: sulfur dioxide gas analysis; paper machine retention; computers in process control; and methods of storing, retrieving and reporting laboratory results and technical information.

During the first meeting of the two groups, held in August 1972, Dr. Terry O. Norris, vice president-research and development, Nekoosa Edwards, and five of

his group leaders described their organization, key projects and equipment to members of the Great Northern research and development department.

At the second meeting last December, Dr. Victor F. Mattson, director of research, engineering and forest management of Great Northern, and his project supervisors, made a similar presentation at Port Edwards.

Great Northern was the first paper company in Maine to get involved in the lumber business when it acquired Pinkham Lumber in August 1972.

Since that time, Diamond International, St. Regis and Georgia-Pacific have started construction of stud mills, and Scott said it will add a saw mill at its proposed Hinckley plant. Reports also indicate that International is looking into the possibilities of getting into the lumber business in Maine.

Filming of a movie designed to inform Maine residents of the opportunities for young people in the logging field was completed earlier this month at Northern Division.

Another Great Northern effort to stimulate interest in woodcutting as a career, the new film will also be used to acquaint the general public with improved working conditions and opportunities in the industry. Target date for showing is early 1974.

Everett Foster, a well-known Maine photographer, shot the footage for the film, working in cooperation with members of the Ted Barash agency, the producers, and members of Great Northern's training and woodlands departments and Pinkham Lumber Company personnel.

Words of Wisdom....A truth that's told with bad intent, beats all the lies you can invent...William Blake

GNP's willingness to cooperate with the Public Lands Committee, chaired by Senator Harrison L. Richardson, Republican of Cumberland, Maine, in their study of "public lots" was reaffirmed by Robert J. Shinnors, vice president-Northern Division, during a meeting of the group held recently in Orono.

Great Northern was one of approximately two dozen companies owning and managing timberland in Maine invited to attend the hearing, part of a series being conducted by the legislative group across the state.

The issue being studied involves 400,000 acres of timber and grass cutting rights worth millions of dollars. When Maine separated from Massachusetts in 1820, land (public lots) was held aside for sale until the time a township was organized. Money received from the sale was to be used to support schools and the ministry. In the intervening years, while no townships have been formed on the land, the state sold off timber and grass cutting rights on these lots. Some of the lots on which these rights were sold, many years ago, have been located, some have not.

Recently, environmental groups have been prodding the state to reclaim full title to the public lots for use as recreational areas.

After a thorough study by an assistant attorney general suggested that the grass and timber rights sold were only those previously existing on the land at the time of the sale, the courts were asked to clarify the issue. Great Northern and International Paper, Prentiss & Carlisle, a land management firm, and four individual landowners joined in asking the court to reaffirm that the rights they acquired are still valid until townships are organized.

At about the same time, the Public Lands Committee got an opinion from the State Supreme Court that individual lots could be combined to provide blocks large enough to permit public recreation or other uses.

The Public Lands Committee then launched hearings to examine the management (continued on next page)

ment practices of owners of the grass and timber rights, leasing programs and other issues.

At the Orono meeting, Mr. Shinnars told the Committee that GNP treats public lots in the same manner it manages all of its lands. "Our goal is to provide sustained yield throughout all areas after the initial cutting of over-mature tracts. We cooperate closely with state and federal agencies, and with the public, relative to aesthetics, recreation, and protection of the forest.

"While we are primarily concerned with the reproduction, growth, protection and harvesting of spruce and fir, we do not overlook the perpetuation of hemlock, pine and various hardwood species in our overall timberland management plan."

In conclusion, Mr. Shinnars stated, "Great Northern is growing in Maine. We hope the need for fibre for paper and timber for lumber will be considered in your deliberations. Our commitments are totally dependent on healthy and productive forests. In dealing with the public lots, we appreciate the complicated matters facing this committee. We have gone to court in a sincere attempt to clarify important legal questions regarding this issue.

"The State of Maine has every right to adopt a new philosophy for the public lands. Great Northern has been a good corporate citizen of the state for three-quarters of a century. When and if a new policy is adopted, you can be assured of our cooperation."

J. R. Goody, staff forester, and P. K. Patterson, manager of timberlands forestry, also attended this meeting and answered questions concerning GNP's land management and harvesting policies.

Graduation ceremonies for the second group of woodcutters from GNP's new training program for prospective loggers (see story October Newsletter) took place in mid-November.

Twenty-five students completed the course and have been moved into the woods camp which is operating at Pittston Farm.

NEKOOSA EDWARDS

Pollution abatement, profits, and shortages affecting the paper industry, were discussed by Gerard E. Veneman, president of Nekoosa Edwards, Dr. Terry O. Norris, the company's vice president of research and development, and management representing four other Wisconsin pulp and paper companies during a press conference sponsored recently by the Wisconsin Paper Council.

Mr. Veneman reported that Nekoosa is presently investing \$25 million in pollution abatement equipment and facilities to meet federal Environmental Protection Agency requirements. These facilities, now in operation or under construction at Nekoosa mills, will bring the company in line with current EPA guidelines which stress the "best practical" abatement technology be used by 1977. After that date, industry is required by law to implement the "best available" technology. "At this point," Mr. Veneman stated, "we have no idea what that means or what it will cost."

Asked about the EPA's call for "zero discharge" by 1985, Dr. Norris said this might change as more data is accumulated and the term "zero discharge" is fully defined. "The question is how close do we need to get to zero," Dr. Norris explained. "The fastest way to kill off aquatic plant life in a stream is to fill it with nothing but distilled water."

The company officials cited energy conservation and well planned reforestation practices as ways to help meet present industry "shortages". Although they admitted that paper industry profits are presently at a better level compared to the last several years which have reflected a depressed situation, they stressed the point that these shortages could severely hamper future performance.

Lack of individual wood cutters, the
(continued on next page)

mid-east situation, and a cold winter also concerned the management group which agreed that there could be a considerable amount of paper mill "down time" if the coming months do not show an improvement.

Complex pollution control programs for Nekoosa Edwards' mills were outlined during a hearing conducted earlier this month by the Federal Environmental Protection Agency and the Department of Natural Resources. The joint session concerned the issuance of waste discharge permits which set specific limitations on industrial firms discharging wastes into the Wisconsin River.

The programs, included in conditions to be attached to the permits, concern the company's Port Edwards, Nekoosa, and Whiting-Plover mills.

During the hearing, Nekoosa was advised that treatment of effluent from the Port Edwards and Nekoosa mills at a single plant would be allowed if a "treatability study" currently underway shows that the idea would work.

A consulting engineer working on the study for Nekoosa said the joint treatment plant would be the only one of its kind in the world. He explained that because the pulp mill at Port Edwards uses a sulfite process, and the one at Nekoosa a kraft process, one mill produces an acid effluent and the other an alkaline waste, making joint treatment compatible. "However", he concluded, "the idea is still untested."

Jerome Luebke, manager of engineering at Nekoosa, indicated his concern to those in attendance regarding the uncertainty of EPA/DNR dictates. He referred to the large sums of money presently being spent by the company on requirements that are still undefined and questionable.

Mr. Luebke also stated that Nekoosa may have to end pulp production from cotton waste at its Whiting-Plover mill near Stevens Point due to the proposed waste discharge limitations. The closing would

mean a loss of jobs in the area and interference with what is now a use of waste materials from the textile industry.

A request by Nekoosa to delay the issuance of the permits to allow time for completion of the treatability study, expected in April 1974, was denied. The EPA hearing chairman said the first permits should be issued in 60 to 90 days.

GUEST COLUMNIST

Modern Techology In Two Sizes....

by R. A. Venditti, Applied Math Group Leader; and O. H. Merrill, Process Dynamics Group Leader.

Monitoring the flow and balance of liquor in high yield sulfite washing; blade and roll coater formulations; and grade/cost projections, are just a few of the many problems being solved by Northern Division personnel with the help of a recently installed "mini" computer system.

Just 12 months ago, Great Northern's research department in Millinocket purchased the "desk top" computer with an "x-y" plotter. Within the year, increased usage, greater acceptance and a growing number of applications created the need to expand this mini installation to include a 160-column typewriter output and tape cassette memory device.

The entire system sits on a table in the applied math group office. Different than its larger counterparts, the unit is simple in design allowing even the layman to benefit from its labor-saving features. Through the computer's central processing unit (CPU), the operator can enter programs and/or data by using the keyboard or magnetic cards and tape. The computer displays the input information and asks the operator if the input as shown is correct. If a wrong entry has been made, it can be corrected immediately. No delays, no keypunch effort, no turn-around time.

At this point the computer executes the problem and gives a solution in one or more of three possible methods. It has a small line printer, 16 characters wide, usually used for smaller output applications. A 160-column typewriter out-

put produces finished product reports. This typewriter has all the capabilities of a commercial typewriter. For more sophisticated output applications, an x-y plotter can be used to draw and write solutions. It can generate plots, words, and numbers. The plotter is also used in conjunction with data and graphical presentations.

For additional storage capability, a tape cassette memory device saves large amounts of program and data for quick recall.

On a much larger scale, the Northern Division also calls upon computer technology in its manufacturing processes.

One of the latest installations is the process control computer on No. 11 paper machine. This digital system performs a number of control functions which are difficult or impossible to do with an analog system. Use of this equipment has made it possible to tune the basis weight controller so that it responds quickly to process changes or basis weight target changes while maintaining stability. A monitoring program automatically reduces steam pressures when there is a wet end break on the machine, and returns the pressures to their original values when the operator pushes a button. This feature saves the operator time and eliminates the need to remember four pressure set points during a period when he is the busiest. Other programmed logic starts up or shuts down the saveall by use of single pushbuttons.

Work is proceeding on logic to start up and shut down the entire machine, as well as make basis weight and speed changes. The computer also types out summaries of machine performance at the end of each shift and on the completion of each grade run.

President Nixon has signed legislation authorizing a program aimed at encouraging private landowners to plant trees and improve existing forest stands in order to help meet the rising demand for forest products expected in the years ahead.

The legislation, labeled a Forestry Incentives Program, was contained in the Farm Bill recently signed by the President. The incentives effort will be a cooperative program with the Forest Service as the lead agency.

Forest Service Chief John McGuire pointed out that the latest National Timber Review made by his department stressed that the best opportunity for increasing timber supplies to meet future demands at acceptable prices was intensification of growth rates on the nearly 300 million acres of private, non-industrial forest lands. These lands comprise about 60 percent of the nation's forest land base.

Under the program, landowners will be encouraged to plant additional trees and to perform forestry practices to improve the condition of existing forest stands. The government will share the cost of establishing plantations and other approved forestry practices with private landowners who meet eligibility requirements.

Details of approved practices and eligibility requirements are being worked out and will be specified in program guidelines.

NAMES IN THE NEWS

FRANCIS G. WALKER, currently serving as vice president-merchant operations for Nekoosa Edwards Paper Company, Inc. and president of the company's subsidiary, Butler Paper Company, has been named vice president of merchant and converting operations for Nekoosa Edwards.

In making the announcement, Gerard E. Veneman, Nekoosa president, said that Mr. Walker's responsibilities are being broadened to more fully recognize the scope of his activities. He will continue as president of Butler Paper.

ORGANIZATIONAL CHANGES

MICHAEL J. ANDRICK has been promoted to tour foreman in the groundwood mills, Millinocket.

Mr. Andrick joined Great Northern in 1967. He held a position in the chip refiner plant prior to his new assignment.

VICTOR M. ANTONIELLO, manager of accounting-corporate, has had his duties expanded to include corporate budgeting.

Mr. Antoniello has been with the company since 1969.

PHILIP CANNELLA has been named GNN tax manager reporting to the vice-president-finance.

Mr. Cannella joined GNP's controller's department in 1970.

SHELDON W. COTE has been promoted to the newly created position of cost analyst, Millinocket.

In this capacity he is responsible for providing analytical assistance to Division financial management, reporting directly to the supervisor, costs and budgets.

THOMAS W. KELLY has been promoted to the newly created position of assistant manager of accounting, Millinocket. He reports to the manager of accounting and is responsible for general accounting, billing, costs and budgets and office services.

ANGELO P. MANZO has been promoted to tour foreman, sulphite and pollution

abatement, Millinocket.

Mr. Manzo joined GNP in 1948 and previously held the position of washer opera...

IRVING MORROW has been promoted to tour foreman in the groundwood mills, Millinocket.

Mr. Morrow has been with Great Northern since 1953 and formerly was head grinderman.

NEW EMPLOYEES

CHERYL A. HUTCHINS has joined the Northern Division research department as research technologist. She reports to Richard A. Venditti, applied math group leader, and will be doing scientific analysis and computer programming.

Miss Hutchins is a graduate of M.I.T. with a major in computer science with related courses in electrical engineering. She has also completed her work at the University of Maine, Orono, for a Masters Degree in mathematics.

JAMES A. GILL has accepted the position of senior development engineer with the product development department of GNP, Millinocket.

Mr. Gill has had 15 years experience in the field with Fraser Paper, Ltd., where he held several positions including group leader of product development, control superintendent, and more recently, process development in central research.

TERMINATIONS

JOHN H. CAMERON effective November 21, 1973.

FRANK J. REIDY effective November 21, 1973.



GREAT NORTHERN PAPER COMPANY

NEWSLETTER

FOR MANAGEMENT EMPLOYEES

Vol. XII No. 7

Stamford, Connecticut

October 31, 1973

GNN EARNINGS RISE 56% IN THIRD QUARTER

On October 17, GNN reported record increases in sales and earnings for the third quarter and the first nine months of 1973.

Net income for the quarter was \$6,883,000 or \$1.28 a share primary, compared with \$4,426,000 or \$.83 a share in 1972. This represents an improvement of 56 percent over the prior period in net income and the ninth consecutive year-to-year gain in quarterly earnings.

Third quarter sales increased 22 percent to \$120,345,000 in 1973 from \$98,817,000 in 1972. Fully diluted earnings per share were \$1.24 in 1973 and \$.81 in 1972.

For the first nine months of 1973, net income was \$18,637,000, a 46 percent increase over the comparable period of 1972 when net income was \$12,734,000. Earnings per share were \$3.46 primary and 3.36 fully diluted in 1973, and \$2.37 primary and \$2.31 fully diluted in 1972. Sales were \$359,654,000 and \$296,909,000 in the first nine months of 1973 and 1972, respectively, an increase of 21 percent.

Profits stemmed principally from products manufactured in GNN southern and mid-western mills. Despite price increases, the northern mills at Millinocket and East Millinocket recovered only part of cost increases incurred this year.

(continued on page 2)

GNN EXPANSIONS IN LINE WITH LONG-RANGE CORPORATE GOALS

Following a corporate plan of growth in the forest products area, GNN recently announced the acquisition of a forest products operation in Arkansas and plans for the construction of a forest products processing center in Florida.

On October 9, the company finalized arrangements for the acquisition of Bibler Brothers, Inc., of Russellville, Arkansas, a diversified forest products and farming organization. Making a joint statement, G. E. Veneman, president of Nekoosa Edwards Paper Company, Inc., and James (continued on page 2)

PRICE INCREASES ANNOUNCED

On October 15, Great Northern Paper Company put into effect price increases on various grades of newsprint, groundwood printing papers, and coated paper.

According to John H. Staples, vice president-sales, the increases, which received Cost of Living Council approval, will only partially recover manufacturing cost increases incurred at the Northern Division between the last quarter of 1972 and July 31, 1973.

GNP anticipates further increases for all basis weights of paper, subject to CLC approval, to become effective January 1, 1974.

PRODUCTION FOR THE NINE MONTHS ENDING SEPTEMBER 30, 1973

	1973		1972	
	Tons	Daily Avg.	Tons	Daily Avg.
CEDAR SPRINGS	539,268	2,086	558,604	2,127
EAST MILLINOCKET	268,742	1,000	289,613	1,074
MILLINOCKET	306,541	1,141	232,968	864
	<u>1,114,551</u>	<u>4,227</u>	<u>1,081,185</u>	<u>4,065</u>

THIRD QUARTER EARNINGS
(continued from page 1)

The rising costs facing Northern Division ranged across the board, but were particularly significant in the areas of fibre, both for wood and purchased pulps, oil and transportation.

A few months ago, GNN's northern mills and other paper manufacturers in the northeast were selling in what was called a "soft" market (price competition was intense). At the same time, costs were increasing dramatically.

Federal price controls were imposed before GNP prices caught up with costs incurred over several years. The recently announced price increases (see story page 1) now possible under federal guidelines can reflect only 1973 cost increases - not those absorbed prior to January 1, 1973.

Northern Division's operations have also been complicated by breaking in a revolutionary new paper machine (Ultra Eleven) at Millinocket, and wood and pulp shortages.

Sam Casey, president and chief executive officer of GNN, attributed the improved overall corporate results to the continued strong demand for all products. He noted that the company had incurred some downtime in the third quarter due to shortage of fibre and that this continued to deny GNN full running capability.

Mr. Casey also reported that prices

were increased up to eight percent in the domestic market with somewhat greater increases placed on export shipments.

GNN EXPANSIONS IN LINE WITH GOALS
(continued from page 1)

Bibler, executive vice president of Bibler Brothers, explained that the company will operate as a Nekoosa Edwards subsidiary.

Bibler Brothers owns approximately 16,500 acres of forest land. Two thousand additional acres are used in its farming operations which include the raising of beef cattle and turkeys. Bibler has sawmills and chip production facilities at both Russellville and Clarksville, Arkansas and manufactures wooden pallets, trusses for poultry buildings and reels for electric cables.

In line with an extensive construction program at its forest products operations, Bibler has announced immediate plans for the installation of a kiln, a log separator and a whole log chipper, in addition to a hardwood plywood plant and a new stud mill.

According to Mr. Veneman, Nekoosa combined forces with Bibler Brothers because they are a fast growing, well run forest products organization with an excellent future. "We feel that the operation will complement our Ashdown facilities and increase substantially our

source of raw material when the new equipment for added wood chip production is completed next year."

Great Northern Paper Company, Cedar Springs, and Adams & Sons Timber Company of Wing, Alabama made a joint announcement on October 18 of their intention to construct and operate a forest products processing center in Okaloosa County, Florida.

The operation, projected to cost approximately \$4.5 million, will consist of a chip-n-saw for converting tree length pine logs to dimension lumber and chips for pulping, and a dry kiln, finishing, and treating plant for a broad range of products.

According to Bruce P. Ellen, executive vice president, Southern Division, all State and Federal air emission standards will be met by the new center. Bark and refuse from the installation will be utilized in a modern boiler equipped with the latest pollution abatement devices, to produce process steam.

Following start-up, scheduled for the latter part of 1974, approximately 200 new jobs will be created. An estimated 100 employees will be connected directly with the mill and 75 to 100 in cutting and supplying wood.

GNN'S REAR ENTRANCE ROAD IS PART OF URBAN RENEWAL

Greyrock Place, access road to GNN's rear building entrance and parking facilities, will undergo changes in line with the enormous redevelopment project currently underway in Stamford. This project, focusing on an area between Exits 7 and 8 on the Connecticut Turnpike, involves approximately 130 acres and a cost of \$250 million.

According to the Stamford New Urban Corporation, the concern responsible for the redevelopment plan and its construction, Greyrock Place will eventually serve as an access road to a one million square foot, two-level, enclosed mall shopping center.

At the corner of Broad Street and

Greyrock will be located one of two major retail outlets. This 200,000 square foot store will be on the west side of Greyrock Place abutting twin theaters and an 800-car parking garage being constructed on the east side. An enclosed pedestrian bridge across Greyrock will link the two structures.

