Great Northern Newsletter for Management Employees, 1966

Great Northern Paper Company

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More than 200 members of Great Northern management attended a meeting at Millinocket on December 2nd at which Peter S. Paine, Chairman of the Board, was the principal speaker.

Mr. Paine, accustomed to New York smog, had no difficulty in the smoke-packed municipal auditorium in holding attention of the audience with a description of his recent trip to Soviet Russia. Mr. Paine was a member of a 14-man team of U.S. pulp and paper officials invited to participate in a tour of new mills that Russia has planned and under construction in Siberia. With the use of color slides, he described his 2,600-mile air trip from Moscow to Irkutsk, then 400 miles North to Bratsk where a massive forest complex is being carved out of what was Siberian wilderness 15 years ago. When the Bratsk industrial complex is fully developed, it will be a city of 250,000 people. The slides clearly illustrated the massiveness of the pulp and paper mill precast concrete structures that stretched for more than a mile along the Angara River. The mill, with only partial operation, already employs a large percentage of women workers.

Mr. Paine felt that the Russians were quite optimistic in their prediction of becoming first place in the world pulp and paper industry by 1980. He expressed admiration for their bold attempt at such a goal, but felt that they would be considerably delayed and that it would be a number of years before Russia would become a competitive world force in the industry.

In the second phase of Mr. Paine's talk, he used charts to illustrate the favorable financial effect from acquisition of the Great Southern Division and to review the source and use of funds for capital programs over the past five years.

Confidence in the future was evidenced by Mr. Paine's remarks on plans for further capital programs directed toward greater growth and prosperity for the Company. He pointed out that the proposed Florida mill was being designed and planned to service customers that the Company does not have at the present time.

In his closing remarks, Mr. Paine described the array of projects ranging from a plywood operation to new paper machines that are actively being studied for the Company's Maine operations. He emphasized that basic to any plans for expansion in Maine were decisions that hinged around pulping (i.e., conversion of existing processes, facilities for new pulping, or a combination of both,) and additional power.

Matching Gifts Program . . . .

Enclosed with this issue of your Newsletter is copy of a General Notice that tells how any Great Northern employee may enlist Company support of personal contributions to further education.
Paper production for eleven weeks ended 12/18/66 . . . 

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EAST MILLINOCKET MILL

Improved water conditions have allowed for reverting to the 40-cycle motors on No. 5 and No. 6 grinder lines in the old grinder room. The No. 1 line continues to operate with the 60 cycle stator and purchased power.

Obsolete dewaterizers in the screen room have been replaced with four Rice Barton screw extractors. The extractors will reduce maintenance costs and furnish a more uniform stock supply to the refiners.

A new daily production record of 1184.1 tons was established by the mill on December 18. On November 20, the four small machines established a daily record of 416.7 tons; and on November 24, No. 2 machine established a record of 106.7 tons.

The drum barking operation which started May 2 to provide wood for winter use was completed on November 28. At that time, piling out and woodroom operations were discontinued and the mill started using wood from the piles which will continue until breakup in the spring.

MILLINOCKET MILL

A new Murray 15-knife chipper was given its initial run in the Millinocket woodroom on December 7. This unit has capacity of 80 cords per hour and shows promise of excellent results. It has a 26" throat, as compared to the old 18" throats, which allows it to chip larger wood and eliminate a lot of block handling. The unit will result in manpower savings when placed in commercial operation after the Christmas startup.

No. 9 paper machine was down two days in the second week of December for major repairs. Eight gears were changed, along with one intake pinion; and three dryer heads were replaced. The machine is now operating 100' faster than it was before the shut-down.

A 12-man delegation of Maine Representatives and Senators were hosted by Great Northern on Saturday, December 15. After a buffet lunch at the Guest House, the group visited the Engineering and Research Center and the Penobscot Mills.

The delegation started their tour of pulp and paper facilities earlier in the day by visiting Penobscot Company at Old Town and the Standard Packaging mill at Lincoln, where members of the two companies joined in accompanying the group to Millinocket.

The delegation was comprised of Senators Curtis and Sewall and ten House members from Penobscot County. Additional members of the 6th Councilor District (Penobscot and Piscataquis Counties) were scheduled to make the tour; but driving conditions prohibited the representation from Piscataquis County.
WOODLANDS NOTES

An early December thaw reduced wood production during the first week of December. As the frost melted and access roads became impassable, many of the cutters went home; but all are now back at work. The soft condition also made it necessary to stop trucking on some of the all-weather gravel roads.

However, 82% of the wood requirements have now been produced for the Maine mills; and barring early amounts of heavy snow, it is expected that 100% of the proposed cut will be achieved. Should heavy storms materialize, operations using wheel skidders will be able to cut in much deeper snow than the horse operations.

A three-man woods crew at the Jo-Mary operations set what the Company believes to be a production record of 145.25 cords of four-foot wood in a 45-hour work week with gross earnings per man of $345 for the week.

The record output was achieved during the last week of November by Laurence Lizotte, Ernest Roy and Hermas Martin operating as a team.

Statistically, the figures mean that as individuals the crew members averaged 1.07 cords per hour per man.

Figuring 5 trees as an average number of trees per cord, and the number of four-foot bolts per cord at 55, the faller cut, limbed and topped one tree every 3 3/4 minutes, the sawyer cut and piled one four-foot pulp stick each 33 seconds, and the skidder operator dragged the trees an average distance of 1,500 feet from the stump to the piling yard.

A company spokesman points out that while striving for production records is not encouraged among the wood crews, the area where the three-man team has been operating is better than average cutting with a yield per acre of 18 cords. Cutting is restricted to spruce over eight inches in diameter and fir six inches.

Plans are being made to install a portable slasher on the shore of Umbazooskus Lake. This means that wood cut at the Gurette and Levesque camps would be cut and delivered to the slasher in tree-length form, and then sawed into four-foot lengths. There should be a considerable saving in manpower, and the men who have been sawing with chain saws can all be used as fellers or tractor drivers. This could also mean a reduction in the number of trucks and truck drivers needed, as trucking tree-length logs allows for a greater load and faster loading and unloading.

The deer season in Company territory in Maine definitely was not as good as last year. Though, admittedly, there were fewer deer, there were also fewer hunters and very adverse hunting conditions. There was no snow until near the end of the season and that quickly became a hard and noisy crust. Hunters in the North Branch area reported seeing many moose.

Woodlands' safety record in Maine shows little change from last year. Only one district, at present, has a 10 frequency. The goal for the year was a frequency of less than 10. In the last month there have been five fatalities in Maine woods operations. None were on Company operations.

Eugene Putnam, Assistant Superintendent - Division of Forest Engineering has just returned from an intensive two-week management course for Natural Resource Managers, held at Penn. State University. Gene contends that compressing a semester's work into two weeks is rough.

Ray Goody, Forester, has just completed a two-week course at the University of Connecticut, given by the American Institute of Real Estate Appraisers. Ray spent two weeks at the University of Nebraska in April, two weeks at the University of Virginia in June, and this last session completes the course. Knowledge Ray has gained will be most valuable to the Company in land damage or appraisal matters.
The Water in Maine. . . .West Branch storage presently totals 26.7 Billion Cubic Feet of water. This is 47% of storage capacity and an increase of 12.0 Billion Cubic Feet over last year at this time.

Administration Building Improvements. . . . Visitors entering the grounds at Millinocket by way of the main gate will find that a new bituminous concrete driveway extending from the gate to the parking area has recently been completed. At the same time, the parking area was enlarged and paved, providing several more spaces and a new walk leading from the street to the north entrance.

The lawn in this area is being rebuilt and will be completed and seeded in the spring.

Contractors are presently enclosing the portico at the north entrance, which will provide added protection from the winter winds.

Under consideration for installation next year is improved exterior lighting. A study is being made of the requirements which would provide safe walking and driving conditions in these areas.

Analog Computer Study of the Wood Chipper. . . . What happens to the horsepower surges on a chipper motor when it is fed logs of various sizes and shapes? This is only one of the questions being answered by the Pioneering Research Lab's Analog Computer Study of the dynamics of wood chipping. This is needed if chippers are to be operated using public power because of maximum surge power limitations.

