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## The Great Northern Paper Company, Chapter 01: Great Northern

John E. McLeod

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THE GREAT NORTHERN PAPER COMPANY

John E. McLeod

## AUTHOR'S INTRODUCTION

This work is about some of the events leading up to the formation of the Great Northern Paper Company; about what happened thereafter until it ceased to be an all-Maine institution; about some of the factors that influenced its course, and about some of the people who made it what it was.

The author is not an historian and only an amateur writer, but he has a deep regard for this great company and a substantial background from which to discuss it. Born in St. George, N.B. in 1904, he studied music, was employed as a sawmill hand during the influenza epidemic of 1918, graduated from St. Stephen High School in 1920, worked for a short time in a Canadian bank, and was making a living playing in a dance orchestra, while learning typing and shorthand, when he emigrated to the United States in 1924 and joined Great Northern as sample boy and spare typist at the East Millinocket mill, which he haunted in off-duty hours to familiarize himself with the manufacturing processes.

In 1927, he was sent to the head office of the Company in Boston, as stenographer to the Purchasing Agent. Two years later, he became part-time secretary and sort of general assistant to the Vice-President and Manager of Manufacture. Graduating in Mechanical Engineering from Lowell Institute, the M.I.T. night school, in 1932, he worked for the next fifteen years, under the title Manufacturing Department Engineer, in close association with the President and the Manager of Manufacture, assigned to an unbelievable variety of duties, often but not always technical in nature, that involved him in one way or another in almost every aspect of the Company's affairs and brought him into contact with every level of the organization, from bull-cook to Director.

In 1947 he was made Assistant Manager of Manufacture, a position now non-existent, but then of some importance, moving from Boston to Bangor when the head office was transferred to that place in 1952. In 1955 he was selected to organize a personnel and industrial relations department, and became the Company's first Manager of Personnel. At that time he was also given oversight of the Insurance Department, the townsites, the long-gone Great Northern Hotel, advertising and public relations. He retired in 1959 because of poor health, but late in the following year was recalled as a consultant, acting constructively in that capacity until 1972, bringing his total length of service with Great Northern, full and part time, to nearly fifty years.

This story was written, literally in snatches of time, over a long period, at the request of the late Roy V. Weldon, then a Director and Executive Vice-President. It is far from complete, although in places it is heavy with perhaps unnecessary detail. Much valuable material has been lost over the years, and the almost single-handed research has sometimes been superficial. It has been necessary to depend much upon memory which may be faulty, and in places the conclusions drawn from available information may be open to question. The characterizations of various people are the writer's own. Some may be colored by his experiences, but in any case they represent only an effort to explain his thoughts as to the reasons for their success or lack of it.

Because of the broad range of subjects covered, not all of this work will be of general interest. Its principal value is in the historical content that it is its intent to preserve, its general validity not being destroyed by possible errors, and while the Great Northern Paper Company is issuing a condensed version, the author is making his source material and a limited number of copies of the whole text available to future researchers.

His sincere thanks to Jane Hinson and Carole Brocato, who spent so many long hours re-typing the text, making innumerable corrections and additions to the original typescript. His thanks also to all those who have aided him by providing information. If he has forgotten to mention any of them in his references he is truly sorry. His special appreciation to the officers and employees of the Company for their help and cooperation; to Mrs. Dorothy Bowler Laverty for allowing him to use her father's diaries, without which the account of the building of the Millinocket mill could not have been so complete; to David C. Smith, Professor of History at the University of Maine, for his advice and encouragement, and to Dr. James C. MacCampbell, Director of Libraries at the University of Maine and the Assistant Director, Mrs. Frances Hartgen. It is their invaluable assistance which has made this publication possible.

October 3, 1977

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## NOTES ON CONTENTS

The following is neither an index nor an outline. It is a series of references to certain events, activities, places and names, in order as they appear in the text, giving some idea of the content of each chapter. It will help lead the reader to related material, and to subjects not listed. The same subject may appear in more than one chapter.

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## C H A P T E R I

## GREAT NORTHERN

In 1897, the Legislature of the State of Maine granted to a group of Bangor lumbermen and timberland owners a charter to develop the water power, conduct a general manufacturing business and do other things on the West Branch of the Penobscot River at a place known as Millinocket, taking its name from those of a lake and stream in the area.

From this, shortly, came The Great Northern Paper Company, which became a major United States newsprint producer, making only a small amount of paper other than news, its manufacturing operations entirely in the State of Maine, and for some fifty years, through peace and war, boom and depression, it grew, sometimes quickly, sometimes slowly, independent, proud and self-sufficient, minding its own business and keeping its affairs to itself. In 1951, its sales were \$39,860,000.

Starting in 1952, it expanded rapidly at its Maine mills, adding two of the largest and fastest-running newsprint machines built to that time; modernized its plants and diversified into commercial printing papers, and by 1962 its sales had climbed to \$63,506,000.

In that year, by taking advantage of an opportunity, it acquired a half-interest in a new kraft linerboard mill being built by the Southern Land, Timber & Pulp Corporation in southern Georgia, and the two formed the Great Southern Land & Paper Company, which in 1965 was merged into Great Northern.

The new property was promptly expanded by the addition of two more paper machines, and a plywood plant was built there. Until 1968, the two operations were managed as one unit, but at that time they were divisionalized, becoming the Northern and Southern Divisions of the Great Northern Paper Company. In this year, sales had risen to a net of \$154,500,000. By 1969, they were \$175,580,000.