Stretching three city blocks, the shopping center will terminate at Tresser Blvd. and will be anchored by another 200,000 square foot department store.

Land acquisition by the Stamford Urban Renewal Commission is about 90 percent complete. Approximately 85 percent of the demolition has been accomplished.

Some \$65 million in office and housing projects has already been finished including the new world headquarters of General Telephone and Electronics Corporation, a 21-story sculptured office building, three 17-story cylindrical apartment buildings and a new 200-unit apartment complex.

In various stages of construction are a 300-plus room motor hotel, a regional shopping center, a public-use facility such as a performing arts center or civic auditorium, and a 21-story office tower complex to be named Landmark Square. This area will include an ice sports arena, a shopping arcade and additional office space in five low-rise buildings with retail shopping at the pedestrian level.

A RED, WHITE AND BLUE REMINDER

Accompanying this Newsletter is a bumper sticker with the message, "Trees Are America's Renewable Resource".

These stickers have been obtained by Great Northern and Nekoosa Edwards as well as many other forest products industries from the Southern Forest Institute, Atlanta, Georgia. Purpose of the communications aid is to remind individuals that forest industries are (continued on next page)

not depleting one of our nation's most valuable natural resources.

SFI reports that they decided to offer bumper stickers again this year due to the overwhelming success of this program in 1972. Last year nearly 40,000 stickers were ordered by paper companies and other related organizations.

According to the manufacturer, because the stickers have been printed on a plastic-type vinyl, they should last approximately two years.

At The Divisions

OPTIMISM HIGH FOR NEW NORTHERN DIVISION PROGRAM....In an effort to help overcome the current shortage of woods labor, a paper industry problem growing in magnitude each year, Great Northern recently initiated a new training program for prospective loggers. Goal of the ten-week course is to attract young Americans into the logging field. Due to an inability to recruit local labor in the past, the present wood cutting work force in Maine is largely dominated by bonded Canadians.

In late September, the first class of 18 young men enrolled in the new program were honored at a graduation party. Sixteen of the loggers are now at work on company harvesting operations in the Pittston Farm region. Five of the graduates are assisting with training a second class of 27 candidates, carefully selected from approximately 50 who sought the opportunity. Many of the applicants for the second course were attracted to the program as the result of widespread coverage given the pilot course by the Associated Press in newspapers throughout the northeast.

Subjects covered by the training sessions range from safety and fire-fighting to tree identification and conservation. Saws and skidders are made available for the men who are taught to operate and maintain this equipment. The class is then divided into three-man crews which begin supervised harvesting

during the third week.

In the past, almost all efforts by paper companies, individually or collectively through an association, to recruit loggers have failed. According to those responsible for this new program, optimism for its success is high mainly because the men participating have been carefully selected, resulting in fewer drop-outs; and also because production of wood by the group has been considerably higher.

The trainees' enthusiasm has rubbed off on all who have been associated with the project - from Henry J. Deabay, personnel supervisor-woodlands, to Russell W. York, education and training director, and their young foremen, Francis and Randy Cyr.

Ultimate success of the course will be measured this fall when the trainees go it alone without a company paid subsidy to supplement their income from harvesting.

In addition to this new program, GNP has also been involved in other intensified efforts throughout the summer to attract young men into the woodcutting field. In northern Aroostook County, Great Northern, Pinkham Lumber Company, International Paper Company and Seven Islands Land Company, have helped fund a vocational training school for wood cutters which is included in the Fort Kent High School curriculum. This summer the youths had an opportunity to take jobs in the woods. A dozen worked on Pinkham operations and seven finished out the full eight weeks. An evaluation session was scheduled for this month in Fort Kent to seek ways to strengthen the program.

In Washington County, GNP is among those supporting a training program offered by Washington County Vocational Technical Institute. The six-month course is in its third session with 21 enrolled. Great Northern donated a skidder to the program and already has several graduates of the course on the company payroll.

HAPPY BIRTHDAY TO US....On October 17, Great Northern Paper Company cele-

brated its 75th birthday..The company, founded in 1898, began operations at Millinocket two years later following the construction of Mill #1 and the installation of eight paper machines.

At that time, GNP was considered the largest paper maker in the world. The company employed approximately 700 and produced 240 tons of newsprint daily.

Seventy-five years later, GNP's Northern Division has grown to include two pulp and paper mills, a lumber mill, and 17 paper machines which account for nearly 2,000 tons of production per day. Employment has risen to approximately 3,800.

An anniversary was also recently celebrated at Southern Division. On September 30, the Cedar Springs paper mill marked 10 full years of operation.

Construction of the Cedar Springs mill began in 1960. The building was completed and its #1 machine started up in 1963. At that time it was one of the largest in the industry and the first major paper mill to have electronic instrumentation throughout.

Shortly after the merger of Great Southern and GNP in 1965, a second machine was installed alongside #1. In 1967, a third machine, to produce semi-chemical corrugating medium was added.

PRODUCTION LINES GET A FEMININE TOUCH...The number of female employees working in the plant at GN-Plywood has risen rapidly within the past year. This increase resulted from a GN-Plywood management decision that women could effectively handle certain production positions within the organization.

Seven women were hired during the first part of 1973. Currently, total female employment at the plant is 45.

According to W. K. Hoseid, vice president-general manager, GN-Plywood, considering women as eligible production workers has proven to be a healthy situation for both the company and the community as it has opened the door to many more potential employees.

This movement towards hiring females for mill jobs has reached our Northern Division also as the Millinocket mill reported hiring two women in late September. The girls were assigned to train as pulp testers in the inspection and certification department.

Although one of the two resigned shortly after training began, two other women are now working at the mill bringing the present total to three.

East Millinocket is also interviewing female applicants. At this writing, the mill has one woman on the payroll.

SERVICE IMPROVES...With the effects of the Canadian rail strike (ended in September) behind us, the Northern Division reports that car supply, which was tight, has improved. All outbound shipments have reverted back to normal routing.

In line with this, the transportation department has been notified that the Canadian National Railway has agreed to send two fifty-foot draftgear cars to our mills for trial loading.

The advantage in using these cars is the ability to ship heavier loads, up to a maximum of 198,000 pounds, resulting in shipping cost savings. Depending on the sizes involved in the particular orders being shipped (height and diameter), the additional weight capacity is expected to create space for approximately 9 to 18 extra rolls of paper in each car.

SUMMER VISITORS...Northern Division personnel department reports that nearly 2,000 men, women and children visited our Millinocket and East Millinocket mills during the regular summer vacation months of June through September.

NEW INSTALLATION MONITORS PLANT PERFORMANCE...A "process control center" (continued on next page)

24-month project of GN-Plywood personnel, was put into operation at the plant earlier this year. The equipment, developed and designed, piece by piece, by GN-Ply plant employees, is now serving as an efficient and accurate monitoring system for evaluating manufacturing performance.

Primary function of the "center" is to calculate production from various types of key equipment. The results of these calculations are then used as the basic information for daily production reports. Nearly every operation within the plant is involved in the continuing, 24-hour studies, including the amount of blocks peeled at the lathe, cars loaded, veneer sheets clipped by individual clippers, logs debarked and panels trimmed by grade.

This information is also helpful in gauging the performance of each of the three working shifts at the plant. In addition, some monitoring of the mechanical aspects of the equipment is accomplished such as linear speed of the dryer and dryer temperatures.

TURKEY DAY IN SEPTEMBER....A Safety Contest, started March 1, 1973 at the Cedar Springs paper mill, took a first step on September 13 towards reaching its ultimate goal. On that date, 99 employees were rewarded for working six months, March 1 to September 1, without a lost time injury. The group, all members of "C-Team", were given a 10-12 pound turkey in recognition of their outstanding accomplishment.

The idea for a new mill-wide safety contest designed to create team spirit and promote competitiveness among employees, was proposed by management in late 1972. Since it was felt that to be effective, safety awareness had to be practiced at home as well as at work, the turkeys were chosen to serve as the award to include both the employee and his family in the enjoyment of winning.

The contest, involving 734 participants, is between five shifts at the mill - A,B,C,D, and the day shift. Each shift represents a team. To win, a team must work six continuous months free of a lost time injury.

According to W.W. (Jack) Ricketson, resident manager, the ultimate goal of the program is to reach one million man hours without a lost time accident. When this is accomplished, a Great Northern four-year college scholarship plan will be put into effect. The scholarship will be given to a deserving son or daughter of a Southern Division employee. Selection of the winner will be made by representatives of management and responsible community citizens.

"We have had several safety contests since start-up of the mill," Mr. Ricketson explained, "but this is the first time we have had a big winner. I feel we have a lot of enthusiasm going in this program and hopefully we will have another winner within a couple of months."

POLLUTION ABATEMENT PROJECT MOVING AHEAD....Clearing the area and general site preparation work for construction of a waste treatment plant at the East Millinocket mill is expected to be completed shortly.

A contract has been awarded for building the clarifier ring wall this fall. No further construction activity will take place until May 1974.

POLLUTION CONTROL PROGRAM GETS NEW HEAD....Louis Freeman has been named supervisor of corporate pollution control for Nekoosa Edwards Paper Company, Inc. He has been supervisor of mill technical services at the company's Ashdown, Arkansas mill since 1967. In his new position, he is responsible for developing and administering programs for the abatement of air and water pollution at all Nekoosa Edwards' mills.

Mr. Freeman has extensive experience in pollution abatement work with the State of Louisiana Stream Control Commission and the National Council for Stream Improvement. He has also been responsible for the improvements made to the Ashdown pollution abatement facility.

A native of Winters, Texas, Mr. Freeman holds a B.S. degree in chemistry from

Centenary College, Shreveport, and an M.S. degree in biochemistry from Louisiana State University, Baton Rouge.

Prior to joining Nekoosa, he held research and development and product quality positions with two other large paper manufacturers. He was also chemistry instructor at Lamar State College of Technology in Beaumont, Texas.

Names In The News

PAUL K. MCCANN has been appointed a member of the public relations committee of the University of Maine Pulp and Paper Foundation, Orono.

Mr. McCann also recently served as one of three guest speakers at the In-Service Teacher's Training Program "Know Your Stamford Area Business and Industry", sponsored by the Stamford Area Commerce and Industry Association (SACIA). The other panel members represented Olin Corporation and American Can.

GEORGE W. SHOWN, service representative, spoke on the subject "Relations of Newsprint to New Press Concepts", during the 35th New England Newspaper Mechanical Conference held recently in Boston, Massachusetts.

New Employees

MICHAEL J. CUDDY has rejoined Great Northern as a research engineer in the pulp research group, Millinocket.

Mr. Cuddy worked previously for GNP in the analytical and pulp groups as a co-op student from 1964 to 1967 while he attended Northeastern University.

After his graduation in 1968 with a B.S. degree in chemical engineering, he worked for the Polymers Division of

Shell Chemical Company in New Jersey.

RICHARD GASPARINO recently joined GNP as systems programmer on the systems staff of the administrative services department. He is working with the project team presently developing new corporate and Northern Division general ledger computer systems.

Mr. Gasparino attended Westchester Business Institute for two years where he received a certificate in accounting and data processing. He came to GNP from the Norden Division of United Aircraft.

Organizational Changes

RICHARD L. ANDERSON has assumed the position of director of profit planning, Northern Division. He reports to the controller, Northern Division and is responsible for assisting management with preparation of sales and operating plans. Mr. Anderson will also participate in the design and execution of effective medium and long-range planning of procedures for the division.

ROBERT F. BARTLETT has been appointed controller, Northern Division, reporting directly to Robert Hellendale, executive vice president.

In addition to the responsibilities usually associated with controllership functions, Mr. Bartlett will also participate in capital expenditure and market planning.

HERBERT W. BRAGDON, formerly assistant supervisor, general accounting, Mil-

linocket, has assumed the position of budget analyst, reporting directly to the supervisor, costs and budgets.

Mr. Bragdon is responsible for performing Northern Division budgeting functions.

A native of Maine, he received his associates degree from Beal Business College and joined GNP in 1969 as internal auditor.

WILLIAM J. BUDAHAZY has been promoted to the position of systems analyst, Stamford, with responsibility for both computer and non-computer systems.

Mr. Budahazy joined the systems staff of the administrative services department in 1971. He was previously with General Electric Company in Bridgeport.

FRANCIS J. DUNNE has assumed the additional responsibility of handling wraparound forecasting procedures.

Along this line, he will develop the sales forecasts in concurrence with the sales managers, and also control incoming orders, scheduling boards and the balance position at the mills.

Mr. Dunne will work with the manufacturing department to insure that orders conform with the mills' ability to produce.

DONALD B. GRENNON has assumed the position of allocation model analyst, Northern Division. He reports to the director of profit planning, Northern Division, and is responsible for the maintenance and operation of the allocation model, maintenance of data base,

and analysis of the model output.

A graduate of St. Francis College in New York, Mr. Grennon joined the company in 1965. He was previously with Arthur Andersen & Company, New York.

ROBERT C. JOHNSON has been appointed senior process engineer in the central engineering department, Millinocket.

Mr. Johnson joined GNP in 1962 and has been acting as project engineer for the high yield sulfite project which is now in operation.

A graduate of Michigan College with a B.S. degree in chemical engineering, Mr. Johnson also holds a PhD in paper technology from the Institute of Paper Chemistry.

H. B. (Barry) THOMPSON, JR., has been promoted to project leader-accounting in the standard cost system development group, Millinocket.

In this capacity, he directs the project accounting staff in the development effort reporting directly to the manager, standard cost development.

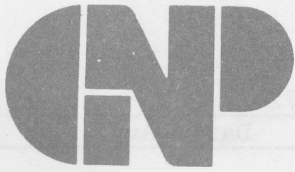
A graduate of Auburn University in Alabama, Mr. Thompson joined the company in 1970.

Service Anniversaries - November

FRANCIS D. CASEY, area foreman, east Millinocket, 35 years.

EDWIN WAITE, tour foreman, Millinocket, 25 years.

HOWARD D. GARDNER, tour foreman, pulp, East Millinocket, 25 years.



GREAT NORTHERN PAPER COMPANY

NEWSLETTER

FOR MANAGEMENT EMPLOYEES

Vol. XII No. 6

Stamford, Connecticut

September 26, 1973

FUTURE OF SEARSPORT SHIPPING REVIEWED

Great Northern is watching with interest reaction to a recently released study on the Port of Searsport, Maine.

The research was conducted to determine the area's long-term potential as a viable port of call and to evaluate the future of the facility, its shipping capabilities, and the economic stability of the entire coastal community.

The \$50,000 report, completed in mid-August by Madigan Praeger Corporation of New York, was sponsored by the Bangor Growth Center, a federally financed development group. The project also received support from the Maine Department of Commerce and Industry, the Maine Department of Transportation, and several other state agencies.

Up until 1970, Great Northern had used Searsport almost exclusively for shipping Northern Division paper products to foreign markets. In 1970, because of increasing difficulty in securing dependable service compatible with our production scheduling (arranged to meet customer delivery requirements), we began moving a portion of this traffic through the Port of Saint John, New Brunswick.

During the first months of 1973, we again tried to book all export cargo through Searsport. We even shipped car- (continued on page 2)

GREAT NORTHERN NAMES TWO EXECUTIVE VICE PRESIDENTS

The appointment of Robert Hellendale and Bruce P. Ellen to the newly created positions of executive vice president, Northern and Southern Division, respectively, at Great Northern Paper Company was announced on September 10.

Mr. Hellendale, formerly vice president-administration for GNP, will continue as executive vice president of Great Northern Nekoosa Corporation. In his new assignment he will be responsible for all Northern Division activities including sales, controller, and manufacturing functions of the Millinocket and East Millinocket mills and Pinkham Lumber Company.

Mr. Ellen, previously vice president-Southern Division, will continue to head all activities at the containerboard and plywood operations located at Cedar Springs, Georgia.

FRONT PAGE NEWS

The Wall Street Journal has agreed to run American Paper Institute's paper and paperboard production statistics in a regular monthly front page chart.

According to API, the Journal's de- (continued on page 3)

Production for the eight months ending August 31, 1973.....

	1973		1972	
	Tons	Daily Avg.	Tons	Daily Avg.
Cedar Springs	488,178	2,089	502,623	2,131
East Millinocket	240,760	994	260,288	1,077
Millinocket	<u>320,779</u>	<u>1,325</u>	<u>207,958</u>	<u>861</u>
	1,049,717	4,408	970,869	4,069

FUTURE OF SEARSPORT
(continued)

loads of paper to the facility prior to having firm shipping arrangements, with the hopes of obtaining them.

In February, the Interstate Commerce Commission compounded our problem by establishing very stringent demurrage rules and charges on export and import traffic at all U.S. ports. (Similar rules and charges do not apply at Canadian ports). As a result, Great Northern was required to pay \$52,000 in demurrage charges. Most of this expense was levied against the tonnage we had shipped to Searsport in anticipation of being able to obtain cargo bookings. Consequently, it was necessary to ship some of the tonnage from Searsport to Saint John in order to escape an even larger demurrage charge.

Adding to the problem was the fact that steamship lines would rather by-pass Searsport than pay stevedoring rates which, in some cases, were twice as high as Saint John's. Because of this, the company decided to curtail all Searsport shipments and announced on April 24 that 100 percent of GNP's tonnage would move via Saint John.

Although Hartley Fraser, International Terminal Operations manager at the Maine port agreed that the cost of loading at Saint John was much cheaper, he expressed

great concern regarding the company's decision, as approximately 45 percent of all the traffic out of Searsport comes from GNP mills.

Since the announcement in April, company officials, port management, union representatives, Governor Curtis, and the Bangor and Aroostook Railroad have held a series of meetings in an effort to explore ways of bringing the cargo back to Maine.

In May, the ITO and the stevedoring union revised its loading rates to put the port in a more competitive position.

Due to the efforts of the B&A Railroad, some relief was also obtained from the ICC order on export traffic.

These two factors have made it possible for Great Northern once again to favor Searsport in attempts to book cargo. On all traffic which we control (some customers prefer to make their own shipping arrangements), we are again trying to serve Searsport first and ship through the Port of Saint John only after exhausting all other efforts.

As it is still difficult to get steamship lines to stop at Searsport, GNP feels that action must be taken to improve the overall efficiency at the port and to further reduce loading rates. Also, increased warehouse space for sorting and accumulating parcels prior to arrival of a vessel is critical to

minimizing demurrage costs.

Under present circumstances, Great Northern has advised those concerned with the economy of the Searsport area that the company will continue to try booking all traffic under our control through the Maine port. If, however, we are unable to get a firm commitment from an ocean carrier at the time the paper must be shipped, we will use a competitive port where adequate storage is offered and sailings are more readily available.

Hopefully, recommendations resulting from the Madigan Praeger report will eventually alleviate these problems and allow GNP to resume full use of Searsport.

FRONT PAGE NEWS

(continued)

cision to use the figures was influenced by the following facts which illustrate their value as leading economic indicators:

1. The U.S. paper industry makes a large and important contribution to the nation's economy by manufacturing \$28 billion worth of goods; providing employment for 700,000 people at plants in 49 of the 50 states; and by paying over \$1 billion in taxes.

2. Production of paper and paperboard is a significant indicator of economic trends in the U.S. Paperboard production figures generally reflect levels of industrial production; the output of paper usually reflects business activity.