Previous studies have shown that surge power can be influenced by the method of operation. For example, much higher surges are experienced if a tapered log is fed small end first rather than large end first. This is because the energy stored in the chipper disk has been partly dissipated by the time the large end reaches the knives. It can also be seen that the size of the chipper disk greatly influences the size of the power surge.

"Medicaid" (?). . . . It's part of the 1965 Medicare Act, specifically Title 19; but it is not under Social Security. It permits states to take advantage of a favorable matching formula (Federal-State money) by establishing medical assistance programs aimed at providing adequate health care for all children and adults who cannot afford it themselves. It is up to each State how far it will go in providing for this free health care.

The Maine program has already been approved for Federal assistance. It covers those under 65 who are receiving public assistance from Aid to Families with Dependent Children, Aid to the Disabled, and Aid to the Blind. Scope of the coverage includes all benefits coming under Parts A and B of Medicare - plus:

* Necessary routine physical examinations

* Immunizations

* All outpatient hospital services including clinic care

* First three pints of blood

* Hospital coverage beyond 90 days if medically necessary

* Home health service beyond 200 visits if medically necessary and with no prior hospitalization required.

Maine's program is administered by its Department of Health and Welfare.
The Sales Department held a year end meeting at the Hotel Biltmore on Friday, December 16, 1966 which was attended by Sales and Sales Service personnel from all offices.

Purpose of the meeting was to review results of the year now coming to a close and to place before the gathering the plans and goals for 1967. The meeting was called to order at 9 a.m. by Joe Carena who introduced Mr. Haak as the first speaker. Mr. Haak talked about the record of Great Northern over the past five-year period, the results for Fiscal 1966 and explained the ramifications involved in developing the working capital required for current operations and mill expenditure programs. He also discussed the expansion program under way at Cedar Springs, the effect that this would have on sales and earnings and the increased utilization of Woodlands both North and South. He informed the gathering of the plywood mill now under construction at Cedar Springs, the outlook for 1967 and the increased difficulties that lie ahead in maintaining satisfactory profits in the face of rising costs of raw materials for our operations.

Mr. Hellendale followed Mr. Haak with a talk on the incentive profit sharing plan. The plan was explained in detail as well as the long-range benefits that will become available to all under this plan.

John Staples then spoke on the sales record for 1966, the actual results compared with the forecasts made at the beginning of the year, and the sales goal in 1967. Joe Carena summed up the meeting by reviewing the main points of the speakers and emphasizing the cost increases which confront us in the coming year. He warned about complacency. Scattered segments of the economy have shown weaknesses in recent weeks. If this develops into a trend, demand for our products in 1967 could weaken.

He pointed out that it should not be taken for granted that business would remain strong indefinitely. Should a business slowdown develop, sales personnel would have to redouble their efforts in the present fiscal year to assure continuing capacity operations at the mills.

Following the recess for luncheon, Mr. Paine gave the group an interesting talk on his observations and experiences during his recent visit to Russia.

Location of the Southern Regional Office has been established at 159 Forrest Avenue, N. E., Atlanta, Georgia 30303. This office was formerly located in Washington, D. C.

PRICE INCREASES ANNOUNCED BY GREAT NORTHERN PAPER. . . .NEW YORK, Dec. 15 -- Great Northern Paper Company announced that it will increase the sales price of its coated publication paper and catalog grades an average of 5% as of Jan. 1, 1967.

John H. Staples, Vice President - Sales, said the increase was due to continued rising costs of pulpwood, chemicals and other papermill supplies.

Historically one of the world's largest newsprint producers, Great Northern in recent years has broadened its operations into coated and uncoated printing papers for magazines, catalogs, directories and specialty uses, as well as linerboard for corrugated shipping containers. Corrugating medium and plywood will be added to the product line in 1967.

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What Forbes says about Great Northern is contained in the following one-page reprint of December 1, 1966 (next page).
Ambition Unlimited

Great Northern Paper has piled up a phenomenal record in recent years, but the big question is: How solid are its gains?

Ever since Peter Standish Paine, 57, took over as chief executive of New York's Great Northern Paper Co. four years ago, the staid New England newsprint producer—still the largest independent in the U.S.—has been conducting itself like a company on the make.

When Peter Paine arrived on the scene from Curtis Publishing Co.'s papermaking subsidiary, Great Northern was just emerging from one of the most difficult periods in its history. In the mid-Fifties the company had found itself being squeezed out of its major markets—partly because it could no longer compete from its Maine headquarters with the new mills that were going up in the South, and partly because its 50-year-old newsprint machines were rapidly becoming obsolete.

In response, Great Northern rebuilt its newsprint operations virtually from the ground up and converted its old newsprint machines to the production of groundwood specialty papers (telephone and paperback book stock, for instance), thereby modernizing and diversifying its operations in a single move.

This alone was no mean achievement, but it was nothing beside what Peter Paine has accomplished since. In 1962 Great Northern branched out into another new and fast-growing market, coated paper used in magazine production. Some months later, it set up, with a group of Georgia investors (whom it bought out three years later), Great Southern Land & Paper to build a $60-million linerboard mill at Cedar Springs, Ga. In 1965 it launched a $50-million expansion program to double Cedar Springs' capacity and diversify its output.

This year it began moving into plywood in the South, with a $4.5-million mill expected to be in operation by next August, and announced plans for building a $60-million pulp and newsprint mill in Florida for completion by 1970. By then, Great Northern will also probably have established itself in plywood in Maine as well.

Paine's Progress. The gains from Paine's expansion so far have been breathtaking. Between 1962 and fiscal 1966 (ended Oct. 2), Great Northern's return on common equity expanded from 5% to 13%, while its per-share earnings more than tripled to $4.36 a share on nearly doubled sales of $124 million. "There's nothing fluky about these earnings either," says Finance Vice President Howard G. Brush. "We didn't do it by bookkeeping."

Peter Paine, however, refuses to be carried away. "How well you do sometimes depends on where you started from. We had some pretty bad years. But we're now at the level where we ought to be. The proof of the pudding will be in how well we'll be able to do from here on out."

In moving into linerboard, the raw material for boxes, Great Northern did not move on into converting as well. Thus, alone among the industry's linerboard producers, it depends upon independent converters to absorb the bulk of its output.

Neither problem visibly unnerves Peter Paine. He concedes that Great Northern's timber base is as thin in the South as it is thick in the North, where the company owns 11% of the State of Maine. But Paine sees no cause for alarm. "Seventy-five percent of the forests surrounding the mill site," he says, "is owned by small landowners, so that we feel we can depend on a wood supply. We have 175,000 acres of timberland, and we'd like to have more, but it's not critical and unlikely to become so. The real problem is labor. Without it, you can't get your wood out. This year we've even been selling wood to some of our competitors in the area who are supposed to have a much better wood supply than we do."

Nor is Paine greatly concerned that the Cedar Springs mill lacks any converting outlets. Great Northern bills the mill as "the independent mill for the independent converter," and it is the independents that have become its primary customers. There's a shortage of linerboard these days, so Great Northern has customers aplenty. The question is whether it will have them two or three years from now when linerboard is expected to be in oversupply.

Paine admits he does not know the answer, but he does not seem greatly worried. "As an unintegrated mill," he points out, "we don't compete with our customers, so that given an equal price, an independent will be inclined to support an independent. We'll have a low-cost mill," he adds, "so that we'll be able to compete on price."

Things To Come. At the moment, Paine says, Great Northern's future looks brisker than ever before in its history. "Next year looks good to us," Paine says, "very good. And we have some exciting opportunities. We have vast wood holdings in Maine which we are not fully utilizing, so there are opportunities of various kinds for converting trees into money—pulping, paper and pulp, wood products—and we're not precluding expanding our operations into other areas of the country."
PERSONNEL CHANGES

ALLAN M. BROWN, effective October 1, was promoted from Junior Engineer to an Engineer in the Central Engineering Department. ROBERT G. BOUCHARD, effective November 1, was promoted from Laboratory Supervisor - Control to Control Engineer at the Millinocket mill. Bob started his career with the Company in 1952 as a Paper Tester in what was then called the Bureau of Tests.