In 1970, to the surprise of the financial community, the somewhat capital-short Nekoosa-Edwards Company was merged into Great Northern. We will not go into the details of that transaction. At that time, the name of the Great Northern Paper Company was changed to Great Northern Nekoosa Corporation, and in this name it operates under the old 1897 Maine charter. Nekoosa-Edwards was immediately set-up as a wholly-owned subsidiary. Until 1974, itself divided into Northern and Southern Divisions, Great Northern operated as a division of the newly-named company. In that year, however, it became two separate corporations, the Great Southern Paper Company and the Great Northern Paper Company, each a division of Great Northern Nekoosa. At this time, therefore, Great Northern Nekoosa Corporation with its executive offices at 75 Prospect Street, Stamford, Connecticut, since April 30, 1971, is technically the old Great Northern Paper Company, and the Great Northern Paper Company is a division of Great Northern Nekoosa, doing business under what is in effect an assumed name -- a perfectly legal procedure. In 1974, Great Northern Nekoosa's net sales were \$673,889,000.

Ever since this merger, Great Northern Nekoosa has been acquiring additional properties. Even as we write this, we note the proposed merger with it of Pak-Well Corporation of Denver, Colorado, producing envelopes, stationery, school supplies and packaging materials, with annual sales of another \$64,000,000.

Great Northern Nekoosa has an International Division, handling export sales, mostly to Western Europe, with a subsidiary, F. A. Marsden, Ltd., in London, England. The Nekoosa-Edwards subsidiary owns or has long-term leases on some 350,000 acres of timberland. It operates four pulp and paper mills, at Nekoosa, Port Edwards, and Whiting, Wisconsin, and Ashdown, Arkansas, with a total of 12 paper machines. Its annual capacity is some 354,000 tons of printing, writing, converting, bond, mimeo, ledger, offset, xerography, duplicator and technical papers, and as this is written is about to start up a second very large machine at Ashdown, which will add another 120,000 tons per year of business communication papers. It operates two sawmills in Arkansas, turning out about 34,000,000 feet of lumber per year. It has a number of subsidiaries or divisions -- Marplex Products, a manufacturer of wooden pallets in a highly automated operation; the Whitewood Post & Pole Company, making treated and untreated posts, poles and lumber; the Heco Envelope Company and the Wisco Envelope Company, both of Chicago; Whiting-Plover at Stevens Point, Wisconsin, a cotton-fibre pulp and paper mill; Bibler Bros., with two plants in Arkansas producing another 34,000,000 feet of lumber a year, and the East Texas Iron Company, owning timberland in Arkansas. Its paper sales



are handled by its wholly-owned subsidiary Butler Paper Company, which has distribution complexes all the way from Fargo, North Dakota to Fort Worth, Texas, and from Toledo, Ohio to Los Angeles, California. And we are not sure that this is a complete list. Great Southern's big mill at Cedar Springs, Georgia, the largest independent containerboard mill in the world, has three huge fourdriniers turning out 715,000 tons or more of linerboard, nine-point corrugating and related papers per year. At the same place is the Great Southern Plywood Company, which produced over 80,000,000 square feet of plywood (3/8" basis) in 1974. Great Southern also owns and operates Alabama Forest Products at Abbeville, Alabama, manufacturing hardwood veneer and hardwood and pine lumber; the Brilliant Coal Company, mining some 500,000 tons of coal a year, and the Chattahoochee Industrial Railroad, a short-line common carrier. It also has a half-interest in ITEL, a small company with a mill in Panama, making 9-point corrugating medium. Great Northern owns some 2,200,000 acres of timberland in Maine. Its two mills at Millinocket and East Millinocket, with a total of 17 paper machines, can produce approximately 800,000 tons of newsprint and coated and uncoated groundwood printing papers annually, and its subsidiary Pinkham Lumber Company at Ashland, Maine, some 90,000,000 feet of finished lumber each year. It is the largest private employer of labor in the State, with about 3,800 employees.

We began to write at this story, and "write at" is the right term, because that is the way it has been done, probably some time about 1962, and we come at last to this, the first chapter, late in 1975. Much has happened between these two dates.

Some of it has been recorded, but most of it we leave to some other writer. As John Ciardi wrote in the Saturday Review of December 15, 1962: "one has to leave the writing at some point; either that or stay with it forever." What follows is the story of the Great Northern Paper Company up to the time when it ceased to be strictly a Maine institution, with all its properties in the Pine Tree State. It is an amateur production. Research has been a single-handed effort, sometimes superficial. The interpretation of information, and the opinions expressed, are entirely our own. We do not call it history, although it has historical content. It contains mistakes and contradictions. In revising, we have found so many of these that there have to be more that have been undetected, but as some historian unknown to the writer has said: "One error, even a dozen errors, does not destroy the value of the whole work or impugn the veracity of the majority of the material."

We are appalled at what we have left out, and sometimes doubtful about what we have put in. Some of it is boring, some of it exciting, some of it perhaps neither one nor the other, but it all happened, and as Roy Bonisteel said on the Canadian Broadcasting Company's "Man Alive" program on November 16, 1971: "Without a sense of the past, no one has a future." So, without further apology, our story begins.