3. The paper and allied products industry is the 12th largest in corporate sales in the U.S., the 10th largest in value of shipments, and the 8th largest in capital expenditures.

AT THE DIVISIONS

Slasher Production Improved....A simple change in equipment positioning

has solved a problem at our East Millinocket mill which was seriously hampering long log slashing capabilities. Following the move, average daily production has increased by approximately 70 cords with individual daily totals up as much as 112 cords.

The need to improve slashing performance became critical late last spring when, after months of wet weather and muddy road conditions, logs finally started arriving at the mills.

Due to a lack of manpower, the wood arrived tree length rather than in the normal four-foot size. To cope with this situation, one of the two original Nesco slashers, first tried by the woodlands department and periodically used at both mills, was put into operation.

As this slasher was positioned adjacent to a conveyor which fed directly into the woodroom, production was inconsistent - on/off, to keep pace with up and down demands of the operation.

Sawdust and bark debris piling up under the slasher blades created another problem as the machine would require a shut down each time workmen moved in to clear away the fallings.

After several remedies were tried, the slasher was moved to a new location where it now cuts into a hopper and stacks out on a pile. A crane reclaims the four-foot wood and delivers it to the woodroom when needed.

Also, by rotating the slasher 90-degrees so that the saw bed portion extends over a conveyor which empties into a pit, the machine can continue operating while trucks haul away the accumulated sawdust and bark.

A second slasher is being put into temporary operation at East Millinocket until the arrival of new equipment sometime in January.

Filter Plant....A new forty million gallon per day sand filtration system (continued on next page)

for mill process water has been installed in the existing filter plant at the Millinocket mill.

The installation, which provides a modern filtered water system, consists of four double bay, deep bed gravity filters. Each bay is 12 feet wide by 42 feet long and holds a sand bed of four feet. Water flows through the sand beds which ultimately removes all suspended and colloidal solids. The beds are cleaned by a back flow of water and pressured air.

Two filters were put on-line in August, and the remaining two will start up on delivery of the required sand.

High Yield Sulfite Progress....The new high yield sulfite pulping system at Millinocket is progressing on schedule for start-up in early October.

Flushing of various systems and final tie-ins were made over the Labor Day shutdown. Transfer of controls from the existing washer building panel to the high yield panel has also been completed.

Throughout September, various systems in the process are being checked in preparation for hook-up of the final system which is refining and washing.

The East Millinocket mill portion of this project, smaller of the two, became operational August 23.

Local Groups Turn Paper Into Money. For a number of years, Great Northern has made a limited quantity of pulp for the manufacture of newsprint at East Millinocket by combining recycled newspapers with virgin fibers.

Due to the current short wood supply and the fact that many customers now call for a percentage of recycled paper in the production of their orders, the use

of old newspapers has increased substantially.

Currently, the company is involved in a cooperative program with local youth and civic groups in the Millinocket-East Millinocket area, in acquiring the newspapers. Richard D. Violette, general production superintendent, is coordinating the project. He reports that Great Northern pays \$25 a ton to groups such as the Girl Scouts, Boy Scouts, and other organizations that sponsor collection drives. "We ask only that the newspapers be free of foreign materials, magazines, or glossy stock as our machines can handle only clean paper," Mr. Violette explained.

The East Millinocket Girl Scouts have been collecting approximately two tons of newspapers a month since January. The troop in Presque Isle has trucked ten tons to the mill. Collection programs are due to get underway in the Bangor and Sherman area with Millinocket expected to run a drive later this month. The Mattawamkeag Youth Sports Program has also asked the company to buy newspapers being collected in that community.

Good News....The woodlands department, Southern Division, is enthusiastic about a report recently received from the Chattahoochee Industrial Railroad concerning new equipment.

According to railroad officials, an order has been placed with Ortner Freight Car Company, Cincinnati, Ohio, for 100, thirty-two cord capacity woodrack cars and 40, 7,000 cubic foot capacity wood chip hopper cars. This equipment, valued at \$2,500,000, is scheduled for production in March of 1974.

Although it will be placed in service immediately at the woodyards and wood chip origins served by the Seaboard Coast Line and Southern Railway System, the cars will primarily serve on the

Southern where Great Northern has experienced major equipment shortages during the past 10 years.

Freight Rate Increase....On August 19, the nation's rail carriers published a general three percent hike in freight rates.

This increase, proposed by the railroads in June, was originally filed to include a five percent rise in the West and South and three percent in the East.

The Interstate Commerce Commission issued an order suspending the higher rates for a period of up to seven months, but authorized the interim change nationwide.

This new rate is expected to increase Great Northern's transportation costs by approximately \$400,000 annually.

New Records Set....Two production records at Cedar Springs paper mill were broken during the month of August.

Machine #3 broke its own record of 522 tons of linerboard production in a 24-hour period when on Sunday, August 5, 537.7 tons were manufactured.

The previous record of 2602 tons produced on three machines, set in January 1972, was surpassed on August 18 when 2625.8 tons were manufactured during a 24-hour period.

Good Results Expected....The Bureau of Water Quality Control (Department of Environmental Protection) recently concluded testing the Penobscot River and Great Northern waste discharges. The tests, conducted over an eight week period, sampled waters between Ferguson

Pond above Millinocket to Weldon Station, a distance of approximately 17 miles.

Four men were assigned to the project which was financed by a grant from the Federal Environmental Protection Agency. Equipment for the research was housed in a mobile trailer for which GNP provided space and facilities. This equipment included instruments to test for biochemical oxygen demand, solids, turbidity, nutrients, acidity and alkalinity in the water and/or waste samples.

The survey, concluded August 15, is being evaluated by the DEP. Since water quality tests of this nature have not been conducted by the State since before start up of Great Northern's MgO recovery unit, a dramatic improvement is expected over results obtained following the last testing period in 1962.

Multi-Service Aircraft....Although the two airplanes owned and operated by Great Northern do not offer passengers a choice of menu or the latest movie, their inter-plant, full-service capabilities have made them valuable assets.

The five-passenger, Turbo Commander at Northern Division, piloted by Richard J. Martin and Howard G. Brush, Jr., travels between Millinocket, Boston, and White Plains. Its duties include transporting personnel on a regular basis and delivering inter-office communications and packages too bulky or costly for regular mailing.

Aside from this, the plane is also used to pick up and deliver machine parts and various other types of equipment needed at both mills. Recently, a supplier was able to satisfy the urgent need for a special part by driving it to White Plains where the plane was waiting to quickly deliver it to Millinocket.

The Southern Division aircraft is a Cessna 401-A flown by Harold V. Haskins, Sr. It too, has proven its worth many (continued on next page)

times by transporting parts and supplies badly needed by the paper mill, plywood plant or Chattahoochee Railroad. By removing four seats from this craft, the plane is converted into an air freighter capable of transporting up to 1600 pounds.

GUEST COLUMNIST

Northern Division Studies Conversion Problems... by W. C. Hodgkins, technical information specialist.

Independent studies by Great Northern on company implementation of the "Metric System of Weights and Measures" have been underway for the past year.

Serious attention has been focused on this subject recently, mainly due to U.S. Senate passage of the "Metric Conversion Act" in August 1972. This bill provides for a coordinated national program to make the international metric system the predominant method of measurement in the United States. As written, the Act would create an 11-member board to be responsible for formulation of a comprehensive national plan for orderly transition to metrics in all sectors - education, commerce, industry, government and private life.

House action on metrification is expected in the next session of Congress and there is little doubt that some sort of compromise bill will be passed.

In Maine, Resolve L.D. 1389 has been filed with the State Legislature to form a "Committee on the Metric System". Duties of this group would be to research and recommend ways and means for the State's businessmen and teachers to get a head start on the metric conversion project.

Results of the Great Northern study on the subject indicate that conversion of equipment, installations and spare parts must be handled on a gradual basis at our company as well as at any other company with a large investment in equipment. Turnover can be accomplished only as fast as old equipment is re-

placed with new machinery manufactured in metric dimensions. In this respect, there is a built-in lag time as equipment suppliers must make the first move.

However gradual the change occurs, it is felt that the conversion will be costly as our already large inventory of spare parts will necessarily be increased significantly over a period of 25 to 50 years as metrification gets into full swing.

Because GNP can easily make the necessary conversion on shipments of export tonnage to metric countries, with no cost of equipment replacement, there has been little motivation to be in the forefront of changeover activity.

When a national plan has been accepted, it is felt that we could switch in both basis weight of paper and tons shipped by simply replacing the faces on all of our weighing scales. Many other systems changes would have to be made, but our technical department can foresee no insurmountable problems.

Next month - Metric Conversion at our Southern Division.

NAMES IN THE NEWS

SAM CASEY, GNP president, joins five prominent pulp and paper industry executives serving on the University of Maine, Pulp and Paper Foundation's membership committee for 1973-74.

WILLIAM E. COZENS, general sales manager, was elected treasurer of the Paper Club of New York at that group's 33rd annual meeting held recently in White Plains.

WAYNE L. MANGELS, director of market research, was named vice president of

Graphic Arts Marketing Information Service, at their seventh annual meeting conducted in Virginia.

PAUL K. MCCANN, manager-public affairs, is serving as a member of the University of Maine, Pulp and Paper Foundation's educational relations committee.

Mr. McCann was also recently re-elected to serve as a board member of the Maine Council on Economic Education.

ORGANIZATIONAL CHANGES

PETER W. HALL has been promoted to junior salesman, newsprint.

Mr. Hall, a graduate of Ashland College, Ohio with a B.S. degree in business administration and marketing, reports to the Eastern regional manager, Stamford. He is responsible for sales in the mid-Atlantic area.

THOMAS J. HARTLEY has been promoted to acting wood area foreman at our Southern Division.

Mr. Hartley has been with GNP, Cedar Springs since October 1963.

STEPHEN G. HOBSON, formerly mid-West regional manager, has been appointed Eastern regional manager, newsprint sales.

Mr. Hobson will relocate to Stamford and direct the sale of newsprint in the mid-Atlantic and mid-Western territories.

PAUL D. HUBBE has been promoted to manager of research, Millinocket, with responsibility for the activities of all research groups.

Mr. Hubbe joined GNP in 1951 and most recently was paper research supervisor. He also spent several years at Cedar Springs working on computer installation.

Mr. Hubbe is a graduate of Webb Institute and M.I.T.

WILLIAM E. JERKINS has been promoted to the new position of associate engineer at Cedar Springs.

Mr. Jerkins, who has been with the Southern Division since 1965, assumes the responsibilities of area engineer for the pulp mill.

VELI M. LAPINOJA has been promoted to pulp research group leader.

Mr. Lapinoja has been with the company for two years working on a variety of research problems. His primary involvement has been in engineering improvements related to the MgO evaporators. He is a graduate of Michigan Technological University and the Institute of Paper Chemistry.

RUDOLPH P. MARCONI, junior salesman, Stamford, has been promoted to sales representative in the New England area reporting to I.P. (Mike) Phelps, regional manager.

Mr. Marconi, a graduate of Nichols College with a degree in marketing, joined GNP in 1971. He will relocate to the Boston area in the near future.

HARRY R. OILER, sales representative, has been transferred from our Columbia, Maryland office to Stamford. Mr. Oiler assumes major account responsibility in the commercial sales area, reporting to

Terrance Pendleton, regional manager.

A graduate of Miami of Ohio, Mr. Oiler joined GNP in 1967 as a sales trainee.

NORMAN J. RICHARDS has been promoted to the new position of technical director, Millinocket. His responsibilities include the research, product development, and inspection and certification departments.

Mr. Richards, who reports to Dr. Victor F. Mattson, director-research, engineering and forest management, joined the company in November 1968. He is a graduate of Yale University and the Institute of Paper Chemistry.

WALTER D. VAIL has been promoted to sales representative in the New England area reporting to I. P. (Mike) Phelps, New England regional manager.

Mr. Vail joined Great Northern in 1970. He worked as a sales promotion representative for GNP's Palette+Plus line of color grade printing paper prior to his transfer to the Boston office in 1972.

CHARLES F. WILSON, JR., has been promoted to junior salesman at our Columbia, Maryland office.

Reporting to Jacques L. Dardenne, regional manager, Mr. Wilson will service commercial sales accounts in Pennsylvania and Ohio.

A graduate of Fairfield University in 1972, Mr. Wilson plans to relocate to the Columbia area.

NEW EMPLOYEES

KENNETH J. PHAIR has joined Great Northern as an accountant. He reports to A. J. Tozier, manager of accounting, Millinocket.

Mr. Phair, a native of Waterville, Maine, received his B.S. degree in business administration in 1968 from Thomas College. Prior to joining GNP he was an auditor with the public accounting firm of Blonder-Freedman Company, Boston.

DANA A. SAUCIER recently joined the woodlands personnel department, Millinocket, as personnel assistant.

Mr. Saucier, a native of Fort Kent, is a graduate of the University of Maine with a B.S. degree in education and English and an M.S. degree in adult education.

SERVICE ANNIVERSARIES

August

DONALD R. LYNCH, foreman, groundwood mill, Millinocket, 25 years.

RICHARD E. BLODGETT, pulpwood buyer, woodlands, 25 years.

ARTHUR E. CURTIS, power and recovery department, Millinocket, 15 years.

September

ANGUS N. BEARS, maintenance engineer, Millinocket, 25 years.

ROBERT C. BOYNTON, carpenter foreman, Millinocket, 25 years.

CHARLES M. ROOP, chief cashier, Millinocket, 25 years.

LAWRENCE E. HURD, chief scaler, woodlands, Millinocket, 25 years.

Words of Wisdom....Failure is the path of least persistence.



GREAT NORTHERN PAPER COMPANY

NEWSLETTER

FOR MANAGEMENT EMPLOYEES

Vol. XII No. 5

Stamford, Connecticut

August 2, 1973

PRODUCTION CURTAILMENT AT GREAT NORTHERN MILLS

A shortage of wood caused by wet weather and a lack of woods labor has forced Great Northern into production cutbacks at its Northern and Southern Divisions.

Announcement was made July 6 that one small machine at the Millinocket and East Millinocket mills would be shut down for an indefinite period, starting July 9.

On the same date, one machine at
(continued on next page)

GNN NAMES TREASURER

Peter F. Yacavone has been appointed treasurer of Great Northern Nekoosa Corporation, effective September 1, 1973.

Mr. Yacavone will report to Emery E. Allain, vice president of finance, who is relinquishing the title of treasurer.

Previously employed by Great Northern Paper Company from 1966 to 1970, Mr. Yacavone left the company as controller to join Consolidated Edison Company in New York City as an assistant treasurer.

A native of Hartford, Connecticut, Mr. Yacavone was graduated from the University of Hartford in 1950 with a bachelor of science degree in business administration. He had twelve years with Price Waterhouse & Company and is a certified public accountant.

GNN EARNINGS RISE 41% IN FIRST HALF

Great Northern Nekoosa's quarterly earnings continued their upward trend, with second quarter net income of \$6,557,000 or \$1.22 a share, primary, compared with \$4,119,000 or \$.76 a share, primary, in the same period of 1972.

For the first six months of 1973, net income was \$11,754,000 on sales of \$239,309,000, an earnings improvement of 41 percent on a 21 percent increase in sales revenue over 1972 when income was \$8,308,000 on sales of \$198,092,000. Primary earnings per share were \$2.18 in 1973 and \$1.54 in 1972.

Sam Casey, president and chief executive officer, said second quarter sales and earnings results were at a record level primarily due to strong demand for all products. He also pointed out that while GNN's Southern Division and Nekoosa Edwards subsidiary have been operating well, a shortage of wood continues to force interruptions and revisions in the company's production schedules in Maine.

COMPANY SELLS DEBENTURES DUE 1998

On July 19, GNN sold \$30 million of 25-year sinking fund 7 7/8 percent debentures to help finance the recently announced capital expansion programs at Ashdown, Arkansas and Ashland, Maine. Blyth, Eastman Dillon & Co., and Lazard Freres & Co. were co-managers of the underwriting group.

Production for the six months ending June 30, 1973....

	1973		1972	
	Tons	Daily Avg.	Tons	Daily Avg.
Cedar Springs	369,192	2,095	378,862	2,127
East Millinocket	186,023	1,033	197,570	1,091
Millinocket	252,231	1,401	156,208	863
	<u>807,446</u>	<u>4,529</u>	<u>732,640</u>	<u>4,081</u>

PRODUCTION CURTAILMENT
(continued from page 1)

the Cedar Springs mill was also taken out of production for a minimum of ten days. According to Bruce P. Ellen, vice president - Southern Division, maintenance crews will take advantage of this shutdown to conduct a five-year inspection on the #2 turbine-generator and to accomplish work on other related equipment. During this period, Mr. Ellen explained, we hope to build enough chip inventory to run on until Labor Day when we will shut down completely to make the tie-ins for the #3 recovery boiler presently under construction. This work will take three days plus the long Labor Day weekend.

Pointing out that the Maine shutdown comes at a time when both Northern mills are experiencing difficulty keeping up with demand, Robert J. Shinnars, vice president - Northern Division, said that every effort is being made to minimize the effects of the production curtailment on the labor force in the two mills by taking advantage of the normal vacation season.

The shortage at Millinocket is in four-foot lengths. The mills have a good supply of tree-length logs brought in by a company operation, but the plant does not yet have a high enough wood-yard capacity to cut the long logs down to size.

"By shutting down at this time," Mr. Shinnars explained, "we hope to build up our wood inventory for papermaking in the months ahead."

E. MILLINOCKET APPROVES
MUNICIPAL BONDING ISSUE

Three-hundred and twenty-two East Millinocket residents gave their support to Great Northern during a special town referendum held Monday, July 9.

The matter decided was whether townspeople would approve the proposed issuance of municipal revenue bonds for construction of the company's pollution abatement equipment at the East Millinocket mill.

Only six out of 328 ballots cast were against the town's financing of the \$4.2 million project which will include land acquisition and construction of a clarifier and primary waste water treatment facility on the south side of the mill complex.

According to rules governing municipal revenue bonding, the facilities will be leased to Great Northern until the bonds are retired. At that time, the facilities will be sold to GNP at a nominal cost. The company, in the meantime, will bear full cost of operation, interest, maintenance, and administration of the facilities, in addition to the expense incurred by running the election.

The town's funding of the equipment is accomplished through a state law which allows municipalities to handle the financing, but places the burden for paying for the project on the industry. The advantage to Great Northern is that the town can obtain municipal bonds which are available at a lower interest rate than corporate bonds.

Town Manager Arthur Michaud ex-

pressed his pleasure at the results of the voting and commented that he was especially pleased with the large turnout. In order to be valid, at least 20 percent of the votes cast in the last gubernatorial election, in this case 185, had to be registered during the July 9 balloting.

A similar proposal was approved last year by Millinocket voters for financing the construction of that mill's pollution abatement facilities.

When construction of all facilities is completed, Great Northern will be in compliance with federal standards set for pollution control.

More About Your Investment Plan....

The money employees have allocated to Great Northern's Fixed Investment Fund will earn a minimum rate of return of 7 1/4 percent through 1974.

Monies are turned over by the Trustee (First National City Bank) to the Unionmutual Life Insurance Company under a contract that guarantees the 7 1/4 percent for a one-year period. The contract also provides that if Unionmutual can better the guaranteed rate, they will do so. For the calendar year 1972, the rate of return was 7.925 percent.

Although monies for 1973 are being credited at 7 1/4 percent, if it is determined on March 31, 1974 that the rate of return was greater, the additional dollars earned by the higher rate will be added to individual accounts.