CARL E. AMBROSE, effective November 1, was promoted from Roll Inspector to the position of Laboratory Supervisor - Control at the Millinocket mill. Carl has been with the Company since 1958 when he came on as a Pulp Tester.

ROBERT M. RAMSDELL, effective December 1, was promoted from Senior Draftsman to Junior Engineer. Bob has been with the Central Engineering Department as an instrumentation draftsman since December, 1964.

ROBERT ESTES, Woodlands Superintendent of Motor Vehicles, assumed the added title and responsibilities of Project Engineer, effective December 1, 1967. His motor vehicle responsibilities remain unchanged. His added duty will be working with Lester Hazleton, Logging Engineer (North), in the development and operation of new logging and wood processing programs in our Maine operating areas. Mr. Estes will be located in the Bangor Office.

KEITH R. VEAZIE, effective December 6, was promoted from Data Processing Specialist to Senior Systems Analyst in the Controller's Department. This new position carries with it increased supervisory responsibilities in the Systems Department, particularly in the computer feasibility effort and the upcoming conversion to a third generation computer. Keith will continue to report directly to the Manager of Administrative Services.

MICHAEL HRADEL, effective December 8, rejoined the Research Department as a Junior Research Engineer. Mike has been on military leave-of-absence since January 8, 1965, having just returned from a tour of duty in Korea.

NEW EMPLOYEE

DONALD L. STEWART, effective December 1, 1966, joined Woodlands, Great Southern as Forester, reporting directly to Hoyt Grissom. Don graduated from the University of Georgia in 1950 where he majored in Forestry. Prior to joining Great Southern, he was employed with Escambia Treating Co.

RETIREMENT

RALPH L. FRENCH, effective December 1, retired from his position as Architect in the Central Engineering Department after thirty-two and one-half years of service with the Company. His many friends at Great Northern extend their sincere wishes for a retirement filled with every happiness.

RESIGNATIONS

THOMAS H. FLANAGAN, Acting Manager of Insurance, resigned as of December 1 to accept a position with the Merrill Trust Company, Bangor, Maine.

A replacement for Mr. Flanagan is to be named at a later date. In the interim, reports, correspondence, inquiries, etc., should continue until further notice to be directed to the Insurance Department at Bangor.

ROBERT A. GIVEN, Area Engineer at East Millinocket, resigned as of November 1 to accept a position with Hollingsworth & Vose Company in New York.
As the year ends, I want to thank you all for your part in the fine Company record achieved in 1966. We can look forward with confidence and enthusiasm to the challenge of next year.

The officers and directors of the Company join me in extending very best wishes for a New Year filled with Hope, Good Health, and Happiness for each of you and your families.

Sincerely,

[Signature]

President
The net results of fiscal 1966 are a tribute to the foresight of Great Northern management, to efforts of its employees, to confidence of its stockholders, and to its capability to respond in a favorable economic climate.

GREAT NORTHERN PAPER REPORTS 45% EARNINGS GAIN IN FISCAL 1966

NEW YORK, October 28, 1966. . . . Great Northern Paper Company today reported the highest sales and earnings in its 68-year history.

Net income for the year ended October 2, 1966 gained 45% over fiscal 1965 to $12,471,000 Peter S. Paine, chairman and chief executive officer, said in a preliminary report. Sales increased 11% to $123,894,000. Net income amounted to $4.36 per share of common stock, compared with $2.95 in fiscal 1965. Shipments increased to a record 1,019,000 tons of paper and linerboard.

"The record 1966 performance resulted from a combination of factors—strong demand for our products and improving prices, together with better efficiency and greater production," Mr. Paine said. "The first two are reflections of the high level of business activity during the year. Higher production and improved efficiency were made possible by the capital programs of prior years for expansion and modernization of our mills," he said.

Historically one of the world's largest newsprint producers, Great Northern in recent years has broadened its operations into coated and uncoated printing papers for magazines, catalogs, directories and specialty uses, as well as linerboard for corrugated shipping containers. Corrugating medium and plywood will be added to the product line in 1967.

HIGHLIGHTS

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*After payment of dividends on preferred stock in 1966, and after deducting pro-forma dividends on Preferred Stock in 1965 and 1964.
CEDAR SPRINGS MILL

Natural Gas System. Part of the new system went into operation on November 17 when the mill switched from propane to natural gas for ignition in the power and recovery boilers. Natural gas will be used at the lime kiln after making equipment changes over the Christmas shutdown.

The recovery boiler was out of service 37 hours the weekend of November 5th due to a superheater tube rupture which, in turn, caused damage to a generating tube at the mud drum. It was hoped that superheater tube problems were corrected when extensive modifications were made on last summer's shutdown, but this failure indicates that more work may be necessary on the Christmas shutdown. The boiler manufacturer is studying the problem prior to discussions to formulate a plan of correction.

A big Thank You was expressed to members of Great Southern Division's four shift fire brigades at a dinner meeting held recently at Riverside Fish Camp. The occasion was the annual fire brigade appreciation meeting, attended by the fire brigade members and the management people involved with fire prevention and training.

Great Southern Division Employees were surprised at the new technique used to test for tuberculosis by the Georgia State Department of Health. Actually it is a TB screening test, used to screen out those people who do not need to take the more expensive chest X-ray. In the new technique, an air gun painlessly injects a small amount of fluid into the arm. The entire process only takes a few seconds per person to administer; forty-eight hours later the nurse reads the results of the test by observing the reaction that may have developed where the fluid was injected into the arm.

EAST MILLINOCKET MILL

A "Job Hazard Analysis" survey has been designed to help keep the mill safety program on the move. The foreman makes a safety contact with each man to determine his thoughts on the hazards of his job and his recognition of them. When completed, a compilation of the "Job Hazard Analysis" sheets which list occupation, tools required and hazards of the job will be used for further safety contacts, particularly with new men coming onto the various jobs.

The idea of such a program originated with Arthur Michaud, Personnel Assistant, and Dwight Osgood, Groundwood Foreman. It was intended for the various jobs in the Groundwood mill and expanded to include jobs in the Chemi-groundwood Plant and Woodroom. With high hopes for soon closing the gap on a million manhour safety goal, there has been enthusiasm to the survey from both the supervisors and their men.
East Millinocket Mill Cont.

**Old Paper Room sets new records**  
... On October 21, No. 3 paper machine established a new production record of 114.4 tons in 24 hours; and on October 24, the four smaller machines established another new record with combined production of 405.9 tons in 24 hours.

A new 6" water pipe line from the East Millinocket town-water system to the steam plant was placed in service on November 8th. The system is expected to supply 70-80% of feedwater plant requirements, as well as a source of purer water that will eliminate organic fouling of the demineralizer beds which has been a problem for the past year.

**MILLINOCKET MILL**

A Viking void detector has just been installed on No. 4 paper machine. This completes the installation of void detector units on all the Millinocket machines.

The new pulpwood chipper and motor were subjected to initial runs on November 10 and 11. The blower has been completed as far as the silo building block walls, and installation of chipper feed and discharge conveyors is in progress. The chip silos are about 50% erected, with completion scheduled for about mid-January.

**WOODLANDS NOTES**

**Allagash Wilderness Waterway.**  
... On November 8th, the citizens of Maine approved a bond issue, authorized at the last meeting of the 102nd Legislature, which would provide funds for the creation of an Allagash Wilderness Waterway; and the same Legislative enactment set the bond issue limit for the proposed park at $1.5 million.

This law provides that the area taken over shall be under the control of the State Parks and Recreation Commission. It will be about 85 miles long; follow the northerly course of the Allagash River; and include Telos and Chamberlain lakes. Along the reserved section of the river, a restricted zone (varying from 400 to 800 feet in width) will be established wherein no roads or camps will be built and no cutting of wood will be permitted.