AT THE DIVISIONS

Discharge licenses and effluent permits for the Millinocket and East Millinocket mills, applied for in April, have been received from the State of Maine and the Federal Environmental Protection Agency, respectively.

These permits, which require monthly reporting of specified discharge test results, became effective May 22, 1973 and expire April 6, 1978.

License and permit conditions were set in compliance with tentative EPA guidelines; discussions with other involved agencies; and a public hearing held in Millinocket on March 28. They were also the subject of a joint hearing conducted in Augusta in April by the Maine Department of Environmental Protection and the Federal EPA. This meeting was held to allow the Federal and State agencies the opportunity to hear testimony from those who wished to comment in favor or against the discharge applications, and was in accordance with Federal regulations established by the 1972 Clean-Water Quality Act. A major concern at this meeting was the amount of heavy metals contained in the effluent released at both Great Northern mills.

Dr. Victor F. Mattson, director of research, engineering and forest management for Great Northern, testified that samples taken from below each mill showed less than .05 parts per million of zinc, lead and chromium in the river, and less than .10 parts per million of zinc, and less than .05 parts per million of chromium and lead in the effluents coming directly from the mills.

Successful New Program....A dramatic reduction in absenteeism at the East Millinocket mill has been accomplished due to a new program started approximately 12 months ago.

Concern over the 2.4 percent monthly absentee rate prompted Carl H. Reed, then mill manager, and the East Millinocket personnel department to develop the plan.

To date, the mill has cut absenteeism approximately 50 percent, and has set a new low of .6 percent for one week.

The program employs no gimmicks and deals only in basics. A log is kept by plant guards who take all absentee calls. This log is turned into the personnel department on a daily basis. In addition, the daily "spare workers log" is reviewed by the personnel department to locate names of employees who either did not
(continued on next page)

report their absence or called directly to their department.

During the daily production meeting (attended by the mill manager and his staff), names of those who are repeatedly on the absentee list are announced, as well as those who, after a preliminary check, were found to be absent for insufficient reasons.

Following the meeting, departmental superintendents contact their respective foremen, who invite the employee to their office to discuss the absentee problem. If warranted, a verbal warning is issued. If another absence is recorded, the employee meets with his foreman, personnel supervisor, and union representative and is given a faulty performance slip.

Another offense results in a second faulty performance slip and finally, on the third occurrence, the employee is given a layoff of one or two weeks. Further infractions result in discharge.

During a one year period, 78 verbal warnings, 28 faulty performance slips, 8 layoffs and three discharge notices were issued.

At the same time, six referrals were made to the Community Counseling Center; three to the State Alcoholic Rehabilitation Service; and five to Alcoholics Anonymous. The mill manager held special interviews with three people who had unusual problems.

Success of the program is attributed to three main factors: 1. It is a plan which is maintained as a daily routine; 2. All levels of management are involved; 3. Employees are aware of the program and this has a preventative effect.

Transportation Savings....GNP will realize an annual savings of approximately \$275,000 as the result of two recently announced reductions in rail rates.

On July 10, the Canadian Pacific and Bangor and Aroostook Railroads put into effect rate reductions on export shipments of paper from Millinocket and East

Millinocket to the Port of St. John, New Brunswick, and incoming woodpulp from the same Canadian location.

On the basis of estimated volume of export paper and inbound woodpulp, the savings is expected to reach \$220,000.

On July 11, the Bangor and Aroostook, Maine Central, and Boston and Maine Railroads joined together to publish a reduced rate of 48 1/2 cents per 100 pounds on newsprint, minimum carload 120,000 pounds, on shipments from our Maine mills to the Boston warehouse for deliveries beyond that location. The present rate is 66 cents per 100 pounds, on minimum weights of 110,000 pounds.

Estimated annual savings in freight charges are expected to reach approximately \$53,000.

Insect Control....An aerial spraying project to control the spread of spruce budworm was recently completed by the Maine Forestry Department. Great Northern land, in and around the vicinity of Telos, Oxbow, and Cross Lake, made up approximately 25 percent of the 450,000 northern Maine acres receiving treatment.

The budworm, which defoliates needles of spruce and balsam fir trees, has been a serious threat to those two species since 1910. Periodic control operations began in 1954.

This year, the trees were sprayed with Zectran, a pesticide the Forestry Department calls "environmentally safe". The control project involved a total of 24 spray and guide aircraft.

An extensive survey is presently taking place to assess the effectiveness of the spraying in order to determine the budworm situation in 1974.

Profitable Teamwork....For five consecutive months, the Southern Division

has maintained a record of shipping only fully loaded (90,000 pounds) rail cars of paper.

This accomplishment means that no premium transportation costs (a penalty paid for shipments under the 90,000 pound quota), have been paid since February.

Excellent coordination between Stamford and Cedar Springs is one reason for this outstanding record. Another factor is the car fleet available at the mill, especially the Seaboard Coast Line "Super Sixties" cars with their huge capacity,

port as many as 38 fully loaded barges, making it the heaviest lift cargo ship afloat. With three ships continuously in service, Lykes Line offers sailings every ten days.

Along with the advantages of reduced damage to shipments because of less handling, Southern Division also expects to save approximately \$100,000 annually in steamship rates.

NEKOOSA EDWARDS

FCL Acreage Increased....Approximately 115,354 acres of Nekoosa Edwards forest land is now covered by the State of Wisconsin's Forest Crop Law (FCL). This figure includes 83,354 acres approved earlier this year by the Wisconsin Department of Natural Resources.

The FCL, enacted in 1927, was created to offer land owners a more favorable tax climate for long-range forestry management. According to Nekoosa, the Law has been responsible for rapid growth of the pulp and paper industry in the State.

Provisions of the FCL exempt property owners from paying local taxes for a designated period of time. They must instead pay 20 cents per acre to the towns in which the land is located. The State matches this with another 20 cents. Payments are made for the length of time noted on the approved FCL application or until the lands are otherwise withdrawn from the program. Nekoosa's application is for 25 years.

The State is reimbursed for its 20 cents an acre through a severance tax property owners pay after trees on their land are harvested. Prior to cutting, the owner notifies the State of the anticipated action and afterwards files an account of the results. The severance tax is 10 percent of the stumpage rate figured by the Department of Natural Resources.

An additional provision of the Law states that all Forest Crop lands must be left open for public use.

(continued on next page)

Project 07....Construction of #3 recovery boiler at Cedar Springs is continuing at a steady pace.

The concentrator has been set in place and the boiler tube panel installation is continuing. Grates for the elevated floors and floor drains are in place, ready for the pouring of concrete in the near future.

Delivery of equipment and materials is expected to increase now that construction is in full swing.

New Transportation Method Tried....

Great Northern's Southern Division is exporting a considerable amount of tonnage to Continental Europe and the United Kingdom via the modern "Lykes Line Seabee Barge" concept.

Customer orders, weighing 4,000+ tons, are shipped in rail cars to Panama City, Florida and loaded in large barges (97' long x 34' wide) for movement along the Gulf Intracoastal Waterway to Mobile or New Orleans. Upon arrival at these ports, the entire barge and its tonnage is loaded aboard one of three Seabee mother vessels.

A mother vessel, with carrying capacity of 24,000 long tons, can trans-

Property owners do not escape paying taxes, however, they are merely delayed. When lands are withdrawn from coverage under the Law, the State deducts from the town's annual assessments of FCL lands, the annual and severance payments the owner has made over the years and assesses the owner the balance plus five percent simple annual interest.

Nekoosa Edwards objected earlier this year to proposed legislation that would limit the amount of land an owner could enter under the FCL each year. The company called attention to rising farm taxes caused by the sale of land for recreational uses, urbanization, and speculation and noted that the Wisconsin legislature has initiated several bills to recognize farming as a separate and essential land-use to be assessed accordingly.

Nekoosa views the taxation of forest crop lands as a problem paralleling farming. If left uncorrected, it could eliminate long-term forest management within the State, encourage liquidation of current forest land holdings, and eventually strangle Wisconsin's wood-based industries.

More On Revenue Bonds,...Nekoosa Edwards Paper Company will finance some of its pollution abatement projects at the Port Edwards and Nekoosa mills through industrial revenue bonding. The programs will be similar to those now in effect at Millinocket, Maine and Cedar Springs, Georgia.

Governing bodies of both Wisconsin communities adopted preliminary resolutions authorizing bond issues of up to \$12.5 million at the Port Edwards mill and up to \$5.5 million at the Nekoosa location, during meetings held June 12. Nekoosa is presently working on details of the programs and issuance of the bonds is scheduled for later this year.

This type of financing became available in Wisconsin earlier this year when the Wisconsin Supreme Court upheld a

State statute authorizing the sale of industrial development revenue bonds by municipalities. Local governments of Wisconsin are now free to issue and market development bonds to provide financial assistance for industrial growth and/or the cost of installing facilities to meet pollution abatement requirements.

Due to this ruling, it is estimated that up to \$100 million of these bonds may be marketed at favorable rates of interest reflecting their preferred tax status. At this writing, over 30 Wisconsin communities are negotiating with manufacturers to finance new plants or antipollution equipment with revenue bonds.

The Supreme Court decision brought to an end a controversy which had prevailed since the statute was first proposed to the legislature in 1969. According to a spokesman, the Court's support was given in an effort to ease the economic drain upon the State caused by losing industrial enterprise to allurements offered by competitive regions in the country, notably the south.

GUEST COLUMNIST

Charcoal Manufacturer Utilizes Mill Waste - by O. Darrell Smith, Environmental Control Supervisor, Southern Division.

The new Fly Ash Recovery System installed six months ago at the Cedar Springs paper mill to reduce particulate emissions into the atmosphere, has proven to be a successful operation. Present production of saleable fly ash, collected by the recovery equipment, is approximately 200 tons per month.

Installation of the \$150,000 system included mechanisms to screen, pulverize, convey, store, and load fly ash for shipment to a local charcoal manufacturer.

Cedar Springs burns a combination of bark and fuel oil in its two boilers to generate power for manufacturing operations. Fly ash is the particulate emission caused by incomplete combustion

of these two materials.

Fly ash emissions are minimized by equipping the boilers with multiple cyclone dust collectors. These devices utilize centrifugal and gravitational forces for separation and collection of dust particles from the gas stream. Prior to the recovery system conversion, the collected fly ash was reinjected into the boilers primarily to eliminate disposal problems and to obtain additional heat from burning the combustible portion of the fly ash.

One problem with the reinjection method was that some of the fly ash would undergo continuous cycling in the boiler and collector until the particle size was degraded to a dimension that could not be collected by the dust collector. It eventually was emitted from the stack into the atmosphere.

At Cedar Springs, reinjection processes were practiced until November 1972.

By utilizing the new recovery system, recycling of the fly ash is curtailed. The collected fly ash is now directed from the boilers to screening and pulverizing mechanisms. The material is then conveyed to storage bins and subsequently loaded into rail cars for shipment to the charcoal manufacturer.

NAMES IN THE NEWS

W. K. HOSEID, vice president and general manager, Great Northern Plywood Corporation, has been re-elected a member of the board of trustees, American Plywood Association, for a two-year term.

In addition, Mr. Hoseid was appointed a member of the board of National Forest Products Association, a member of the finance committee of the American Plywood Association, chairman of their technical services advisory committee, and a member of the group's distributor advisory council.

PATRICK H. WELCH, environmental protection supervisor, Millinocket, has

been elected chairman of the Maine-New Hampshire Section of TAPPI. He will serve in this capacity until June 1975.

ORGANIZATIONAL CHANGES

ROBERT F. BARTLETT, assistant controller, has been assigned a new, temporary responsibility in which he is now devoting all his time to the Northern Division.

In this capacity, he reports to Robert Hellendale, vice president - administration, and is charged with assisting the vice presidents of finance, sales, and operations to restore the profitability of the Northern Division.

WILLIAM L. DEWITT has been promoted to day foreman, machines #1 through 4, East Millinocket mill.

Mr. DeWitt joined Great Northern in 1955 and most recently was acting tour foreman, machines #5 and #6, East Millinocket.

JAMES H. LINSCOTT, formerly a machine tender, has been promoted to tour foreman, machines #1 through 4, East Millinocket.

Mr. Linscott has been with GNP since October 1959.

CHARLES W. THERIAULT has been promoted from senior technician to product analyst in the central staff group of the inspection and certification department, Millinocket.

Mr. Theriault, who has been with the company since 1954, is responsible for evaluating each mill's testing tech-
(continued on next page)

niques, establishing new test equipment, analyzing product performance and competitive products.

LEE H. WHEATON has been promoted from junior engineer to engineer, electrical section, Millinocket.

Mr. Wheaton received his degree from Northeastern University and joined Great Northern in 1968.

LAWRENCE F. WILLINSKI, JR., formerly senior traffic assistant, has been promoted to trucking coordinator, Millinocket.

Mr. Willinski is responsible for routing all truck traffic via common carriers and coordinating movement of our leased trucks. He has been with the company since May 1968.

NEW EMPLOYEES

JOHN R. BINGLE recently joined our Stamford office as administrator, management development. He reports to William E. Lloyd, director, industrial relations and is responsible for the assessment of management development needs throughout the company and the implementation of programs to satisfy such needs. He will also be involved in our sales training program.

Mr. Bingle is a graduate of Seton Hall University and was most recently associated with Kepner-Tregoe, Inc., a consulting firm.

WAYNE F. BRILLIANT has joined our salary and benefits department, Stamford, as salary and benefits assistant.

A native of Millinocket, Mr. Brilliant graduated from Northeastern University in 1967 and was formerly employed in the personnel department of Fraser Paper Company.

DOUGLAS D. COULOMBE has joined Great Northern Nekoosa Corporation as an assistant resident auditor in the internal audit department, Millinocket.

Mr. Coulombe, a native of Maine, residing in Millinocket, is a recent graduate of Husson College.

ANGELA PASSERO recently joined the market research department, Stamford, as market information analyst.

Miss Passero was formerly associated with Imperial Chemical Industries.

HARRY I. RAUTENAN has joined the company as a junior engineer, Millinocket.

Mr. Rautenan is a mechanical engineering graduate of Rensselaer Polytechnic Institute and recently completed an assignment at the Dudley Observatory in Albany, New York.

SERVICE ANNIVERSARIES - June

ROBERT A. MACKIN, purchasing agent, Millinocket, 25 years.

EDWARD A. LUMBERT, administrator-plan, budget and costs, woodlands department, Millinocket, 25 years.

HILTON R. CHASE, control engineer, Millinocket, 15 years.

July

WILLIAM C. BIRT, mechanical inspector, Millinocket, 35 years.

STANLEY G. BURRELL, night foreman, finishing department, Millinocket, 35 years.

ALBERT R. ALBERT, tour foreman-coating, Millinocket, 25 years.

JOHN H. STAPLES, vice president-sales, Stamford, 25 years.



GREAT NORTHERN PAPER COMPANY

NEWSLETTER

FOR MANAGEMENT EMPLOYEES

Vol. XII No. 4

Stamford, Connecticut

June 12, 1973

GNN ANNOUNCES TWO MAJOR EXPANSIONS

As released to the financial press and paper trade journals, June 13, 1973.

Great Northern Nekoosa Corporation announced today that it will invest \$47 million over the next three years to expand mills in Ashdown, Arkansas, and Ashland, Maine.

The company said the program would be financed in part through the issuance of \$30 million of additional long-term debt.

At Ashdown, Gerard E. Veneman, president of Nekoosa Edwards Paper Company, Inc., a subsidiary of GNN, explained that a contract had been concluded to build a 308" paper machine and supporting equipment to manufacture a wide variety of business communication papers. Construction will begin immediately with start-up scheduled for July, 1975. GNN estimates this part of the expansion at \$39 million.

At Ashland, Robert J. Shinnors, vice president-Northern Division, Great Northern Paper Company, a division of GNN, said the Maine expansion involved an investment of \$8 million and the construction of two new sawmills at Pinkham Lumber -- a new softwood sawmill with an annual capacity of between 40-50 million board feet, and a hardwood sawmill capable of processing 12 mil-

(continued on next page)

NADER ATTACKS PULP AND PAPER INDUSTRY IN MAINE

Consumer advocate Ralph Nader announced two years ago the creation of a task force to study the impact of the pulp and paper industry on the State of Maine.

On Thursday, May 24, the second installment of this two-part report (the first appeared in June 1971), was released. The lengthy 380-page study by William C. Osborn, an attorney with Nader's Center for the Study of Responsive Law located in Washington, D.C., charges the industry with a variety of abuses, including turning Maine into a "paper plantation" (title of the report) by imposing on the State a one crop economy with one crop politics which exploits the environment and the people. According to Mr. Osborn, "the (Maine) paper industry is controlled by seven big giant absentee corporations which have abused and mismanaged the State's forest resources."

No official comment has been made by the companies under attack, although Morris R. Wing, president of the Paper Industry Information Office in Augusta (news dissemination center for the State's paper industry) and regional manager, department of woodlands, International Paper Company, said, "We regret that the authors of the report have resorted to a variety of 'old

(continued on next page)

Production for the four months ending April 30,...

	1973		1972	
	Tons	Daily Avg.	Tons	Daily Avg.
Cedar Springs	250,326	2,112	257,413	2,145
East Millinocket	126,329	1,061	132,782	1,106
Millinocket	<u>140,281</u>	<u>1,178</u>	<u>106,782</u>	<u>889</u>
	516,936	4,351	496,977	4,140

MAJOR EXPANSIONS ANNOUNCED
(Continued from page one)

lion board feet per year. Mr. Shinners said the company is also adding an automated hardwood remanufacturing plant in which lower grade wood is made into pallets, while the higher grade material goes into dimension lumber for furniture.

Construction of the softwood mill, which will begin immediately, is expected to take 12-15 months. Once that project is completed, buildings for the hardwood sawmill and the remanufacturing plant will be erected. Each plant will have its own dry kiln, and the entire expansion will be completed by the fall of 1975. Mr. Shinners said approximately 100 new jobs would be created.

The new paper machine at Ashdown, Arkansas, a fourdrinier, will manufacture bond, offset, xerography, computer, duplicating, and copy papers among other grades. Annual production will approximate 125,000 tons.

The new paper machine will be designed and built by the Beloit Corporation. It will be capable of running at speeds up to 2,700 feet per minute and will be under computer control. An innovation in the press sections, called a Beloit Tri-Nip press, is designed for high speed operation without press breaks.

The machine will be 424 feet long and will be housed in a new 640' x 124' building to be constructed adjacent to the present machine room. Supporting facilities will include additional areas for stock handling, warehousing, chemi-

cal storage, a new power boiler, sheeting, and roll wrapping equipment.

Russell K. Elston, Ashdown mill manager, noted that the pollution abatement system will be modified to handle the added mill effluent. He indicated that the expansion follows the original plan for the mill, pointing out that its present pulp capacity is more than adequate for the new machine. He said approximately 125 additional people will be added to staff the expansion.

NADER REPORT

(Continued from page one)

chestnuts' to draw attention to their conclusions. We are again cited for being a part of big corporations. As managers, we are sensitive to these facts." He pointed out that most of the pulp and paper companies mentioned are public corporations with stockholders throughout Maine and the nation. "Any public company must establish its headquarters somewhere. If tomorrow these companies elect to move headquarters to other locations, the direction of Maine management would not be altered."

All but one of the seven companies accused have yet to receive their copies of the report, according to Mr. Wing. "After they do, it will take some time to go through a volume of this size and not until then will we be in a position to make a joint response."

A recent Bangor Daily News editorial

on the study suggests that the fact that the paper companies were not given copies of the report "is an interesting little paradox that perhaps was more than an oversight, especially since most Maine newspapers had secured copies more than a week ago."

At this writing, most legislative leaders in Maine still hadn't read the entire 380 pages. Their off-the-record comments ranged from, "I instinctively take it all with a grain of salt," to praises for its shock value if not its details. "It's like getting hit with a bucket of cold water," one legislator remarked. "It opens our eyes and makes us see conditions we had accepted without thinking." Another legislative leader commented that he has never been enthusiastic about Nader reports. "I don't think they ever go into enough depth to make real conclusive findings."

The report has also been rated as so biased it loses its credibility. According to an article in the Bangor Daily News, the weakest part of the document is the lack of perspective. "To say, or assert, in a documented evaluation, that the paper industry has wrought only bad upon Maine and its people is ignoring perspective."

Nader's accusation against the absentee status of the "seven giant companies" is questioned by Charles M. Washburn, executive secretary of the Maine Forest Products Council and editor of their monthly publication, Maine Forest Products Council News. In his May editorial, Mr. Washburn states, "The long awaited blast at paper companies doing business in Maine deplores the non-resident character of the operation directed by people who live in the comfort of New York and Philadelphia suburbs. Yet authors of the lengthy study consider it highly proper for out-of-state based investigative organizations using a staff with little understanding of Maine people and Maine economic problems to assume the right to issue high sounding reports designed with no intention other than to influence the Maine Legislature considering problems peculiar to the State."

"Obviously the 1973 document is intended to strengthen support in the legislature for Maine's Land Use Regulation

Commission by creating a halo around the head of director James Haskell. The 1973 critique loses much of its objectivity when it lines up the good guys against the bad guys according to how much support they have shown in the past for LURC proposals."

Several legislators felt that many of the reforms the report advocates are already in the works.

The first installment of the Nader report issued in 1971 also accused the industry of wrongdoings. Among a variety of charges it claimed that Maine had under-taxed timberlands while intimating a conflict of interest between the chairman of the State Legislature's Appropriations Committee, Senator Joseph A. Sewall, and the work his firm, the Joseph A. Sewall Company of Old Town, Maine, did for the State Bureau of Taxation.

Great Northern, one of the companies criticized, has ordered copies of "The Paper Plantation". They should be available for review in Stamford and Millinocket shortly.

GNN AND PEERS LISTED IN VARIOUS DIRECTORIES

Fortune magazine's annual directory listing of the 500 largest U.S. industries on the basis of sales for 1972 was offered to the public in May.

Great Northern Nekoosa ranked 299, up 4 from our 1971 listing of 303.

In the paper industry field, Hammermill, which was rated 296 last year, dropped below us in the 1972 ratings to the 307th position.

Forbes magazine's annual directory issue, published January 1, covered the top 780 U.S. corporations. GNN was listed 609 on the basis of profitability and 579 in the growth category.

Out of the 31 leading forest products companies, GNN was ranked 21 in profitability.

Words of Wisdom - Don't just give your wife credit; she needs a little cash too.

EQUAL EMPLOYMENT OPPORTUNITY
PROCEDURES RESTATED BY GNP

Sam Casey, president, recently issued a statement of policy reaffirming the practices governing GNP's employment activities.

According to Mr. Casey, the objective of Great Northern and its divisions and subsidiaries is to search for the most qualified individual for every job opening. Every job applicant will be carefully evaluated without regard to religious beliefs, national origin, race, color, age or sex in all areas of employment, training, advancement, and pay.

To insure implementation of this policy, Great Northern Paper Company will:

A. Continue its policy of recruiting, hiring, transfer and promotion in all job categories without regard to race, color, religion, national origin, age, or sex, except where age or sex is a bona fide occupational qualification.

B. Continue to base employment decisions so as to further the principles of equal opportunity.

C. Continue to make promotion decisions based on the principles of equal opportunity.

D. Continue to insure that actions such as compensation, benefits, study programs, social and recreational programs are administered without regard to race, color, religion, sex, age, or national origin.

Little Known Facts About Retirement Benefits... Each year, Great Northern pays life and health insurance premiums for some 240 retired employees and their dependent units (one or more family members). This expenditure provides the retired employees with a free, \$10,000 life insurance policy and the continuation of their health insurance.

The coverage, part of GNP's overall fringe benefits program, is available to all monthly salaried persons who retire on pension and have been participants in the company's group insurance plan.

The health insurance is identical to

that covering active employees except that the company now pays the total cost, employee's and dependents'. At age 65, the benefits are coordinated with those provided by Medicare.

Health coverage continues for the spouse and dependents of a deceased active or retired employee.

Benefits for both spouse and dependents is discontinued when the spouse remarries, or for the dependents when they no longer qualify as a dependent under the group insurance plan, normally at age 19.

Travelers' Information... GNP's 1973 Northern Division road-use policy for summer vacationers was issued in May.

The information was carried in the form of a full-page advertisement in the May 23 issue of The Katahdin Journal and the May 26 issue of the Bangor Daily News for the benefit of those using the forest land during the Memorial Day weekend. It will also appear in the June 30 special "State of Maine" edition of the Portland Press Herald for Fourth of July travelers.

The ad has been reprinted on 8 1/2 x 11" sheets which also carry a detailed map showing the roads and areas where changes to last year's policy have been made. These reprints are available at all checkpoints stationed on GNP land and from the woodlands department in Millinocket.

AT THE DIVISIONS --

Rain Affects Mill Production... In late May, Great Northern was forced to curtail production at its East Millinocket mill because of a wood shortage.

Greater than average winter snow cover resulting in above normal runoff, and persistent spring rains caused disastrous road conditions and critically hampered transportation of pulpwood to the mills.

Announcement was made on Friday,

May 25 that East Millinocket, which employs 750 persons, would close Sunday and Monday. Machines #5 and #6 started up Tuesday morning, leaving the four smaller machines idle until Thursday, May 31 when the mill was back to full production.

On Monday, June 4, machines #1 through #4 went down again with an anticipated Thursday morning start-up.

Machine schedules at the Southern Division have also been seriously altered due to the abnormally wet spring.

During the month of May, Cedar Springs experienced 11 days with at least one of their three paper machines down.

If weather conditions remain stable, no further shut-downs are foreseen.

It may be water over the dam, but according to reports from the Northern Division, our power systems group at Millinocket deserves a "well done" for their part in helping to control flood conditions which recently occurred in the area.

As explained previously, extremely wet conditions existed because of above average snow cover during the winter causing a greater spring runoff. An additional 3.5 inches of rainfall over a two-day period during the first week in May forced even the smallest brooks and streams to overflow their banks.

By maintaining an around-the-clock vigil for a five-day period, the power systems crew, under the direction of Richard H. Hale, power systems manager, was able to control the amount of spill water by systematically opening and closing the dam gates at Millinocket Lake. This procedure reduced the volume of water running into the streams by one-third.

As the flow rate into storage broke all records during that period, it is estimated that without the dam control, twice as much flooding would have occurred

in the low-lying areas of Millinocket and surrounding communities.

Due to excessive rains which hastened the melting of a two-foot snow cover in the woods around the Ashland area, Pinkham Lumber Company reported flood damage in excess of \$55,000 to their main hauling road.

Five bridges over large brooks and four culverts were lost to the high waters. Several other major washouts occurred as a result of all streams and brooks being at flood stage.

Road crews in cooperation with woods foremen began rebuilding the bridges, which span from 12 to 16 feet, and were able to complete sufficient repairs to permit logging crews access to their respective lodgings in time for the planned camp start-up date of May 14.

Although crews have been cutting and piling wood, no logging trucks have been able to use the hauling road for transportation to the mill.

The latest report from Pinkham indicates that all repairs will be completed by mid-June allowing resumption of normal operations.

Pollution Abatement Deadline...W.W. (Jack) Ricketson, resident manager, Southern Division, reports that Great Northern recently signed a consent order with the State agreeing to be in compliance with Georgia air quality regulations by August 1974 on our recovery boilers and February 1975 on our power boilers.

According to Mr. Ricketson, the construction on No. 3 recovery boiler is progressing more rapidly now that weather conditions have improved following an unusually wet winter season. Most of the structural steel has been erected and the steam and mud drums have been hung. Economizer panels are in position, and the tubes connecting the mud and steam drums are being inserted. The foundation for the concentrator has also been poured.

"We feel 1974 is a realistic sche-
(continued on next page)

dule to meet," Mr. Ricketson commented, "even though this project is just now taking shape and the deadline for completion will be tight."

High Yield Sulfite Project At East Millinocket...A new pulping system to provide good quality, low cost chemical furnish for the East Millinocket mill is now underway at Millinocket. October 1973 is the scheduled start-up date.

High yield is produced by partially cooking wood chips to 75 percent consistency (as opposed to 50 percent for regular sulfite) and then refining the chips in disc refiners to separate the individual fibers.

The new system will be located in an extension of the existing washer building. A new dump tank and flushing liquor tank will be positioned in the old acid plant.

A progress report on the construction shows that the washer building extension has been erected and major equipment is already installed. A new absorption tower is now in operation. The old Jenness towers, located west of the digester building, have been torn down and are being replaced with a 255,000 gallon dump tank. When completed, a 136,000 gallon flushing liquor tank will be positioned atop of this structure.

A substation and motor control center building is completed and electrical equipment 75 percent installed.

Preparations at the East Millinocket mill include the installation of a new cleaner system as well as the rebuilding of two tanks and three old chemi-ground-wood deckers for cleaning and thickening. Construction of these projects is 25 percent complete.

Retirement Dinner...The 18th annual banquet for retired Great Northern employees was held May 31 in Millinocket.

Over 500 men and women attended.

The company's 69 new retirees were the honored guests with special recognition given to GNP's "Golden Retirees", those 80 years of age and older.

Sam Casey, president, Robert Hellen-dale, vice president-administration, and Robert J. Shinnors, vice president-Northern Division, addressed the audience. They reviewed the company's progress and encouraged the group to continue their support of Great Northern and to maintain close contact with the company.

March At Millinocket...The "March of Dimes", as American as apple pie, had President Franklin D. Roosevelt as one of its most ardent supporters.

In 1972 and again this year, the Northern Division transportation department joined ranks with the late president by participating in a new approach to raise funds for this worthy project.

Employees, supported by their friends, marched from Millinocket to East Millinocket, a total of ten miles. For their effort, blisters and sore feet, they requested payment on a mileage basis.

Results of these marches have amounted to approximately \$350 each year.

Railroad Car Storage...To make broader use of our raw material supply in Maine, our Northern Division mills have been utilizing a larger quantity of stored broke. This commodity, as well as a variety of other products such as woodpulp and waste kraft clippings, is presently being housed in obsolete rail cars leased from the Bangor and Aroostook railroad.

These cars, built during the late 1940's for multi-purpose service, handled primarily potato and paper traffic. When new cars were designed with heavier load capacities, wider doors for loading and unloading, and better mechanical equipment, they became obsolete.

In 1968, Great Northern entered into an agreement with the BAR to lease 50 of these cars for intra-plant, short duration storage of saleable paper rather than use commercial warehouses. With the increased usage of broke, woodpulp and waste kraft by our Northern mills, and the lack of warehousing space, additional cars have been leased over the years. The current total is 125.

This equipment makes it possible for GNP to keep the necessary inventory of these commodities readily available, especially those which arrive from long distances, while keeping demurrage costs to a minimum.

GUEST COLUMNIST -

Recycling Waste Papers - by two Northern Division contributing reporters.

The problem of solid waste disposal and the fact that paper consumption is gaining rapidly on available supplies of wood, are two reasons contributing to the growth of waste paper recycling among paper manufacturers.

At Great Northern, present wood shortages caused by adverse weather conditions, economics, and requests from environmentally concerned customers, are additional factors responsible for our increased recycling activity.

Maintaining a constant supply of waste paper, however, is one of the biggest problems facing recycling proponents. For Great Northern, the fact that our mills are located away from large urban areas further complicates the situation.

GNP is presently repulping 20 tons of waste newspapers a day at its East Millinocket mill, maintaining a 1 1/2 percent level in the furnish of machines Nos. 5 and 6. This waste, mostly overrun newspapers from Portland, Maine and Boston, Massachusetts, is collected and stored in warehouses. It is transported to the mill via GNP's leased trucks upon

their return from deliveries in the Boston area. This paper must then be unloaded, stored, brought to the machine and blended with broke to make the furnish. These extra steps result in additional labor costs.

One of the reasons recycling has been relatively successful at East Millinocket is the installation in our broke system of a refiner borrowed from the Millinocket mill. This refiner has eliminated the appearance of broke specks previously experienced in the finished sheet.

The actual purchasing of waste paper is handled by the purchases department through contracts with waste paper brokers in the New England area. In 1972, approximately 800 tons of old Manhattan, Bronx and Brooklyn telephone directories were purchased from Reuben H. Donnelley in Long Island City, New York, for use in the production of yellow directory paper.

We also purchase 400 tons of kraft clippings per month for roll wrap from as far away as Philadelphia.

Our engineering and research departments are currently studying new deinking techniques to improve the economics involved in recycling. This would allow us to consider the feasibility of increased usage when waste materials are more readily available.

NAMES IN THE NEWS -

SAM CASEY, GNN president, was named a director-at-large of the University of Maine's Pulp and Paper Foundation during their 23rd annual open house held recently. Mr. Casey's term extends over a three-year period.

HOWARD WILLETS, director of marketing, was elected associate division director of the Gravure Technical Association at that group's 24th annual meeting held in Chicago.

Mr. Willets is also serving as a member of G.T.A's executive committee.

PROMOTIONS -

LYMAN E. ALBERT promoted to tour foreman, Nos. 5 and 6 paper machines, East Millinocket.

Mr. Albert most recently served as a spare boss machine tender.

LAWRENCE E. BOSS promoted to foreman - finishing, East Millinocket.

Mr. Boss has been acting foreman for several months.

M. JOHN ELWARD promoted to area foreman, East Millinocket.

Mr. Elward has been working as acting shop foreman since last fall.

FREDERICK C. FOWLER promoted to pulp mill superintendent, Millinocket.

Mr. Fowler has been with GNP since 1950. His most recent assignment was sulfite and pulp processing foreman.

JAMES M. GIFFUNE promoted to the newly created position of technical assistant to mill manager, Millinocket.

Mr. Giffune formerly served as process control superintendent. He joined the company in 1961.

GALEN M. LANDER promoted to the newly created position of technical assistant to pulp mill superintendent, Millinocket.

Most recently serving as senior engineer, Mr. Lander has been with GNP since 1964.

CARROLL R. LOZIER promoted to sulfite and pulp processing foreman, Millinocket.

Previously foreman in the sulfite

mill, Mr. Lozier joined the company in 1949.

RICHARD W. NOYES promoted to general production superintendent, Millinocket.

Associated with GNP since 1960, Mr. Noyes most recently held the position of assistant to the vice president - Northern Division.

JAMES W. STEWART promoted from yardmaster to transportation coordinator for Great Northern Plywood.

This new position has been established as a result of a marked increase in transportation activity in private trucking and wholesaling of lumber products. Mr. Stewart has been with GN-Ply since 1966.

JIMMY R. STRICKLAND promoted from yard clerk to yardmaster, Cedar Springs paper mill.

Mr. Strickland has been with the company since 1966.

NEW EMPLOYEES

PETER W. HALL has joined the company's Stamford office as a sales trainee.

Mr. Hall is a graduate of Ashland College, Ohio, with a B.S. degree in Business Administration and Marketing.

DONALD J. PLOURDE has rejoined the company as plant accountant, East Millinocket.

Mr. Plourde, a graduate of Ricker College, was originally employed in 1966 and served from 1969 to 1971 as staff accountant, Millinocket.

CHARLES F. WILSON, JR. has joined GNP, Stamford, as a sales trainee.

A graduate of Fairfield University, he holds a B.S. degree in Marketing.



GREAT NORTHERN PAPER COMPANY

NEWSLETTER

FOR MANAGEMENT EMPLOYEES

Vol. XII No. 3

Stamford, Connecticut

May 7, 1973

GNN REPORTS INCREASE IN FIRST QUARTER EARNINGS

A 24.1 percent increase in net income was reported by GNN for the first three months of 1973. Net income was \$5,197,000 or \$.96 a share primary, compared with \$4,189,000 or \$.78 a share in 1972. Sales increased 18.5 percent to \$116,385,000 from \$98,203,000 for the same period last year.

Commenting on first quarter results, Sam Casey, president and chief executive officer, said the most significant development was the fact that GNN was able to improve operating efficiency and lessen the cost-price squeeze in all markets served by the company.

"At the same time," he continued, "we operated our containerboard mill at Cedar Springs, Georgia, at less than capacity due to a tube failure in a power boiler, and we incurred downtime at our plywood plant in order to install pollution abatement equipment." Mr. Casey added that the exceptional rains of the winter and early spring everywhere in the South made wood procurement difficult for the entire industry and that GNN's mill at Ashdown, Arkansas, lost production of market pulp.

He said that while GNN had very satisfactory runs of a variety of groundwood printing papers on "Ultra Eleven", during this period, mechanical perfor-

CHANGES ADD STRENGTH TO SALES ORGANIZATION

As part of a program to strengthen and streamline GNP's sales-service operation, three organizational changes have been made within the commercial sales department.

George L. Nystrom, previously regional (continued on page 4)

ANNUAL MEETING

GNN' third annual shareholders' meeting took place May 1, in Millinocket.

Shareholders re-elected all members of the board of directors and also approved the election of Robert J. Shinnners, vice president-Northern Division, as corporate clerk. Mr. Shinnners fills the vacancy created by the death of John F. Ward.

Sam Casey, GNN president and chief executive officer, told the group of approximately 100 that the company was on the "come-back" trail and that improved efficiency and more realistic pricing should continue to increase profits during 1973.

mance had been such that considerable downtime for adjustments was required.

Mr. Casey concluded by saying that the company expects a continuation of strong market demand for the second quarter and the remainder of the year.

Production for the three months ending March 31, 1973....

	1973		1972	
	Tons	Daily Avg.	Tons	Daily Avg.
Cedar Springs	183,156	2,067	193,159	2,145
East Millinocket	95,206	1,057	101,514	1,115
Millinocket	107,383	1,193	80,590	885
	385,745	4,317	375,263	4,145

Newsprint Survey Report....The latest API newsprint survey ranks Great Northern fourth largest producer in the U.S. with a reported capacity of 360,000 tons annually.

Other industry leaders with mills in the United States are Bowaters Southern, Calhoun, Tennessee, and Southland Paper, Lufkin, Texas, both reporting 485,000 tons per year; Kimberly-Clark, Coosa Pines, Alabama, with 440,000 tpy; and Publishers Paper, a subsidiary of Times-Mirror Company, Newberg, Oregon, with 366,450 tpy.

MacMillan-Bloedel, ranks first in Canada with total capacity of 1,316,500 tons per year. Canadian International is second with 1,150,200 tpy; however, when its U.S. mills are added, that company's total comes to 1,408,650 tpy.

Other large Canadian producers and their projected tons per year are Price, 1,070,000; Abitibi, 1,041,670; Consolidated-Bathurst, 971,500; Ontario Paper, 763,000; Domtar, 555,800; Bowaters Canadian, 539,700; Great Lakes, 437,000 and Anglo-Canadian, 326,000. Total capacity for the Canadian mills is rated at 10.1 million tons per year.