The United States Interior Department has promised to match the $1.5 million bond issue, and this money will be spent mostly to buy the narrow strip of land along the shores of the various lakes and riverways.

The Allagash watershed is comprised of 1,004,055 acres, Great Northern being the largest single owner with 309,364 acres. Other large owners are the International Paper Company with 232,706 and Pingree Timberlands with 222,651 acres.

The acres of Great Northern's timberlands that would be taken over for the Waterway would be approximately 5,000 to 10,000 acres, depending on the width of the strip.

The Rain in Maine - November 2 and 3. One bridge at Horse-race Brook was washed out on the Ripogenus Brook, besides several washouts on shoulders of the road. The road was impassable for two days.

Three bridges and several culverts were washed out on the Jo-Mary road. The crew came out Thursday a.m. and was unable to return to camp until Monday noon, November 7.

It will require two weeks for the road crew to repair the Jo-Mary road.

Group III of the Million Manhour Scholarship Program has accumulated more than three-quarters of a million manhours without a lost-time injury. Group III is comprised of all eligible employees in the two towns who do not come under the two mill programs.
The long hill by Jo-Mary Lake was completely washed out on one side. Mr. Garrity worked five days with a crew of five men replacing the bridge on Pleasant River.

Pleasant River rose approximately 20' moving our hovel off its foundation, completely covered one skidder that was parked 100' from bank of river, and completely washed out our road. Total damage in these two areas will be at least $7,000 besides time lost at the Dan Garrity Operation.

Rainfall in the upper West Branch of Aroostook waters did not exceed 1.5" - 2.00" during the 36-hour period, and the resulting damage was not great. Neither was the beneficial effects of the runoff.

Even with lighter precipitation in the upper watershed, the 2-day storm boosted storage by approximately 7.5 Billion Cubic Feet. It has gone from a low of 17.7 to 25.2 Billion Cubic Feet, which is 44.2% of capacity and 9.4 B.C.F. more than last year at this time.

The Company was well represented at the TAPPI 21st Engineering Conference in Boston on October 31 - November 3.

J. H. Heuer, Vice President - Operations, opened the technical program with a keynote talk on relations between the engineer and the operator, with emphasis on what the operator expects from the engineer.

T. M. Knight, Assistant Manager, Stores, East Millinocket, participated in a panel discussion on changing from department to centralized maintenance.

R. T. Curran, Process Control Supervisor, Cedar Springs, participated in a panel discussion on process control computers.

J. G. Lebrasseur, Process Dynamics Group Leader, Millinocket, presented a paper on "Control System Design via Simulation" which described how Pioneering Laboratory's Analog computer aided the design of the washer feed-forward control system in the sulfite mill at Millinocket.

W. A. Lacey, Division Engineer, Cedar Springs, participated as a panelist in discussing the problems and opportunities of wood chip handling and reclaiming.

Another Social Security Tax Increase for Employers and Employees

... Each employee's first pay check in 1967 will show more money deducted for the increased tax; and at the same time, the Company will be required to match the increased tax for all employees out of its own funds.

Effective January 1, 1967, the tax rate on both employers and employees will be increased from the present 4.2% of taxable payrolls to 4.4% and will be applied to the first $6,600 of each employee's annual wage.

Prior to passage of the Social Security-Medicare law in 1965, the tax was 3 5/8% on the first $4,800 of taxable wages, for a maximum of $171.84 per year. The following table shows the changes imposed by the new law on the first $6,600 of yearly earnings.

<table>
<thead>
<tr>
<th>DATE</th>
<th>RATE</th>
<th>MAXIMUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>1966</td>
<td>4.2%</td>
<td>277.20</td>
</tr>
<tr>
<td>1967</td>
<td>4.4%</td>
<td>290.40</td>
</tr>
<tr>
<td>1969</td>
<td>4.9%</td>
<td>323.40</td>
</tr>
<tr>
<td>1973</td>
<td>5.4%</td>
<td>356.40</td>
</tr>
<tr>
<td>1976</td>
<td>5.45%</td>
<td>359.70</td>
</tr>
<tr>
<td>1980</td>
<td>5.55%</td>
<td>366.30</td>
</tr>
<tr>
<td>1987</td>
<td>5.65%</td>
<td>372.90</td>
</tr>
</tbody>
</table>

The Company will have paid approximately $250,000 in 1966 for the increase to 4.2%; and the jump to 4.4% (only two-tenths of 1%) will increase the mounting tax load by an additional sum of approximately $47,000 in 1967.
Scholarship Recipients. . . .

J. H. Heuer, Vice President-Operations of Great Northern and Chairman of the University of Maine Pulp and Paper Foundation Scholarship Committee, announced November 10 that 69 scholarships and grants had been awarded pulp and paper students at the University of Maine for the college year 1966-67.

Fifty scholarship recipients each received tuition scholarships of $400 or $1,000, depending upon their residence in Maine or elsewhere (34 of the 50 were Maine residents). Nineteen students registered for the fifth year paper management or computer technology programs received grants of $1,500 for Maine residents or $2,400 for residents of other states (17 of the 19 were Maine residents).

Total amount of the awards, including three graduate fellowships of $3,000 each, exceeded $67,000. In addition to the awards, the Foundation also contributes nearly $50,000 for support of teaching of pulp and paper courses, largely for the fifth year program which was established by the university at the request of the Foundation.

Sales-Manufacturing Quality Meeting Held at Millinocket. . . .

On October 25, the Sales Department, under the direction of William E. Cozens, Manager - Commercial Sales, sponsored and conducted an all-day seminar devoted to a study of the quality problems now facing our Commercial Sales Representatives. Making presentations were Regional Sales Managers J. Paul DeMarrais and George L. Nystrom. Willis F. Young, Paul E. Jarvis, and Jacques L. Dardenne, Sales Service Representatives, pinpointed the specific problem areas and supported their arguments with many slides, reports, and paper samples.

A unique feature of the seminar was the round-table discussion period in the afternoon. The entire assembly was separated into three smaller groups and informal discussion of the formally presented problems was encouraged. This technique proved highly successful and will be used again in the future.

Bill Cozens and Will Young covered the letterpress area, George Nystrom and Paul Jarvis handled rotogravure, Paul DeMarrais and Jacques Dardenne followed with an analysis of the web offset problems.

The participation and favorable reaction of those present indicated that the meeting was well worth the time and effort spent in preparation. More meetings of this nature should be scheduled.

The Company is becoming better known on a worldwide basis, as evidenced by the number of foreign visitors calling on us. In the past year, we have had people from every continent, most of the countries in Europe, the Far East, Australia and North and South Africa. One of the recent callers was a gentleman from the United Kingdom who was interested in our proposed mill in western Florida. Announcement of this project appeared in European Trade Publications.

Great Northern recently received two awards from the Direct Mail Advertising Association, DMAA, for direct mail campaigns distinguished by their creative excellence, outstanding results and superior utilization of the direct mail medium. Certificates were presented for the company's newspaper contract portfolio and theatrical poster program.

DMAA is the National Trade Association of business users, suppliers, creators and producers of direct mail advertising. Of the more than 400 entries in the 1966 Direct Mail Leaders Contest, only 50 were considered good enough for an award.
Borol Bleach Liquor Preparation . . . This system was installed at East Millinocket to prepare sodium hydrosulfite, used for bleaching groundwood. The system used sodium borohydride (which we purchase) and sodium bisulfite (which we make). Substantial bleaching chemical cost savings are possible by preparing our own sodium hydrosulfite rather than buying it. The sodium hydrosulfite must be used a very short time after it is prepared so a continuous preparation and delivery system was installed.

The bleach liquor is to be used at several different points in the mill and at widely varying rates so a good control system is essential. The pH of the product very conveniently determines if the ratio of sodium bisulfite and sodium borohydride is proper for lowest cost bleach liquor, and the control system was designed accordingly.

It has taken several months of hard work by Research Mill #2 Maintenance and Ventron Corporation people to "debug" the control system. The main problem has been an attack of the reference electrode by the product solution which both changes its electrical output and eventually plugs it.

A newly designed electrode supplied by Beckman that has now been in service about two and one-half weeks has apparently solved this problem. Installation of a new thermocompensator to replace one found defective, together with the completed borol control valve changes should make the system capable of very satisfactory automatic product manufacture.

Inframike Moisture Gauge. . . . During the past five weeks the Paper Research Group has been conducting an evaluation of a General Electric Inframike moisture gauge which has been obtained from General Electric on a free trial basis. The Inframike operation is based on the absorption of infrared radiation by water in the sheet and measures the total water content in the paper. The gauge sensing head operates only on one side of the sheet (either top or bottom) and either contacting or non-contacting the sheet.

One of the advertised advantages of this gauge is that it can be calibrated in the lab and that this calibration will hold true on the paper machine. Therefore, one week was spent calibrating the gauge in the lab on both coated and uncoated grades. The gauge was then installed on the Basis Weight Gauge on No. 9 paper machine. On-machine dynamic checks have indicated that the lab percent moisture calibrations are not extremely accurate, however, they are reasonably close and establish a good starting point from which to correct the gauge calibration on-machine. Initial analyses of the gravimetric checks of the gauge accuracy in measuring total sheet moisture indicate good accuracy.

One of the major advantages of the Inframike is that it is very portable. During the on-machine checks, the gauge has been moved between No. 9 and No. 7 paper machines to determine the differences in moisture levels of the basestock from these machines. The Inframike has also been used to establish a relative press moisture profile on No. 9 paper machine by simply hand holding the gauge.

Patrolling the Company's high tension power lines in Maine is an unknown function of the Plant Protection Guards during the hunting season months in the fall.

In the past, juvenile hunters (and some not so juvenile) have made great sport of shooting at insulators on the high lines. It has resulted in not only a considerable loss of time and money to the Company, but has also put the hunter in danger of a serious or fatal injury.

The Company patrol program has been a very effective measure of overcoming the problem; but judging from radio warnings, there are other Maine companies where the problem is still being confronted.
"PERSONNELITIES"

NEW EMPLOYEES

John A. McLeod, effective October 31, 1966, joined Great Northern as Superintendent of Power, reporting directly to R. J. Shinners, Resident Manager and Assistant Vice President - Operations. John majored in a Mechanical Course at Lowell Institute (MIT); and prior to coming to Great Northern, he was employed with Ebasco Service, N.Y. where he was in charge of the start-up on a new 24 M.W. steam turbine generator plant in Colon, Panama.

Herman L. Brookins, Jr., effective November 7, 1966, joined the Central Engineering Department at Cedar Springs as Assistant Cost Engineer, reporting to Jerry Hunnewell, Cost Engineer. Herman is a graduate from Auburn University where he majored in Industrial Engineering. Prior to coming to Great Southern Division, he was employed by U. S. Steel Corporation at Birmingham, Alabama.

PERSONNEL CHANGES

Gerald J. Caron, effective November 1, 1966, was transferred from the mill forces to Area Foreman in the Maintenance Department in Millinocket. Gerald has been with Great Northern since 1947.

C. D. Phillips, effective November 1, was promoted from Mechanical Supervisor to Mechanical Superintendent at Cedar Springs, reporting directly to Waldo Preble, Plant Engineer. C. D. joined the Great Southern Division in January, 1963, prior to which he was employed by Bowaters Southern at Calhoun, Tennessee.

RESIGNATIONS

J. B. Walls, Area Foreman in the Millinocket Machine Shop, resigned November 4, 1966, to accept a position with Snow & Nealley in Bangor, Maine.

Shirley E. Henry, Process Control Engineer at Cedar Springs, resigned November 21 to accept a position with Union Camp Corporation at Prattville, Alabama.

ANNOUNCEMENT

By E. D. Fairley, Assistant Manager, Purchases...effective November 1, 1966, the following changes in assigned duties were made in the Purchasing Department:

A. E. Gourley, Purchasing Agent, will be responsible for liaison between the Purchases Department and the Stores Department. He will coordinate mutual activities and programs between the departments. Mr. Gourley will also be available to the Director, Purchases and Stores, for special assignments throughout the Northern Division.

R. R. Robinson, Buyer, will assume all responsibilities for procurement and control of raw materials and machine clothing.

"DECADES"

1946 - "plants were operated at full capacity, producing 349,000 tons of newsprint, which is more than made in any previous year."

1956 - "...Great Northern made more paper in 1956, and sales and net income were higher, than at any time in the Company's history."
"BUT I HAVEN'T NAMED MY BENEFICIARY"

HAPPY THANKSGIVING
Directors Appropriate $12 Million for Capital Expenditures in Fiscal Year 1967. The money will be used throughout the year on a project-by-project basis as approved by the Executive and Finance Committees. Approximately two-thirds of it will be spent in the Northern operation.

Incentive Profit Sharing Pays Off for Third Year in Succession...

.Peter S. Paine, Chairman of the Board, has announced to employees entitled to share in the Plan that the Company has made a 10% contribution from fiscal 1966 earnings. This means that a sum equal to 10% of the employee's 1966 salary has been set aside in his account with the Trustee, Manufacturers Hanover Trust Company, for purchase of Great Northern Common Stock.

As earnings have improved, the Directors have stepped up the Company's contribution to the Plan. In 1964, it was 2%; 1965 - 5%; and now for 1966, it is 10%.

In the announcement, Mr. Paine commented, "As we look ahead at the years 1967 and 1968, we can see many disturbing factors in the general business picture, particularly the threat of new capacity affecting prices and operating rates in the paper industry. Nevertheless, it is my belief that Great Northern, with the enthusiasm and dedication of its people, can continue to show increased earnings as we have in each of the last three years. If we succeed, we can look forward to sharing in the Company's growth, not only as employees but also as stockholders through our participation in the Profit Sharing Plan."

Great Northern proposed construction of a $50-$60 Million pulp and newsprint mill in Florida... The mill, scheduled for startup in 1970, is designed for annual production of 150,000 tons of newsprint and 102,000 tons of bleached kraft pulp. The 105,000 tons will represent a 40% increase in the Company's present newsprint capacity. Some 42,000 tons of the bleached kraft will be required in the newsprint production, with the balance being initially sold as market pulp.

It is planned to locate the mill at Sneads, Florida, which is about 60 miles below the Cedar Springs mill. Surveying and test drilling operations are already in progress on land that is under option for the mill site, and satisfactory arrangements have been agreed upon with Florida regulatory agencies for proper disposal of the mill effluent. The Company is now in the process of obtaining cutting rights on more than 100,000 acres of timberland within a 100-mile radius of the mill. Financing for the project will be partly dependent on the development of market outlets for the new production.

The combination of present expansion at the Cedar Springs mill, the Chattahoochee plywood operation, and the proposed Florida mill is expected to add about $62 Million annually to Company sales. In the fiscal year ended October 2, 1966, Great Northern recorded an estimated sales volume of $125 Million.
Paper production for fifty-two weeks ended 10/2/66.

<table>
<thead>
<tr>
<th>Production:</th>
<th>1966</th>
<th></th>
<th>1965</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tons</td>
<td>Daily Avg.</td>
<td>Tons</td>
<td>Daily Avg.</td>
</tr>
<tr>
<td>Cedar Springs</td>
<td>343,230</td>
<td>974</td>
<td>318,322</td>
<td>900</td>
</tr>
<tr>
<td>East Millinocket</td>
<td>376,860</td>
<td>1,058</td>
<td>359,023</td>
<td>1,014</td>
</tr>
<tr>
<td>Millinocket</td>
<td>300,483</td>
<td>844</td>
<td>285,782</td>
<td>808</td>
</tr>
<tr>
<td></td>
<td>1,020,573</td>
<td>2,876</td>
<td>963,127</td>
<td>2,722</td>
</tr>
</tbody>
</table>

CEDAR SPRINGS MILL

A new daily production record of 1245 tons was produced on No. 1 machine on October 13.