Business Group Studies Government..

John J. Egan, administrative assistant for Great Northern on special assignment, is representing the company as a member

of the Maine Management and Cost Survey Commission. This 36-man study group is currently reviewing the management practices of Maine's state government. Their objective is to develop information that will permit significant and lasting economies.

The Commission, created by order of the 105th Maine Legislature, is entirely supported by the Maine business community which has donated \$150,000 and the time of the men involved. The study group is comprised of six teams, each of which is covering different areas of government including administrative and finance; environmental resources; regulatory and protection; education and cultural resources; human resources; and transportation, Mr. Egan's area.

Commission chairman James B. Longley explained that the group is just as much concerned with implementation as it is with findings and recommendations. "We intend to make this survey successful and to fully discharge the duties which the Legislature has assigned to us. The key to such success is implementation."

"We also hope that the study will be the beginning of a bond between Maine government and Maine business that will lead to a greater understanding of each other's problems and viewpoints and which will effectively convince the people of Maine that they are getting maximum value from their tax dollars."

The study is scheduled to be completed by July and will be ready for release to the public in September.

A Report On The Investment Plan....

Since announcement of GNN's Investment Plan for Salaried Employees was made in September 1972, two participation deadlines have passed, October 1, 1972 and January 1, 1973.

Current GNP employee enrollment in the new plan breaks down as follows:

1. Of the 934 eligible GNP employees, 399 or 43 percent have chosen to enroll.

2. Of these 399, 311 are monthly salaried and 88 are weekly salaried.

3. A total 241 employees chose the maximum deduction of 6 percent; 63 chose 4 percent; and 95 chose 2 percent.

4. Only 84 employees chose to invest 100 percent in the Common Stock Fund; 116 employees went 100 percent in the Fixed Investment Fund; and the balance was largely split 50-50 between the two funds.

According to regulations affecting enrollment, an individual is eligible to participate if he or she is a full-time salaried employee. Application to join must be made 30 days in advance of the effective dates of membership, July 1, or January 1, by completing and mailing a request for membership card to the salary and benefits department in Stamford, the personnel department in Millinocket, or the industrial relations department at Cedar Springs.

P & P Scholarships On The Rise....

Robert J. Shinnors, vice president-Northern Division and chairman of the scholarship committee, University of Maine, Orono, announced recently that 121 students have been awarded University of Maine Pulp and Paper Foundation scholarships, totalling \$46,195. This is the largest number of scholarships ever given by the Foundation to students preparing

to enter the pulp and paper or allied industries, according to Mr. Shinnors.

GNP Pollution Abatement Efforts Praised.... During a joint hearing on the application for discharge licenses conducted in Augusta in April by the Maine Department of Environmental Protection and the U.S. Environmental Protection Agency, Alfred Meister of the Atlantic Sea Run Salmon Commission and Louis Flagg of the Department of Sea and Shore Fisheries commended GNP for its efforts in keeping the waters of the West Branch of the Penobscot within acceptable standards. Mr. Flagg told the group that he had, for many years, been familiar with these waters and if anything, "I've noticed an improvement."

The joint meeting was held to permit federal and state agencies to hear testimony from those who wished to comment either in favor or against the discharge applications. The meeting was in compliance with federal regulations established by the 1972 Water Quality Act, which set guidelines for the discharge of effluents into the waterways.

The major part of the questioning centered around the amount of heavy metals which are contained in the effluent released at both mills. Dr. Victor F. Mattson, director of research and engineering, testified that samples taken from below each mill showed less than .05 parts per million of zinc, lead and chromium in the river, and less than .10 parts per million of zinc, and less than .05 parts per million of chromium and lead in the effluents coming directly from the mills.

The discharge licenses have been received at Millinocket and are expected to be signed and returned shortly.

Words of Wisdom....The smart cookie sells more than the wise cracker.

"Progress And The Future Of Rotogravure Paper" was the subject of a talk given by Avern B. Danforth, inspection and certification manager, during the Gravure Technical Association's 24th annual convention held recently in Chicago.

During his talk, Mr. Danforth emphasized Great Northern's commitment to rotogravure. He pointed out that several years ago GNP realized that to stay competitive, the company had to continue to improve the printability of its uncoated roto publication grades.

The question was how to go about it. Answers had to be found to such questions as how is uncoated roto printability judged; what test is the best predictor; and what is the effect of smoothness, formation, wire mark, furnish, on roto printability?

Panels consisting of printers and GNP mill and research people soon determined that when rating uncoated gravure signatures, they were really evaluating the extent of missing (skipped) dots. A printed picture is actually a series of dots (black and colored). There can be from 5,000 to 90,000 dots per square inch of printed paper. The Diamond National skipped dot test (actually a small laboratory-size rotogravure press), was adopted as our best roto printability predictor.

Having established this, the group then proceeded to determine the effect of various papermaking variables on the outcome of the test. Mill trials proved that smoothness, sheet compressibility, wire mark, and poor formation contributed most to skipped dots. It was also determined that moisture and furnish content were important factors.

Responding to this information, GNP made major equipment changes to several paper machines (Nos. 3, 4, and 5).

Mr. Danforth ended his talk by saying, "Great Northern plans to play a very important role in the future of rotogravure papers. It has chosen to meet and solve some of tomorrow's problems today by introducing a new concept into our industry—Ultra Eleven—a 296" Verti-Forma built by Black Clawson.

"We expect the majority of the 135,000 ton annual capacity of Ultra Eleven to be printed roto. This is Great Northern's contribution to the future of rotogravure."

Approximately 475 guests attended this year's Hunt Breakfast held April 24 at The Plaza in New York.

The traditional affair, sponsored by Great Northern to correspond with the annual convention of the American Newspaper Publishers Association, also held in the City, offers customers and their guests the opportunity to meet with GNP sales personnel and executives who serve as hosts.

Elizabeth Genter, office manager, was in charge of the arrangements, assisted during the breakfast by Carol Fitcher, Laurie Lenney, and Marilyn Acheson, members of the Stamford office staff.

ORGANIZATIONAL CHANGES (continued)

manager-Chicago, has been promoted to the newly created position of manager-technical service for commercial and newsprint grades.

Donald O. Hickey, who joined the company in April, assumed the responsibilities of heading the Chicago office as regional manager.

Jacques L. Dardenne, most recently serving as southern district manager, has been promoted to regional manager-Columbia, reporting directly to the manager-commercial sales.

Commenting on the changes, William E. Cozens, general sales manager, stated, "by adjusting our reporting system and using Mr. Nystrom's knowledge of our mill's capabilities and his experience with customer needs, our ability to provide the necessary technical service prior to and following orders has been greatly improved."

Although Mr. Nystrom will be working with both sales groups, his immediate responsibilities will be with the commercial group.

NORTHERN DIVISION

Banquets Termed "Good Labor Relations"....Over 300 GNP wood harvesters and their wives were guests at two banquets hosted recently by the Northern Division.

Unlike previous affairs, held only for harvesting camps which achieved a 12-month accident-free record, this year's banquets included the entire wood cutting force. Employees from the three West Branch camps, who come from the St. George area, were honored March 30 at St. George, P.Q. The crews from two Aroostook camps and the Telos operation in Millinocket, residents of the Canadian area north of Fort Kent and Madawaska, met in Edmundston, N.B. April 13.

Since most of the guests were Canadian, the welcoming remarks of James R. Adams, manager of personnel, and Ralph W. Currier, manager of woodlands, who attended both affairs, were translated into French by Henry J. Deabay, personnel supervisor, woodlands.

Slides showing mill operations and cleaning rivers and lakes of pulpwood were shown. Fringe benefit brochures, printed in French, were given out and discussed by Mr. Deabay. Magazines, telephone directories, newspapers and other products made from GNP paper were displayed.

Successful PIMA Meeting....On April 5, the Northern Division hosted the 1973 Spring meeting of Northeastern PIMA (Paper Industry Management Association).

The program was comprised of small group tours of the mill and related facilities, three panel discussions and a buffet lunch. Richard W. Noyes, assistant to the vice president, Northern Division; Ralph C. Keef, superintendent-pulps; and Patrick H. Welch, environmental protection supervisor, served as panel chairmen for the discussion groups. Their topics included: "A Modern Paper Machine", "Long Log Woodyard and Refiner Groundwood",

and "Waste Treatment", respectively.

The day's activities ended with dinner at the Elk's Lodge during which Robert J. Shinnars, vice president - Northern Division, and host speaker, concluded his remarks with a presentation of the "Ultra Eleven" film, "Your Share of the Future".

Roll Wrap Manufactured at Millinocket.

The cylinder machine at Millinocket is back in business making kraft wrap for GNP paper rolls. Production of this product became possible again in 1972, following major equipment changes on the machine. These changes included a new Black-Clawson refiner for improved control of pulp freeness; and a Sinclair rotary screen to recover fines and recycle clarified white water to the cylinder showers in place of fresh water. Aside from the latter being a pollution abatement feature, the modifications also have improved sheet quality through better retention, fiber bonding and formation.

For the last three years, the Northern Division has been purchasing its wrap from the Cedar Springs mill. This became necessary because of the age of the cylinder machine, and increasing quality demands of customers.

Following the modifications, however, trial production runs of roll wrap were made using a new type furnish largely comprised of "kraft clippings", a specific grade of waste kraft which contains no foreign contaminants and is above the average quality of waste kraft. Machine runnability proved satisfactory, and the appearance and physical properties of the trial wrap were good.

A series of wrapping trials made at both finishing rooms in Millinocket indicated that the sheet handled well and showed excellent gluing characteristics.

The sales department provided positive feedback when the trial rolls reached their destinations. Durability of the wrap under normal shipping conditions was also satisfactory. (continued on next page)

The purchasing and transportation departments are currently securing adequate sources of supply for "kraft clippings" in the New England area. Production of roll wrap for the Millinocket mill started in early April followed by East Millinocket later that month.

Because the cost of transporting the clippings from the New England area is less than purchasing and transporting the wrap from Southern Division, important savings should be realized.

East Millinocket Millwright Praised.

The East Millinocket mill saved between \$15 to \$20,000 recently when Robert L. Osgood, a Master Journeyman Millwright, was able to connect a grinder line with a new water wheel without removing side frames and regrouting.

Original realignment estimates, which included removing side frames and regrouting, were in the neighborhood of \$20 to \$25,000. Engineers and maintenance supervision were skeptical about moving the shaft without moving the side frames. Bob Osgood felt he could accomplish the proper line-up without moving the frames, and he did. His cost: approximately \$4,800.

In a congratulatory letter to Mr. Osgood, Arthur E. Dentremont, mill manager, commented, "We appreciate your effort and consideration of high expenditures especially at these tough economic times." Mr. Osgood was also honored during a production meeting he attended along with Keith Boynton, union president, and Ray Blaisdell, maintenance superintendent.

Primary Treatment For East Millinocket.

T.W. Beak Consultants, Limited, of Montreal, have been engaged to design primary waste treatment facilities for the East Millinocket mill. Underway for two months, the

project has progressed to the point where major considerations have been settled.

The new system will begin where the process interceptor sewer terminated construction last year and includes an extension of this underground line to an effluent pumping station, clarifier and sludge pumping facility located down river from the mill. From this point sludge which has settled at the bottom of the clarifier will be pumped to the wood room. There, facilities will be installed to filter and press the material dry enough to be combined with the bark removed in the barking drums.

Beak Consultants are also working with our research department on secondary treatment proposals.

SOUTHERN DIVISION

New Warehouse....Construction of a third transit shed at the Port of Panama City is nearing completion and should be ready for occupancy in early May.

According to the Port director, the need for a new warehouse arose following six consecutive years of annual increases in business.

The additional space is also necessary to meet storage demands of Great Northern's Cedar Springs mill which has scheduled approximately 25 percent of this year's tonnage to move via Panama City.

A strike at the Port of Panama City was ended in mid-April with the signing of a two and one-half year contract by the Longshoreman's Union and stevedoring companies.

New Bus For IPEL....During the latter part of 1972, a used school bus with a t-

ing capacity of 32 was acquired by our Southern Division.

The bus, a 1964 International, was purchased in Georgia and shipped aboard the S.S. Gulf Shipper from Mobile, Alabama to the Republic of Panama for use by Industria Panamena De Papel (IPEL), the Panama-based company in which GNP has a part interest.

The vehicle was painted and put into service by IPEL to meet government regulations in Panama which require that employees working away from metropolitan areas be provided with transportation to and from their jobs.

IPEL is located on the Chilibre River, approximately 17 miles from Panama City.

GUEST COLUMNIST

Know Your Transportation Department.

by Jerry D. Perkins, Director-Transportation and Purchases.

In this article it is my intention to explain the organizational structure of the transportation department and review some of its functions and responsibilities.

Transportation, an industry in itself, is considered by economists to be the second most important in the United States, exceeded only by agriculture. This is easy to understand when you consider that most everything we own was moved via several modes in its raw material and finished stages.

Great Northern's transportation department spends \$30,000,000 in freight costs annually to move its raw materials and products. It is essential, therefore, that every effort be made to purchase these services at the most economical price consistent with requirements of the company and its customers. This responsibility is shared by three separate units within the transportation department - a department at both division locations and one in Stamford.

The role of our division transportation departments at Cedar Springs and Millinocket can be discussed simultaneously since it is essentially the same for both.

Maintaining an adequate supply of cars is one of their primary duties. This includes outbound shipment cars and wood-rack and woodchip cars to move fibre to the mills.

A careful watch is also kept on demurrage costs by controlling the loading, unloading and release of cars, and routing all raw materials and paper shipments to provide the most expeditious service.

To assure that duplicate or over-payments do not occur, the department continuously audits freight bills and vendor invoices to check terms and allowances.

Freight savings are also achieved by working with the purchases department to utilize company-operated trucks for both outbound and return trip deliveries.

A constant effort is maintained to prevent shipment damage and assure on-time arrivals to customers by working closely with carriers, customers and mill shipping departments.

The corporate transportation department, in addition to coordinating the activities of the divisions and assisting them when necessary, is responsible for establishing transportation policy that best suits the needs of the company.

In this regard, the department conducts all negotiation of freight rates, with carriers of all modes of transportation and establishes competition between carriers to obtain improved prices or services.

Equipment leases are also negotiated as well as contracts with ocean carriers and barge lines.

Studies are conducted to determine the geographical distribution of our shipments in conjunction with the mode selected. And also, to establish warehouse distribution arrangements when and where economical.

Negotiations with the Interstate Commerce Commission and other legislative bodies are also handled by the corporate transportation department as well as stevedore charges at U.S. and foreign ports.

Although the above information only briefly outlines the day-to-day activity, I hope it is complete enough to give you a better understanding of your transportation department.

NAMES IN THE NEWS

SAM CASEY, president and chief executive officer of GNN, has been appointed chairman of the International Business Committee of API.

BRUCE P. ELLEN, vice president-Southern Division, retired in April from his position as president of the Pulp Chemicals Association. He continues to serve the group as a member of the executive committee.

WILLIAM L. SHAUGHNESSY, manager-coated products, was elected assistant vice-president, Eastern Region, of the Sales Association of the Paper Industry.

Mr. Shaughnessy has been a member of the group for eight years.

PROMOTIONS

FREDERICK V. ERNST, formerly manager export sales, has been promoted to the position of manager-board sales.

Mr. Ernst reports directly to the general sales manager, board sales and is responsible for the direction of all territorial salesmen as well as the sales service section. A graduate of Yale University and Harvard Business School, Mr. Ernst joined the company as a sales trainee in 1960.

NEW EMPLOYEES

PAUL K. MCCANN has joined Great Northern as manager of public affairs-Northern Division.

In this position, Mr. McCann will be responsible for relations with the public, news media and state and local governmental agencies in Maine.

Most recently serving as executive secretary for the Paper Industry Information Office in Augusta, Mr. McCann and

his wife and daughter plan to relocate to Millinocket later this summer.

JAMES R. STEINMAN has joined the company as a systems programmer, Stamford. His initial assignment will be assisting with the installation of the new Northern Division Stores Inventory Control System.

Mr. Steinman holds a B.A. degree in mathematics from the University of Southern Florida and most recently was employed with Analysis and Programming Corporation in Greenwich.

WILLIAM F. ZACZKOWSKI recently joined the company as a senior systems analyst, Stamford.

Mr. Zaczkowski, previously a systems project manager with Interstate Stores in New York, is a Fairfield University graduate with a B.S. degree. He also holds a Masters degree in education from the University of Bridgeport and a certificate of Data Processing from the Data Processing Management Association.

SERVICE ANNIVERSARIES

March

LOUIS ROTAR, regional manager - newsprint, Stamford, 25 years.

LOUIS P.M. PAQUET, foreman-woodlands, Millinocket, 25 years.

ROBERT E. GATES, materials assistant, Millinocket, 15 years.

April

WILLIAM F. ELLIOTT, chief power dispatcher, Millinocket, 25 years.

J. PAUL DEMARRAIS, commercial sales manager, Stamford, 15 years.

May

ALFRED A. COWETT, supervisor chip plant, woodlands department, 15 years.



GREAT NORTHERN PAPER COMPANY

NEWSLETTER

FOR MANAGEMENT EMPLOYEES

Vol. XII No. 2

Stamford, Connecticut

March 30, 1973

NEW NORTHERN DIVISION PLANNING AND REPORTING SYSTEM ANNOUNCED

On January 25, Frank J. Reidy, controller, announced the formation of a new group to develop and implement a Northern Division Planning and Reporting System.

The decision to undertake this project was made following a series of meetings among corporate and division management. The results clearly indicated that because of growth, diversification of product, and the introduction of Ultra Eleven, there is a need to update and streamline present planning and analysis procedures (continued on next page)

ROBERT A. HAAK RETIRES

Robert Haak, vice-chairman of the board of Great Northern Nekoosa Corporation retired effective March 30, 1973.

Mr. Haak spent his entire business career with Great Northern having joined the sales department following his graduation from Hamilton College in 1933. He moved through the ranks as salesman, assistant manager of sales-specialty papers, manager of sales and manager of product development. He was named vice president-sales in 1958, and three years later was elected to the board of directors of GNP.

Mr. Haak was appointed president of Great Northern Paper Company in 1966 and vice-chairman of GNN on December 14, 1971.

BAXTER PARK SETTLEMENT

On March 12, Judge James L. Reid of Augusta signed an order in which Great Northern will be paid \$500,000 by March 30th, and an additional \$225,000, plus interest, not later than March 30, 1974. The company gave up all rights of any kind in the Park.

Judge Reid found the settlement "reasonable" and "in the public interest." The attorneys of the Natural Resources Council and the Attorney General agreed to the dismissal of their legal actions and all parties agreed not to appeal.

GNN 1972 ANNUAL REPORT NOW BEING DISTRIBUTED

"The general economic recovery that occurred in 1972 resulted in gradually improving earnings for Great Northern Nekoosa over the depressed levels of 1971." So commented Peter S. Paine, chairman of the board, and Sam Casey, Great Northern Nekoosa president, in the Letter to Stockholders written February 23 as part of GNN's 1972 report currently being distributed.

According to the executives, "GNN's containerboard achieved record sales and earnings. Business papers started slow, but finished strong. Newsprint and groundwood printing behaved similarly. At year end, however, all container and communication (continued on page 3)

Production for the two months ending February 28, 1973....