All phases of the No. 2 paper machine project are proceeding steadily. Special emphasis is being given to completion of the recovery boiler and evaporator areas, also the turbine generator area; and present plans are to put these areas in use at or prior to the first of January.

A total work force of about 1,250 are now engaged on the expansion for the two new machines. This should represent nearly the peak, since increases in skilled personnel will be offset by decreases in unskilled labor.

CHATTANOOCHEE PLYWOOD MILL

An area approximately 2,000 feet long by 500 feet wide has been cleared and leveled for the new plant, and foundations for the 111,000 square feet of buildings are expected to begin shortly.

EAST MILLINOCKET MILL

A $2,000 Scholarship Fund will be the reward if the mill continues its present safety trend. As of October 24, 701,387 manhours had been worked without a lost-time accident; and all hands are shooting for a million manhour record that will allow one or more of their children to benefit from the Company's present policy of rewarding for the achievement.

The East Millinocket mill has three previous million manhour records; and for the last one on October 22, 1963, it received the $2,000 Scholarship Fund reward.

The Millinocket mill has two million manhour records, the last one being established on October 15, 1964, for which it also earned the $2,000 Scholarship reward.

Approximately 77,000 cords of peeled softwood have been piled out for winter use; and before the piling operation is ended by river freeze-up, the two softwood piles are expected to contain over 80,000 cords of wood.

Five shutdowns have been experienced recently on No. 2 turbine generator due to corrosion of condenser tubes. Installation of nearly 1200 new tubes was started on October 25 and will take a week or more to complete. Additional tubes are on order which will eventually allow for complete replacement of all 2400 tubes.

MILLINOCKET MILL

Alert action and a well designed sprinkler system minimized fire damage in the paper room on October 16. The fire was discovered at 8:15 a.m. in the basement under No. 7 paper
machine; and although the flames spread quite rapidly, the fire was under control by 9:00 a.m. Quick sounding of fire alarms brought immediate action of the mill and town fire brigades.

The fire was caused by a burned out bearing on the west roof fan of No. 7 machine. It caused an 11-hour shutdown of No. 7 to replace duct sections, sprinkler heads and change two motors that were wet. No. 6 and No. 8 lost a combined total of 6 1/3 hours due to smoke and sprinkler heads that had opened up.

The mill converted its basis weight ream size from 24 x 36 - 500 (newsprint basis) to 25 x 38 - 500 (book basis) on October 19. Only the coating operation was handled this way in the past. Now the entire specialty production from the mill is being reported on the "Book" ream.

The National Guard Came to the Rescue. . . . Erection of pole structures for the new 34.5 KV transmission line between the two Maine mills presented some real problems in a swamp area called "Crazy Bog" and a river island. With the use of a diesel tractor (a "Skidder") and its "Log Gammer" (which is used to skid logs in the woods), 40 tons of material were moved across "Crazy Bog" and set in place.

The next problem was to move the "Skidder," "Log Gammer," and three pole structures across the back river channel to the island. With help from the local National Guard, a pontoon foot bridge was delivered from Lewiston, Maine, and all the material and equipment was floated across the river to the island and erected.

The existing line, designed for 385 amps, has been heavily overloaded in the past, due to shutdown of Mill 2 generation. The new line has capability of 745 amps at 34.5 KV. This not only increases the capability to move more power between the mills; but as an added dividend, we can now more adequately relay the lines. This will greatly increase the reliability of the system such that if a fault occurs on a portion of the transmission line, and this section is relayed out, the remaining portions would be able to carry the mills without interruption.

Safety efforts show results. A Certificate of Merit from the Associated Industries of Maine has been awarded to both the Woodlands Department and the East Millinocket mill for their improved accident prevention records for the year 1965 over 1964. The mill was a previous recipient of this award in 1962 and 1963, and the Woodlands Department has been recognized in a similar way for four years in succession.

Acknowledgement and public recognition were accorded these achievements at a joint A.I.M. - New Hampshire Manufacturer's meeting at Bretton Woods, N. H., on October 14, 1966. The supervisory groups in these areas are to be highly commended for their efforts in protecting against the costly lost time and human suffering that results from accidents.

Thomas M. Barry, retiree of Great Northern, died at his home in Berlin, New Hampshire, October 26, 1966. He was Mill Manager at the East Millinocket mill from May 1, 1957 to June, 1963, when he became Senior Mill Manager of the Millinocket mill. At the time of his death, he was with the Brown Company as Manager of Manufacturing. Funeral services will be held at St. Francis's Church, Oakland, Maine, Saturday, October 29, at 10:00 a.m.
The Sales Department will soon close the Washington, D. C. office which has been in existence since November 1960. It will be replaced by a new office to be opened in Atlanta, Georgia (Atlanta being better located for the proposed Florida newsprint mill). The Atlanta office will be headed by Charles M. Sheafe, Regional Manager.

ORGANIZATIONAL LINE-UP . . (As announced by the Traffic Department)

Following the recent consolidation of the Transportation Departments of Great Northern Paper Company and its Great Southern Division, the Department has been reorganized as follows:

Carl F. Fischer, III, Director of Transportation, Cedar Springs; J. D. Perkins, Manager - Transportation Research, Cedar Springs; H. M. Williams, Jr., Assistant Manager - Transportation Research, Cedar Springs; F. R. Keenan, Traffic Consultant, Millinocket; E. R. Smith, Traffic Manager, Cedar Springs; J. V. C. LeBeau, Traffic Manager, Millinocket; A. F. Hamel, Assistant Traffic Manager, Millinocket; C. R. Grantland, Traffic Supervisor, Cedar Springs; P. P. Paul, Traffic Coordinator, New York; J. L. Blankenship, Yardmaster - Traffic Assistant, Cedar Springs; C. E. Brewster, Rate Analyst, Millinocket; and C. H. Austin, Damage Prevention Supervisor, Millinocket.

Division traffic offices, under Messrs. LeBeau and Smith, retain considerable authority and control over transportation operations at their respective locations.

Transportation Research, essentially a staff function (though not with operational influence), is intended to handle all rate negotiations and render other special or technical assistance to division traffic offices and other departments of the Company.

The New York traffic office is primarily for the use and convenience of the Department and the Company.

WOODLANDS NOTES

More than 63% of the proposed spruce and fir cut for the year has been produced for the northern mills, and no difficulties are anticipated in meeting the full requirements.

Production of peeled poplar was affected by the tightest labor market since 1944. The mills wanted 55,000 cords; contracts were let for 74,000; and 48,000 cords were obtained.

Peeling is dirty work, and men will not peel when other work is available. There is also a reaction, psychological, to the fact that ways have been found to bark spruce and fir mechanically, but not poplar. In addition, the cutter receives less per cord for poplar than fir or spruce, because of lower fiber yield. But to the woodsman, a cord is a cord.

Roads in the North Country are alive with hunters, and most of the Company-owned lands are open for their enjoyment. Where there are chained roads, it is for the safety (and peace of mind) of cutting crews; and employees are asked to cooperate in remaining out of the closed areas.

The West Branch Drive has ended for this year. Due to picking up wood stranded last year, it was one of the biggest West Branch drives in years; and a great deal of credit goes to the men and foremen for a job well done.

Maine Water Storage in the Company's West Branch reservoirs now stands at 18.7 billion cubic feet more than last year at this time.

Runoff for the month of August was 61.8% of normal and for the month of September 57.8% of normal. Heavy rains on the 19th and 20th of October resulted in some increase in storage and brought inflow for the month to near normal.
CONTROLLER'S DEPARTMENT

The Administrative Services Department is currently conducting a Computer Feasibility Study to determine the future data processing requirements of the Company. The IBM 1440 computer, installed in April, 1964, is now running two shifts, five days a week and one shift on Saturday and Sunday to keep up with the steadily increasing Company-wide demand for data processing services. Much faster and more versatile computers than the 1440 are now available in our price range, although delivery time on these machines is up to two years.

The feasibility study so far has involved a request to each department head to appoint an individual to work with Administrative Services in developing each department's requirements. Discussions have been held with the appointees on their electronic data processing needs over the next 2-5 years. The incorporation of some of Great Southern's data processing is also being considered. The end result will determine a computer configuration that will meet our short term requirements and be able to expand easily to keep pace with Company growth.

To fill a more immediate need, Millinocket Mill Management, Pioneering Research and Administrative Services are looking at a small quality control computer for the Millinocket Mill Control Dept. This computer would be used primarily for control charting—a statistical technique using actual pulp and paper test results which enables the mill to more closely control the paper-making process. Subordinate to this, the computer also would provide by-product test averages to be used for statistical reporting and would enable Mill Management to better understand paper machine capabilities.

A 15-man year project in Central Stores at the Northern Division mills has been underway since April. The objectives of the project are to (1) provide assurance that inventory items will be available when required, (2) maintain a controlled inventory investment, (3) provide detailed and timely operating information and (4) automate inventory record keeping. Through the efforts of personnel from Purchases and Stores, Plant Engineering, Accounting and Administrative Services, it is expected that the project will be completed in the fall of 1967.

A review of each of the approximately 50,000 items in the Materials and Supplies Inventory is being completed by Plant Engineering and Stores personnel. Concurrently, new computer systems are being designed and programmed to meet the objectives listed above.

On September 29, an Administrative Services Briefing Session on the Materials and Supplies Inventory Control System was held in the Administration Building Library. H. A. Grant, Systems Analyst assigned to the project, presented an overall review of the system currently being installed.

Great Northern and the European Market... Fred Ernst, Manager of Export Sales, is currently on his initial junket to Europe to meet agents and customers in England, France, Germany, Holland, and Italy. Fred reports that the European market demand is healthy and good business conditions are expected in 1967. Great Northern Paper Company is firmly established as a reliable prime U. S. supplier and GN representatives were complimented on the excellent service in meeting customer's shipping dates.
COMPANY IMAGE IS IMPORTANT . . .

(As released October 11 by R. Hellendale, Vice President and Secretary)

"The growth and diversification of Great Northern Paper Company in recent years have widened interest in our activities and progress. As a result, we now have new opportunities to win friends and supporters, particularly among the top management of customer organizations, stockholders and potential stockholders, and in the business and financial communities generally. If we are to respond successfully to this increased interest in our Company, we feel that we should do more to inform the public of what is happening at Great Northern.

To help with this communication job, we have retained Codella Duffus Baker Inc. in New York City as public relations counsel. We have been assured of the personal attention of two principals, Roy Duffus and Sam Baker, plus backup services of specialists on the agency's staff. This firm has considerable experience in communicating with the audiences important to the Company, as well as specific knowledge of our industry.

In the relatively near future, Mr. Duffus or Mr. Baker, or both, will be visiting our mills and our offices. As they work with us in developing public relations activity, you may be called on to provide information and assistance. These men have our complete confidence and our plans and programs may be discussed with them candidly. It will be their job to suggest, develop, and create news items and stories which will make Great Northern Paper Company better, more widely and more favorably known. They will be available to assist all departments of the Company. Bob Vivian and I will be coordinating their activities. Please let us know whenever you spot a public relations problem or opportunity".

... and may we comment that there is a daily opportunity for us, you and I, to help with this cause. Our attitudes and skills and the image of Great Northern are inseparable elements. If we have confidence in the Company, believe in its policies and purposes, and bring to our daily jobs a true concern and real enthusiasm, our feelings are bound to evoke a more favorable response from the public.

THE STORY ON LOUISIANA WOODSMEN . . . (As reported by Leo Thibodeau, Employment Manager and Director of Public Relations - Woodlands)

The United States Department of Labor advised us in early July that the results of a recent woods labor survey conducted by the Louisiana State Employment Service seemed to indicate that there were between 150 - 200 qualified woodsmen available in various areas of the State and invited us to send a representative to process applicants to be recruited and screened by that agency. It was understood that our representative would make the final qualifying decision on all applicants.

On Monday, July 25th, a Company representative met with Federal and State officials in the Baton Rouge Administrative Office to discuss the itinerary, transportation, physicals, etc. Louisiana State Officials had already worked out an excellent transportation and feeding arrangement with Continental Trailways whereby Continental would issue transportation and meal tickets for which they would later bill Great Northern. Louisiana State Employment personnel gave transportation and meal tickets only at the time of embarkation, returning to Continental all tickets issued for recruits that failed to show up. Thanks to their forethought and cooperation, all of the men shipped arrived at their destination.

(Continued on next page . . . )
Mr. George Pope, Washington Department of Labor, and Mr. Falvie Anderson from the Louisiana State Employment Service were assigned to accompany our representative to Baton Rouge, Hammond, Houma, Shreveport, Minden, Homer, Munroe, Alexandria and Lake Charles. Mr. Peter Petro of the Washington Labor Department also spent a couple of days with the group.

From the very beginning, it was evident that the Louisiana State Employment personnel had done an outstanding job in screening all applicants. Of the 45 to 50 men interviewed, we found only two lacking the necessary qualifications. It was also very evident that painting a word picture of the operating differences between Maine and Louisiana would be very difficult indeed. Nevertheless, during the average 45 minute group interviews, all basic differences were explained at some length and followed by a question period. After the first two days, either Mr. Pope or Mr. Anderson were quite capable of explaining these differences to the applicants and occasionally assisted our representative when he inadvertently missed a point. Incidentally, our representative has the highest regard for these two dedicated gentlemen, and for all local office personnel with whom he came in contact.

U. S. Labor Department regulations made it mandatory that all qualified workers be given a contract which, among other stipulations, made us responsible for their transportation and subsistence to the job. These two items averaged about $85 for each man. It was also understood that the Company would supply the power saws, with cost of the saws and transportation to be deducted from subsequent earnings. If the man stayed for one half the contract time, we were to reimburse the transportation deducted. If he stayed for the full contract, his return fare would also be our responsibility. The contracts were made up for 6 months.

We interviewed 45 to 50 men, accepted 36, but only 20 reported to Presque Isle in groups of 6 and 8 on August 1st, 8th and 15th. They insisted on using bow saws instead of the conventional blade saws, and these had to be ordered special from California. The second week six of them quit; said they couldn't make any money. They were transported to the Presque Isle State Employment Office where jobs were found for them; but instead of taking the jobs, they bought an old car and headed South.

Following a weekly series of voluntary resignations, the five remaining on the job were discharged on September 8th for an outright unwillingness to produce. For the most part, they were all capable and experienced woodsmen; but they showed little indication of any initiative.

Fourteen was the largest number we had on the payroll for any one week. Total production was 222.78 cords. Their hourly average, .123 cords and average hourly earnings, $.77. Naturally we had to pay them $1.25. Total makeup pay was $889.51. Other cost factors such as the wages for two trainers, depreciation on chain saws, local transportation, etc., not to mention bus fares and meals, will make this the most expensive wood ever produced. Be that as it may, we can't overlook the fact that our efforts in dealing with the Labor Department in this and many other similar instances does bear favorable fruit in the considerations we receive with our Canadian labor situation. Our requests for quotas receive prompt attention. We have never been refused an increase in quotas and have never had a quota cut. The value of such consideration cannot be measured in dollars and cents.
NEW EMPLOYEES

DONALD PLOURDE, effective October 1, 1966, joined Controller's Department as Budget Analyst, reporting to R. F. Bartlett, Budget Supervisor. Don received an Associate in Science degree from Ricker College in 1960 and majored in Accounting at Hartford Institute of Accounting. Prior to coming with Great Northern, he was employed with Fox & Ginn, Inc. in Bangor as Credit Manager.

JAMES E. HICKEY, JR., effective October 1, 1966, joined Great Northern as newsprint salesman, reporting directly to Charles M. Sheafe, Southern Regional Manager, and will be located in the newly established Southern District Sales office, Atlanta, Georgia. Jim is a graduate of University of Georgia and has for many years been active in newspaper association affairs. Prior to coming with Great Northern, he was employed by Ledger-Enquirer newspaper, Columbus, Georgia.