	1973		1972	
	Tons	Daily Avg.	Tons	Daily Avg.
Cedar Springs	120,974	2,050	125,715	2,130
East Millinocket	62,843	1,065	66,942	1,115
Millinocket	51,351	870	53,666	894
	<u>235,168</u>	<u>3,985</u>	<u>246,323</u>	<u>4,139</u>

NEW SYSTEM ANNOUNCED
(continued from page one)

to better reflect results of operations.

Prior to the mid-1950's, when newsprint comprised ninety percent of company sales, very little information was required concerning product profitability. Shortly thereafter, however, when a new program of product diversification was adopted, management found the need for more in-depth data. At that time, the present full absorption product cost system was installed.

Throughout the 1960's, the demand for accurate and detailed financial information and forecasts grew from simple annual projections to complex and extended estimations of income and cash requirements. To satisfy these needs, the company undertook a Medium Range Profit Planning Project (MRPP) to provide sales planning analysis tools, as well as manufacturing standards and performance measurement capabilities. The new Planning and Reporting System will fulfill the remaining objectives of that original undertaking. Thus modern, computerized procedures will be available to compare actual operating results, including cost and performance, with predetermined standards, both by grade of paper and area of responsibility.

Objectives of the new system are as follows:

1. Support the profit planning function.

2. Provide reliable product cost information.

3. Monitor variances in sales price, volume and mix versus forecast.

4. Monitor variances in manufacturing performance versus standard by grade of paper and area of responsibility.

5. Integrate production cost and contribution variance reporting.

6. Improve material measurement and data collection.

The development of the proposed system is an extensive undertaking involving the activities of many people from different departments working concurrently to complete the program within the calendar schedule. Many new computer programs will be required, and changes will also be needed in existing inter-related systems.

A responsive and independent project management team has been established to plan and control the performance, pinpoint the responsibilities, and define the requirements of all those involved. Edgar V. Maxfield is heading the new group as manager, standard cost development. Mr. Maxfield, who reports directly to Robert F. Bartlett, assistant controller, has three project leaders reporting to him who are responsible for major segments of the system: Thomas W. Kelly, accounting; Richard V. Bailey, manufacturing; and Todd Stiffel, systems. H. Barry Thompson, Jr., of the Southern Division, has relocated to Millinocket to participate in the accounting development and subsequently will bring the basic thinking back to Cedar Springs.

Ronald E. Whitehead, programmer

analyst and Carl A. Bergquist, systems analyst, have also been reassigned to positions with the development group.

Implementation of segments of the two-phase program will begin shortly. Projected completion of the entire project has been set for 1975 with certain key segments becoming operational during 1973 and 1974.

ANNUAL REPORT BEING DISTRIBUTED
(continued from page one)

tions papers were in strong demand. Shortages or imminent shortages exist in all grades. Also, GNN's paper merchant distribution, its plywood and its lumber operations established records in sales and earnings."

Reflecting this improved business climate, the company's earnings were reported at \$18,197,000 or \$3.35 a share (primary), on sales of \$409 million in 1972 compared to \$15,069,000 or \$2.73 a share (primary), on sales of \$367 million in 1971.

"Our major manufacturing news was the start up of Ultra Eleven in Millinocket," the executives explained. "We also had an active acquisition year. We bought a lumber mill in Maine, an envelope manufacturer and two paper distributors. All are within the framework of a logical diversification objective. All are well managed and profitable."

In the area of pollution abatement, the executives noted that GNN has continued to meet its obligations with projects such as the new clarifier near the Millinocket mill which removes 99.5 percent of the settleable solids from the mill's waste water; a \$13 million program to curb air pollution in Georgia scheduled for completion next year; and a recovery system designed to improve water quality which is underway in the mill at Port Edwards, Wisconsin.

Messrs. Paine and Casey ended their letter by saying, "As the public becomes aware of the implications in its rightful quest for improved air and water, we are confident that the solu-

tions arrived at will become equitable and rational. We believe that recognition of the cost consequences to taxpayers and consumers will place the problem in better perspective."

About Your Benefits... By mid-April a benefits brochure will be mailed to the home of each monthly and weekly salaried employee. For those participating in the Investment Plan, it will include a computerized statement showing contributions (on the part of both the company and the individual), and the value of the employee's account as of March 31, 1973.

The Investment Plan is comprised of four separate accounts:

	No. 1	No. 2.
Employee	Common Stock Fund	Fixed Investment Fund
Employer	No. 3 GNN Stock Fund New (i)	No. 4 GNN Stock Fund Old (ii)

- (i) Stock purchased with company contributions since the Investment Plan became effective on October 1, 1972.
- (ii) Stock purchased with company contributions to the former Incentive Profit Sharing Plan.

Money Great Northern employees allocate to No. 1 (Common Stock Fund) is invested by the Trustee (First National City Bank) in what is known as a Comingled Employee Benefit Trust. As the name implies, money from the plans of many companies is brought together to form the Trust.

The Trustee's Tenth Report on the Common Stock Fund for the year ended September 29, 1972 showed some interesting facts about the growth and type of investments:

1. Total market value was over \$140 million.

2. The compounded annual rate of return for the Fund averaged 9.7 percent over the last 5 3/4 years. For this same period, the Standard & Poor's 500 averaged 9.2 percent and the Dow-Jones Industrials, 7.3 percent.

3. A major portion was invested in consumer and technology-oriented companies. The ten largest investments in terms of market value include: Avon Products, Inc.; Caterpillar Tractor Company, Inc.; Eastman Kodak Company; First Bank System, Inc.; General Electric Company; General Motors Corporation; International Business Machines Corporation; Johnson & Johnson; Phillip Morris, Inc.; and Xerox Corporation.

NORTHERN DIVISION

Borol (c) Bleaching System....The zinc hydrosulfite bleaching system at our Millinocket mill has been replaced with a Borol system to generate sodium hydrosulfite in a liquid solution.

This change was made in order to comply with the Environmental Protection Agency's limits on zinc in mill effluent.

With the new system, sodium hydrosulfite is generated by the reaction of Borol, (a proprietary chemical), sodium hydroxide and sulfur dioxide in water. The Borol system was selected because it is more convenient, costs less, and is less hazardous than purchased dry sodium hydrosulfite. The latter is susceptible to chemical fire when exposed to a damp atmosphere.

According to Research and Development, the new system is operating continuously on SO₂ gas from the sulfur burner and supplying all of the bleach for Millinocket. Side benefits include reliability, convenience, and elimination of odors around the hydromizers.

Rough cost estimates - February 11 to February 20 - indicate that the Borol bleach is saving about \$600 a day compared to the same period in 1972 when zinc hydrosulfite bleaching was being used.

Words of Wisdom....It's nice to have both ends meet, but better if they overlap.

R & D Guides For The Safe Use Of Chemicals....During the past several months, the many assorted chemicals used in the Millinocket and East Millinocket mills for pulp and paper making, boiler water conditioning, and process water treatment, have been inventoried and cataloged. Purpose of this project was to cut costs by preventing duplication of orders and inventories between departments and to insure the safe use and handling of the chemicals.

In line with this, Research and Development have prepared an updated (4th) edition of the booklet, "Hazardous Chemicals Used By Great Northern Paper Company." This booklet will soon be issued to all persons using chemicals as well as the first aid rooms and company doctors. It describes the composition of the chemicals, indicates where they are used in the mills and for what purpose, outlines precautions to be used when handling them and describes treatments and antidotes to be applied in case of accident.

The new edition also includes a section on the Federal Food, Drug and Cosmetic Act which states that any chemical used in the manufacture of pulp and paper with food packaging or processing applications must have Food and Drug Administration (FDA) approval. Some Northern Division grades are used for this purpose.

Occupational Safety and Health Administration (OSHA) requirements for each chemical are also included. In most cases, GNP standard safety requirements already met the OSHA specifications; minor changes were necessary in others.

The Analytical Research Group is in charge of this latter program and maintains files with complete specifications on these chemical raw materials.

Increased Chip Unloading....The new chip unloading system for the Millinocket woodyard was started up in late January. This unit was installed to handle the additional chip receipts which are now being realized from the expanded facilities at the Portage Chip Plant, as well as from increased purchased chips.

Open-top railroad cars are unloaded by two Gradall units mounted on a traveling gantry. These units, equipped with special buckets holding three cubic yards of chips, are capable of unloading a 23-cord chip car in about 20 minutes. Although there are two Gradalls mounted on the self-propelled gantry, only one is used at a time.

The Gradall dumps the chips into a large hopper which spans a conveyor belt. From the belt the chips are dropped into a surge bin with a screw feeder. This directs them to a screen designed to sort and re-chip oversized pieces.

Accepted chips are discharged from the screen to an inclined belt which feeds a pneumatic system designed to blow the chips into silos.

Although poplar can be unloaded by the new system, it is primarily intended for spruce and fir.

Long Log System...The new long log handling system in the Millinocket wood-yard was started up in December and production continues to improve as operators gain experience and modifications are completed.

The system was designed to slash tree-length logs into four-foot wood at a rate of about 1,000 rough cords per day.

The tree-length spruce and fir logs are brought to the mill in large tractor trailer rigs carrying from 18 to 23 cords each. The trucks are unloaded at either the long log storage area by a heel boom loader which completes the job in approximately nine minutes, or sent directly to the slasher.

Built by Tanguay Industries Ltd., Quebec, Canada, the slasher is capable of processing tree-length wood into 48" pulpwood at a rate of 60 to 65 rough cords per hour. Logs are placed on the main infeed conveyor and cut to 24' lengths by a hydraulically-controlled 72" swing-type cut-off saw. After this first cut, the 24' logs are transferred to the slasher deck where they are cut into six four-foot lengths by five 72" saws arranged in a "V" pattern. The cut-off station is so arranged that future

equipment can be added to permit high grading of saw logs to be cut to 16' lengths with a discharge at the back side of the infeed conveyor deck.

From the slasher deck, the four-foot logs drop onto a 42" wide belt conveyor feeding either to the mill or to the stacker for piling out. Logs for the mill travel the full length of the 380' belt, discharging to a flume which carries them to a chain haul-up ahead of the barking drums. Wood to be piled out is pushed off the belt at any of twelve points where the stacker can be fed.

The slasher is operated by two men, a loader operator and a sawyer. All controls for the unit and its related equipment are located in a control cab. A utility man works with the slasher crew, and a tractor operator drives a wheel loader equipped with log forks for bringing tree-length wood to the slasher when no trucks are available.

The Wisconsin Paper Council's newsletter recently published this informative item: "The 1972-76 air and water cleanup bill for the U.S. pulp and paper industry, as estimated by Factory magazine, will involve a capital investment of \$3.3 billion; annual cost by 1976, \$4.50 to \$12.50 per ton; plants closed, 90 to 100; jobs lost, 16,000; added cost to customer, 3.5 to 10 percent."

* * *

Portage Chip Plant Expansion...On January 13, expansion at the Portage Chip Plant was completed, and both new debarkers and related equipment were reported operational.

Construction of the new debarker was completed in November, and replacement of the original Line #1 equipment with a new machine was accomplished in January.

As anticipated, a 100 percent increase in production is being experienced.

Words of Wisdom....People, like boats, toot loudest when they're in a fog.

SOUTHERN DIVISION

Production Record At Cedar Springs....

On Friday, February 23, 1973, the Southern Division reached 5 million tons of paper production at its Cedar Springs mill where kraft linerboard and corrugating medium are manufactured for independent converters.

Operations at Cedar Springs began on September 30, 1963 with the start-up of No. 1 machine. In 1967, following the completion of a two-year, multi-million dollar expansion program, two additional paper machines were started up: one specializing in lighter weights of board, and the second producing corrugating medium. Present containerboard capacity at the mill exceeds 700,000 tons annually.

A note of interest: 5 million tons of paper would completely cover the State of Maryland; or expressed differently, a strip six inches wide would reach from the earth to the sun - a distance of 93,000,000 miles.

Pine Seedlings Planted....As part of the Southern Division's continuing program to insure future timber growth, the woodlands department recently completed planting of slash and loblolly pine seedlings on experimental plots in Georgia, Florida and Alabama.

The planting is part of a project to measure growth rates, specific gravity (density or weight) of wood and to observe any improved genetic characteristics. The work is being carried out with the cooperation of Gray Industries of Fort Lauderdale, Florida, and Dr. James T. Greene, geneticist at the University of Georgia.

Seeds of both species are subjected to Gray's patented process that involves the use of light beam microwaves. Seeds so treated are then tested for germination with non-treated seeds. In each instance the treated seeds show earlier germination and higher germination percentages.

A quantity of processed seeds were delivered to Dr. Greene for seedling production. They exhibited accelerated growth rates, better developed root systems

and resistance to common nursery diseases.

Out-planting of the seedlings was then accomplished, following a pattern that will lend itself to statistical analysis in future years.

At this point, it is not known whether the improved characteristics will continue as the trees grow, or whether seeds from the improved trees will have genetic changes.

Annual inspections will be made to collect data for analysis.

GUEST COLUMNIST

Walking Blood Bank...by Russell W. York, Education & Training Director - Northern Division.

In 1972, approximately 164 pints of blood were donated by GNP employees enrolled in the company's Northern Division "Walking Blood Bank". This donation record marks the 15th anniversary of the unique and highly successful program which presently includes nearly 500 active members.

Prior to its organization, GNP employees gave their blood to the American Red Cross, American Legion and various other civic groups which collected, typed and stored it. In 1958, following the construction of the Millinocket Community Hospital, the company program, which differs from the normal "collection" procedure, was started. It is, as its name implies, a "walking blood bank". Donations are taken on an "as needed" basis.

At its inception, participants in the program were enrolled after personal contact was made with all employees of the Northern Division. They were asked to have their blood typed and to volunteer in emergency situations. The company's first aid departments, in cooperation with hospital officials, took blood samples which were typed and recorded in special hospital files.

Over the years, additional donors were acquired by periodic publicity posted on company bulletin boards when a specific need occurred. Also, at the time a new employee is hired, his blood is typed during the pre-employment physical and all pertinent information is transferred to the

hospital's records. When blood is required, the hospital calls GNP mill personnel offices (open 24 hours), and a donor is located. If he is working at the time, he is released from his job and, if necessary, transported to the hospital. To expedite this service, the hospital normally contacts Millinocket donors for Millinocket patients and East Millinocket donors for East's patients. It has the option, however, of calling either mill in unusual situations.

This life-saving contribution by employees is not restricted to area residents and has benefited many visitors and tourists traveling in Maine. The extension of Interstate 95 and related automobile accidents is an example of the increasing demand on the program from outside sources. With the help and cooperation of GNP employees, the "Walking Blood Bank" has steadily grown throughout the years, keeping pace with these additional requirements.

NAMES IN THE NEWS

GEORGE L. NYSTROM, regional sales manager - commercial, served as co-chairman of the arrangements committee during the 41st annual luncheon of the University of Maine, Pulp and Paper Alumni Association held March 6 in Chicago.

ROBERT J. SHINNERS, vice president-Northern Division, is serving on the committee preparing for the 13th annual Pulp and Paper Summer Institute to be held in June at the University of Maine, Orono.

APPOINTMENTS

PAUL ANGELOFF, assistant traffic manager, Southern Division.

Mr. Angeloff joined GNP in February 1967.

VICTOR M. ANTONIELLO, manager of accounting - corporate.

Previously manager of budgets and consolidations, Mr. Antonello has been with Great Northern since 1969.

RICHARD V. BAILEY, project leader - manufacturing, Northern Division Planning and Reporting System, Millinocket.

Previously an administrative analyst, Mr. Bailey joined the company in April 1972.

CARL A. BERGQUIST, systems analyst, Northern Division Planning and Reporting System, Millinocket.

Mr. Bergquist joined GNP in December 1964 and previously held the position of technologist in the research department.

THOMAS W. KELLY, project leader - accounting, Northern Division Planning and Reporting System, Millinocket.

Mr. Kelly has been with the company since July 1968, most recently as budget analyst.

EDGAR V. MAXFIELD, project manager, Northern Division Planning and Reporting System.

Associated with GNP for two years as senior systems analyst in the administration services department, Mr. Maxfield will direct the development and installation of the Northern Division Planning and Reporting System.

H. BARRY THOMPSON, project cost accountant in the standard cost development group, Northern Division Planning and Reporting System.

Mr. Thompson joined the Southern Division in 1966 and held the position of (continued on next page)

cost accountant until his relocation to Millinocket in February.

PROMOTIONS

HILTON R. (Bud) CHASE to supervisor of inspection and certification, Millinocket.

Previously control engineer at the mill, Mr. Chase has been with the company since 1958.

ERNEST B. (Bart) HARVEY to assistant woodlands manager, Millinocket.

Mr. Harvey joined GNP in 1966 and was formerly staff engineer, procurement development.

LESTER W. HAZELTON to manager of planning and development, Millinocket.

Formerly manager-operated wood, he has been with the company since 1953.

CHARLES L. NELSON to general superintendent, West Branch District. In this position Mr. Nelson will be responsible for all phases of the wood harvest operation in his district.

TODD STIFFEL to project leader-systems, Northern Division Planning and Reporting System.

Mr. Stiffel, based in Millinocket, most recently held the position of systems analyst in the administrative services department.

ORVILLE K. TRIPP to general superintendent, Aroostook District. Mr. Tripp has assumed responsibility for all phases of wood harvest operation in his district.

RONALD E. WHITEHEAD to programmer

analyst in the standard cost system development group of the Northern Division Planning and Reporting System, Millinocket.

Formerly with our administrative services department in Millinocket, Mr. Whitehead has been associated with GNP since May 1970.

NEW EMPLOYEES

PAUL T. JOHNSON recently joined GNP, Stamford, as corporate budget analyst.

Mr. Johnson most recently was associated with Norden Division, United Aircraft Corporation as a budget accountant. He is a 1971 graduate of Bryant College, Smithfield, Rhode Island with a B.S. degree in accounting.

ROBERT H. HAMILTON has joined our Northern Division as product development engineer.

A 1966 graduate of the University of Maine, Mr. Hamilton previously held the position of technical supervisor and sales representative for International Paper.

SERVICE ANNIVERSARIES - February

HASTINGS BARTLEY, JR., manager-pulpwood inventory, Millinocket, 25 years.

JOHN S. MORGAN, area foreman, Millinocket, 25 years.

GEORGE L. NYSTROM, regional manager, commercial sales, Des Plaines, Illinois, 15 years.

DEATHS

ALVAH CROCKER III, 64, former GNP consultant and president of Crocker, Burbank & Company, Fitchburg, Massachusetts before its sale to Weyerhaeuser, died February 24 in Lane, South Carolina.

JOHN F. WARD, 68, corporate clerk for GNP and a former GNP townsite manager, died March 16 in Millinocket. Mr. Ward had also served as speaker of the Maine House of Representatives and president of the Maine Senate.



GREAT NORTHERN PAPER COMPANY

NEWSLETTER

FOR MANAGEMENT EMPLOYEES

Vol. XII No. 1

Stamford, Connecticut

February 7, 1973

NEW PAPER DISTRIBUTION
CENTER ACQUIRED BY GNP

In order to provide better service to customers in the New England area and to save on delivery costs paid by the company, Great Northern recently entered into an agreement with the Boston and Maine Railroad to lease a modern, 28,000 square foot warehouse. This facility, located in Boston, is to be used as a distribution center for customers whose printing operations are within a 100-mile radius of the city.

These customers, increasing in number each year, have been receiving paper via truck shipment directly from our Northern Division mills. Now, a quantity of their annual requirements will be shipped to the warehouse by rail and kept in inventory. When an order is received, company-leased trucks will handle the door-to-door delivery.

The new system will provide savings in several areas. GNP can take advantage of "incentive" car loading rates on rail shipments to the warehouse and utilize company trucks rather than outside carriers for the short-haul deliveries. This will alleviate congestion at Northern Division truck loading docks (see story page 4). We also expect to benefit by diverting to our warehouse tonnage previously stored in several commercial warehouses in the Massachusetts area.

Developing GNP's new warehouse operation into a functional and profitable venture, depends primarily upon accurate

GNN 1972 EARNINGS INCREASE 21%;
SALES RISE 12% TO \$410 MILLION

As released to the press
February 7, 1973:

Great Northern Nekoosa Corporation today reported a 20.8% increase in earnings on an 11.5% increase in sales for the year ended December 31, 1972.

Net income was \$18,197,000 compared with \$15,069,000 in 1971. Earnings per share were \$3.35 primary, \$3.26 fully diluted in 1972, and, restated in poolings, \$2.73 primary and \$2.68 fully diluted in 1971.

(continued on next page)

scheduling of inventory and up-to-date records, as well as accurate forecasts of customer paper requirements.

In keeping with these objectives, our order department has determined that it will be to our advantage to store "common" roll sizes (trim, grades, etc.). With this inventory we can give our customers faster service without breaking into previously arranged machine schedules.

To coordinate the operation most effectively, Francis Foye, vice president of 495 Warehouse Inc., has been retained as a consultant for a period of one year to assist Raymond E. Williams, formerly of our Stamford transportation department, who has been named warehouse supervisor. John L. Lanzer, III, with our scheduling department in Stamford, will be responsible for warehouse scheduling.

Production for the twelve months ending December 31, 1972....

	1972		1971	
	Tons	Daily Avg.	Tons	Daily Avg.
Cedar Springs	738,278	2,111	697,726	2,078
East Millinocket	387,613	1,059	370,478	1,035
Millinocket	327,322	894	304,295	854
	1,453,213	4,064	1,372,499	3,967

GNN 1972 EARNINGS
(continued from page 1)

Net sales totalled \$409,815,000 for all of 1972, up 11.5% from \$367,558,000 for the year 1971, which was restated to include acquisitions in 1972.

For the October-December quarter, net sales amounted to \$112,906,000 compared with \$101,165,000 for the fourth quarter of 1971. Net income, including year-end adjustments, was \$5,463,000, or \$.98 a share primary, compared with \$4,692,000 or \$.84 a share in 1971.

Sam Casey, president and chief executive officer, noted that while sales volume for the year was the highest ever for GNN, earnings remained below those of the company's best year, 1969. He said that despite the improved corporate results, reflecting record sales and profits in containerboard and plywood manufactured at our Southern Division, which contributed materially to 1972 earnings, the company's operations in Maine continued to lag.

Mr. Casey explained that the demand for papers manufactured at Millinocket and East Millinocket - newsprint, groundwood printing grades and light-weight coated paper - was sluggish until recently because of the substantial reserve capacity that has been overhanging the market. He noted that this reserve was declining with the acceleration of print advertising, consumer spending and retail sales, and pointed out that as the economy gains momentum, demand for these papers should improve.

GNN's newest paper machine and related facilities were started up in Millinocket

in late October. While Ultra Eleven has not yet reached full performance levels, production is steadily improving. It is currently operating at 80% of design capacity.

Commenting on 1973, GNN's chief executive said that "with the continued good business conditions generally forecast, GNN is in a position to gain considerably from increased volume, improved prices and a better product mix." He pointed out that this would be especially true of the company's printing and writing grades, which account for more than 50% of GNN's business.

GREAT NORTHERN GETS
GOVERNMENT CONTRACT

GNP recently was awarded a contract to supply approximately 8,000 tons of newsprint for the Congressional Record.

Although the company's bid was higher than two Canadian competitors, GNP received the order. The efforts of Senator Edmund S. Muskie, Congressman William S. Cohen, and Senator William D. Hathaway, and other members of the Maine Congressional Delegation proved extremely helpful. According to Francis J. Dunne, manager, sales coordination, Congressman Cohen and his committee visited representatives of the Joint Committee on Printing, the group responsible for awarding the contract. They pointed out the long service record of GNP and the fact that it is a United States-based operation.

Mr. Dunne also explained that in ad-

dition to Great Northern, other companies and individuals will benefit from the order including wood cutters, warehouse personnel, and the railroads.

Northern Division began shipment of the newsprint on January 18 and will supply the Government Printing Office through GNP agents Barton, Duer and Koch, Inc., of Cheverly, Maryland.

* * *

A Fishy Situation... Making pulp with the help of oyster shells may seem like a pretty "far-out" idea, but the British Columbia Research Council, supported by provincial departments of fisheries, forestry and conservation, is working on it.

The Canadian province, which to date has found no market for the six million pounds of shells accumulated each year by commercial oyster fishermen, asked the Research Council to test and evaluate the physical and chemical use of oyster shells as a substitute for lime in kraft pulp mills. Currently, limestone is the chief source of lime for pulp mills in British Columbia.

* * *

1972 Called Best Year Yet By GNP's Export Department... Over three decades ago, the first Great Northern shipment destined for a foreign port left our Maine mills. In the 30 plus years that have passed, GNP's export business has grown to where it is now an important part of the company's overall sales picture.

Because of the general state of the economy and increased production due to Ultra Eleven, our new machine in Millinocket, 1972 was an active year for export. Verifying this, Joseph V. Carena, vice president, export sales, recently reported that GNP set a record for overseas business. "We have never sold as much product as we did during that 12-

month period," Mr. Carena stated. "Approximately 225,000 tons of newsprint, specialty grades, and containerboard were shipped to GNP customers in Europe and Latin America," he explained.

Although no increase in export newsprint shipments is anticipated this year, the lack of new capacity, both U.S. and overseas, and the phaseout of obsolete equipment, combine to strengthen our pricing structure. This will favorably affect the profitability of our exports from the Northern Division mills.

Commenting on the containerboard market, Frederick V. Ernst, manager, export sales, explained that during 1971-72, demand for this product was strong for the following reasons: lack of new mill construction; the rapid substitution, particularly in Europe, of kraft linerboard for previously used materials; and the economic growth of these countries. The burden of supplying increasing customer requirements was therefore placed on the production capabilities of present suppliers. Reflecting this demand, prices now compare favorably with those in the domestic market.

Mr. Ernst also explained that favorable shipping arrangements, developed by GNP over the years, have also improved our profit picture. Five years ago, for instance, Great Northern's export tonnage per ship rarely involved over 1,000 tons. Recently, shipments have exceeded 7,000 tons per ship.

An increase in shipments of linerboard and corrugating medium has been forecast for 1973. Much of this volume is intended for the box industry in Central America.

Looking to the future, a major new development in U.S. exports occurred with the entry of England, Ireland, and Denmark into the Common Market, recently comprised of six countries - France, Germany, Italy, Holland, Belgium, and Luxembourg. The name Common Market is derived from its purpose which has been to eliminate trade tariffs among member countries while at the same time establishing a common external tariff for all countries outside the market.

These nine countries are major net im-
(continued on next page)

porters and good customers of U.S. forest products. However, Sweden, Norway, and Finland, major exporters of forest products, have recently been given associate memberships in the Common Market, allowing them to operate virtually tariff free. This position gives them an important economic advantage over American goods which require the full tariff.

API and the Federal government are presently negotiating with the Common Market in an effort to equalize this situation.

* * *

Institutional Investor Poll...The January issue of II carries an article entitled "Forecast 73" in which financial analysts generally regarded as the most knowledgeable in paper and forest products rank companies they think will fare best this year. GNN was selected the top paper company, while Evans Products was the choice for forest products.

* * *

New Address...Effective January 26, our Chicago sales personnel are operating from new offices at 2300 East Devon St., Des Plaines, Illinois, 60018, (312) 298-1440.

The staff, under the direction of George L. Nystrom, regional manager-commercial, includes two salesmen, Michael P. Alford and Hugh P. McCloskey, and two sales service representatives, James D. Deibel and James M. Brown.

The move from Chicago (South Wacker Drive) was made to alleviate the growing problem of mid-town congestion and to shorten traveling time for personnel as the new office is located a short distance from O'Hare International Airport.

* * *

Mobile Advertising...Great Northern's private trucking fleets, North and South, are taking on a new look.

Within the next few weeks, the company-leased vehicles will be on the road displaying our familiar GNP insignia on freshly painted trailers.

Northern Division's fleet, which presently consists of four tractors and eight trailers, will carry our logo in green and black on a white background.

A large blue GN-Ply, highlighted by red on a white background identifies Southern Division's fleet - a tractor and two trailers.

Painting of the trailers was started in January and is expected to be completed in late February.

NORTHERN DIVISION

New After-Hours Loading...On January 1, a new trucking service went into operation at the Northern Division.

A local contractor is now on hand four hours each weekday evening and for a 16-hour period on weekends to set in and remove all trailers from loading docks in the yards.

This service was initiated to correct a situation which was developing into a costly and time consuming problem. The need for an after-hours contractor was indicated after studies revealed that in the period from 1970 to 1972, domestic shipments during the evening or on weekends had increased significantly.

Since the carriers who service our mills are based in Bangor, approximately 75 miles away, the company was experiencing delays in the removal and replacement of trailers at the docks after they were loaded. Until the change, rolls ready for shipment had to remain on the docks until the empty trailers were set in place. This resulted in double handling costs and a greater chance of roll damage.

Under the new system, individual carriers, including GNP's leased trucking operation, assume the cost of the removing and setting in service.

* * *

Neither Rain..Nor Snow..Nor the strike against the Long Island Railroad has kept Great Northern shipments from arriving on

time at Newsday, Inc., a customer located in Garden City, Long Island.

To maintain a steady supply of newsprint, our transportation department made arrangements to move the tonnage by truck.

According to the latest figures, approximately 1,810 tons of newsprint have left our Northern Division mills destined for Newsday. During the 1969 strike against the railroad, GNP trucked approximately 700 tons to this customer.

The management of the LIRR, representatives from the Metropolitan Transportation Authority, and leaders of the twelve unions involved have recently agreed to a ninety day cooling off period which began January 19. Rail service has resumed, at least temporarily.

* * *

Newsprint Improvements At East Millinocket... Installation of a new roll-crimping system at No. 5 and No. 6 finishing stations was completed in December. The new equipment is expected to make tighter packages resulting in better protection for shipments during transportation and storage.

Newsprint uniformity is being improved with the installation of computer-controlled scanners at the dry ends of No. 5 and No. 6 paper machines. When the scanners begin operating, they will continuously monitor basis weight, moisture and caliper and correct variations at much finer tolerances. Higher consistency in newsprint formation is the anticipated result.

* * *

Record Breaking Performance... A newsprint manufacturing record previously set at East Millinocket was broken recently by No. 6 paper machine. Operating at a speed of 2,660 feet per minute, No. 6 eclipsed the old record of 2,655 set in April 1969.

SOUTHERN DIVISION

Anti-Pollution Equipment... The installation of a new oil firing system to replace coal as an auxiliary fuel on No. 1 boiler and additional air pollution abatement equipment to both boiler houses was completed this month at Great Northern Plywood Company.

The equipment, installed in two stages beginning in November, is the major portion of a \$125,000 program (previously announced in the October Newsletter) to curb air pollution at the Cedar Springs plant.

W. K. Hoseid, vice president and general manager, GN-Plywood, explained that when fully operational, the equipment will bring the plant into compliance with new air pollution regulations issued by the State of Georgia.

* * *

Team Effort Brings Results... December was a banner month for Southern Division transportation savings, the result of excellent coordination on the part of sales, scheduling, production, shipping and traffic.

Since nearly all (99+ percent) of the outbound shipments from Cedar Springs were by rail and 98.3 percent of this tonnage was loaded 90,000 pounds or more, GNP was able to take advantage of the lowest rate, avoiding the per ton penalty on shipments which do not meet this weight requirement.

* * *

Ecology/Economy Program... Waste corrugated box clippings accumulated by Rock City Packaging Corporation of Norcross, Georgia, a containerboard customer, are being used by the Southern Division in a two-fold ecology/economy program recently undertaken at Cedar Springs.

GN-Plywood trailers are currently transporting the bales of compressed kraft clip- (continued on next page)

pings to the paper mill rather than returning empty from plywood and lumber deliveries in the Atlanta area.

The new operation is not only offsetting the cost of transporting our manufactured products, it is also helping to alleviate the present fiber shortage being experienced by paper mills in the South. The clippings are repulped and added to virgin fiber, thus expanding our supply of raw material.

According to E. Reid Smith, manager of transportation, Southern Division, there is an excellent chance of enlarging the present trucking operation to include plywood and lumber deliveries from Cedar Springs to other customers in Georgia and Florida. Kraft clippings could be picked up in these areas and returned to Cedar Springs for use at the paper mill.

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Contract Agreement....The company and the United Paperworkers International Union-Local 364, which represents approximately 204 hourly employees at Great Northern Plywood Company, Cedar Springs, have reached an agreement on a three-year contract.

According to William E. Lloyd, director-industrial relations, increases in both wages and benefits have been included in the contract which became effective January 18, 1973.

GUEST COLUMNIST

Report On Tree Planting Conference
by James W. Richardson, manager of woodlands-Southern Division.

In recognition of the 100th Anniversary of Arbor Day, the American Forestry Association last fall sponsored a National Tree Planting Conference in New Orleans, Louisiana.

The importance of developing improved forest management techniques to assure an adequate supply of wood fiber for the

next 25 years was discussed by the private landowners, state foresters, federal agency representatives and industry personnel in attendance.

The following procedures were suggested as ways to help satisfy the fiber demands of the future:

1. Idle acres must be put into production at an early date.
2. Federal funds must be made available to small landowners to offset a portion of land regeneration costs.
3. Industry and government at all levels must combine their knowledge and resources toward improving tree seedling quality.
4. Industry must develop techniques to utilize the 30 percent of the total tree in the form of branches, needles, bark and stump which presently is considered waste.
5. Industrial foresters must lend a helping hand to small landowners in the management of their timber crops.

Since its inception, Great Northern's Southern Division woodlands department has been developing and implementing programs to insure the future of timber stands in the South.

During the last five years, small landowners within a 65-mile radius of Cedar Springs have been supplied with free pine seedlings. Approximately 600,000 have been distributed thus far.

GNP woodlands has also encouraged and assisted Early County landowner groups in the acquisition of equipment which is hired by individual tree farmers to prepare their land for seedlings procured from government nurseries.

In a continuing program of reforestation, Southern Division woodlands personnel replant five thousand acres of company-owned land each year with superior slash pine seedlings.

In the Spring of 1971, a 1,000 acre experimental site was established for the purpose of studying the beneficial effects of fertilization and pruning on young stands of planted pine. The plot will be ready for remeasurement and evaluation this year.

Those attending the Tree Planting Conference agreed that the end result of

this gathering would probably not be determined until the year 1990. Most felt, however, that with serious attention towards improving tree seedlings, adequate fire protection, fertilization, site improvement, and the development of other techniques in the planting and growing of trees, it would be possible to meet the wood fiber demands of the industry in the future.

NEKOOSA EDWARDS

A Subsidiary For Our Sister Company.
The acquisition of Wisconsin Envelope Company (Wisco) by Nekoosa Edwards was announced in December by Gerard E. Veneman, president. In his statement Mr. Veneman explained that the Envelope Company will operate as a wholly owned subsidiary of Nekoosa under its present management headed by Sherwin Zimmerman, president, and other key management personnel.

Wisconsin Envelope's manufacturing facilities are located in Tullahoma, Tennessee, in a modern plant. It maintains executive headquarters in North Chicago, Illinois. The company manufactures a wide range of envelopes.

Mr. Veneman further commented in his announcement that this is Nekoosa's first venture into the envelope field. "We are enthusiastic about the opportunities in paper conversion and believe this is a natural extension of our business."

NAMES IN THE NEWS

SAM CASEY, president and chief executive officer of GNN was reelected to the board of directors of the Paper Group, American Paper Institute (API) during the organization's annual meeting.

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JAMES T. DOWNIE, general credit manager, presented a talk on "Credit Collection and Electronic Data Processing" dur-

ing a two-day seminar sponsored by the American Management Association, Inc. in New York.

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E. REID SMITH, manager of transportation, Southern Division, was elected general chairman of the Southeast Shippers Advisory Board at the 50th annual meeting of the group held in Savannah, Georgia.

The advisory board is composed of railroad and industry transportation people from nine Southern states.

PROMOTIONS

ALBERT E. BURDITT has been promoted to the position of plant engineer, Millinocket mill.

Mr. Burditt previously served as senior engineer at the East Millinocket mill.

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AVERN B. DANFORTH has been promoted to the position of manager of inspection and certification, Millinocket.

Mr. Danforth has been with GNP since 1962 and has worked primarily on paper quality problems.

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ALBERT LOWE, formerly a lathe operator at Great Northern Plywood Company, has been promoted to green end foreman.

Mr. Lowe joined GN-Ply in 1968.

* * *

CHARLES P. MOSHER, a GNP employee since 1961, has been promoted to manager of product development, Millinocket.

Mr. Mosher previously worked in the research and sales departments.

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WILLIAM F. PARKER, formerly a leadman in the finishing and shipping room at Great Northern Plywood Company, has been (continued on next page)

promoted to the position of dry end foreman.

Mr. Parker joined the company in 1968.

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SAM PEAVY, JR., has been promoted to acting unit forester with the Southern Division woodlands department.

With the company since 1968, Mr. Peavy previously served as forest technician in the Albany, Georgia area.

NEW ASSIGNMENTS

ALLAN M. BROWN to senior area engineer, East Millinocket.

Mr. Brown previously held the position of supervisor of estimates and cost in central engineering.

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JAMES M. GIFFUNE from control superintendent to process control superintendent, Millinocket.

Mr. Giffune came to GNP in 1961.

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RALPH E. GROSS, JR., from control superintendent to process control superintendent, East Millinocket.

Mr. Gross joined the company in 1964.

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WALDO C. PREBLE from plant engineer to senior design engineer, Millinocket.

Mr. Preble has been an employee of GNP since 1956.

NEW EMPLOYEES

THOMAS W. LOCKETT has rejoined the company as sales manager, Great Northern Plywood Company.

Mr. Lockett is a graduate of Clarion State College, Pennsylvania with a B.S. degree in Education. He previously held

the position of sales manager at the plywood plant from 1967 to 1969.

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EDWARD F. PELLE has joined the corporate transportation department in Stamford as traffic analyst.

Mr. Pelle was formerly with Georgia Pacific Corporation as traffic manager of the industrial tissue division.

SERVICE ANNIVERSARIES

JANUARY

ELDON W. GAGNIER, area foreman, Millinocket mill, 25 years.

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FRANCIS J. DUNNE, manager-sales coordination, Stamford, 25 years.

TERMINATIONS

GORDON H. COOK, JR., corporate budget analyst, Stamford office.

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RANDOLPH K. (Rex) CRIPPEN, manager, marketing and administration, Southern Division board sales.

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HOYT S. GRISSOM, assistant operations superintendent, Southern Division woodlands.

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GEORGE C. (Chuck) HARRIS, sales manager, Great Northern Plywood Company.

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LAWRENCE E. MCKEE, service representative, commercial sales department, Stamford office.