JOHN W. REIF, effective October 12, 1966, joined the Central Personnel Department as Personnel Assistant, reporting directly to J. R. Adams, Manager of Personnel. John received his Bachelor's degree in Business Administration from Bemidji State College in Minnesota in 1963. Prior to coming with Great Northern, he spent 3 years in the U. S. Army.

ROBERT J. SCHNEIDER, effective October 17, 1966, joined the Research Department in Customer Acceptance, reporting directly to P. Welch, Quality Control Supervisor. Bob attended Clarkson College of Technology where he majored in Chemical Engineering. Prior to coming with Great Northern, he was employed by Synco Resins Division, ADM Chemicals.

JOHN E. C. LESNE, effective October 17, 1966, joined the Central Engineering Department as a Hydraulic Engineer. John received his Bachelor's degree in Mathematics and Sciences from Bordeaux University and his Master's degree in General Engineering from Eyrolles School, Paris, France. Prior to coming with Great Northern, he was with St. Joe Paper Company, Florida.

PERSONNEL CHANGES

PAUL F. WILARD, effective September 1, 1966, was transferred from the mill forces to Service Foreman in the Engineering Service Section of Central Engineering. Paul has been with Great Northern since 1956.

LEONARD BERRY, JR., Research Engineer at Millinocket, Maine, was transferred to monthly salaried, effective October 1, 1966. Lennie has been with Great Northern since 1959.

DONALD D. ROMINE, effective October 24, 1966, transferred from an hourly mechanic classification in the Maintenance Department to a monthly salaried job analyst classification in the Plant Engineering Department, Cedar Springs. Don will report to Don Robinson, Material and Cost Engineer. Don started with the Great Southern Division as a mechanic in September, 1963.

RESIGNATION

ROLLAND MARSH, Research Engineer in the Millinocket Product Development Department, resigned October 18, 1966, to accept a position with Oxford Paper Co., Rumford, Maine.

LEAVE OF ABSENCE

ERNST B. HARVEY, III, who joined the Woodlands Department in Maine on June 1, leaves for military service at the end of October. Everyone joins in best wishes to Bart on his assignment, and in looking forward to his return.

RETIREMENT

ELIZABETH R. WALLS, Insurance Coordinator in the Central Personnel Department, retires on November 1 with 40 years and 8 months of Company service. Elizabeth has done a bang-up job in "coordinating" employees' group insurance problems and made many friends in the process, all of whom wish her a retirement filled with every happiness.

Omissions or late reporting of organizational changes can be avoided if everyone would send copies of all announcements pertaining to monthly salaried employees to Benefits Director, Central Personnel.
2000th Visitor Tours the East Millinocket Mill. . . .On Monday, September 12, Mr. and Mrs. Kermit Miller of Avoca, New York, were numbered as visitors 2000 and 2001 for the year 1966. They were escorted by mill guide Lonnie D. Temple and as momentos of the occasion were presented with gifts by the Mill Manager, M. J. Roach.

Mr. and Mrs. Miller were touring Maine for the first time, and their interest in Great Northern stemmed from an encyclopedia reference to the mill and the fact that their son, Gregory, is a first-year student in the pulp and paper program at Syracuse University.

Conducted tours for people from 39 states and 9 foreign countries have made it a record-breaking year for visitors at the East Millinocket mill.

Machine Trimming by Computer. . .
Using the IBM 1620 computer at the University of Maine, personnel from the R & D Department recently trimmed orders for two machines for a two-month period. This was part of a study to see what advantage could be gained in less trim loss and less calculating effort. The advantage must be weighed against computer cost and possible operating inconveniences. All data was supplied by the Order Processing Department in New York.

The speed of the computer and the fact that it will eventually always find the one best trim solution was also used recently to trim expected order patterns on the new corrugating board machine at Cedar Springs. It was possible to trim at various assumed machine widths and determine whether certain widths would be more favorable.

Slide presentations on the Cedar Springs operations have recently been made to members of the Dothan Kiwanis Club, the Webb Lions Club and the Headland Kiwanis Club.

Jack Ricketson, General Superintendent at the Cedar Springs mill attended a series of management training sessions at the University of Georgia, September 11-17.
Paper production for fifty weeks ended 9/18/66 . . .

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<thead>
<tr>
<th>Production:</th>
<th>1966</th>
<th></th>
<th>1965</th>
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<tr>
<td></td>
<td>Tons</td>
<td>Daily Avg.</td>
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<td>Cedar Springs</td>
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</table>

**CEDAR SPRINGS MILL**

The crude tall oil plant that was reported last month as "being engineered" is now under construction, with suppliers already selected for process equipment and storage tanks. The plant is scheduled for completion late this year.

A new relief basin for ash disposal is nearly completed. Excavation of material from a nearby hillside has allowed for this dike to be constructed at low cost and, at the same time, has provided for a new access road between the mill and the airstrip. This permits the original road to be abandoned during construction of the plywood mill.

No. 2 paper machine is rapidly shaping up. All the structural steel and more than 60% of all concrete structures have been completed, and it is now ready for installation of the dryer frames. Supporting areas for the new machine are also inching past the stage of concrete pours and structural steel erection. Work has started on the control room, and huge items of equipment are appearing in all areas. The battery of tile chests for stock preparation have been completed at the wet end of the machine room; washers are being erected in the pulp mill; the two big digesters have been placed on their structural steel supports; and the main body and trunnions of the barking drum have been set. All the supplemental tanks in the causticizing area have been completed; the lime kiln shell and trunnions have been erected; and in the power area, the surface condenser and main turbine are being set in place.

No. 3 paper machine area follows No. 2 in an "excavation," "pouring" and "forming" stage. More than 40% of the caisson work has been completed for the paper machine; and work is in progress on capping foundations, pouring piers and forming the control room. The log flume foundation has been started in the woodyard area, trunnions for the barking drum have been set, and excavation is underway for the 300-foot clarifier in the waste disposal area.

**CHATTahooCHEE PLYWOOD MILL**

Site clearing and grading is nearly completed, and it is expected that the same contractor will soon move to clearing and grading for the 7000-foot rail spur that will service the plant.

An I.B.M. program is being set up under Project 06 to carry construction costs. It will be the same as the present program of maintaining costs for No. 2 and 3 paper machines - Projects 04 and 05.
EAST MILLINOCKET MILL

The time required to unload trucks of peeled poplar has been reduced by approximately fifty percent with new mechanical facilities at the hardwood yard. The installation is comprised of a crawler-mounted Hy-Hoe that pushes the wood from side loaded trucks into modified stacker hoppers. This same machine is also used to unload poplar from railroad cars. Muzzle-loaded trucks, which are in the minority, are unloaded manually by their respective operators. Wood storage capacity was also increased by combining the series of single unloading ramps into one continuous ramp which eliminates the valleys that formerly existed between ramps.

The end result of these improvements will be a reduced backlog of loaded trucks which, in turn, will reduce stacker operator overtime; and it should promote the relationship between Great Northern and privately owned truckers whose time and vehicles are sometimes in demand by our competitors.

It took less than a 3-day shutdown in August to install on No. 2 machine a complete new headbox of GNP design and construction.

The attainable speed of No. 3 machine has been increased from 1140 to 1200 f.p.m. by an 18" build-up in back pond of the headbox.

MILPINOCKET MILL

Pipeline Groundwood. . . . When available, up to 25 tons per day of Millinocket groundwood has been sent through the so-called sulfite pipeline to East Millinocket during the past two months. This has helped relieve the groundwood pulp shortage at East Millinocket, especially during hot summer weather when grinder motor loads were current.

Addition of the screened groundwood at Millinocket is automatically made at suction-side of the pipeline pump and is constantly proportioned as a percentage of the sulfite flow. The combined flow is deckered at East Millinocket and goes to the sulfite storage tank. Stock proportion adjustments are carefully made in order to maintain uniform freeness conditions, especially on Nos. 5 and 6 paper machines.

Fire in the Bark Pile. . . . A brisk blaze was discovered around 5:00 p.m. last Saturday, September 24; and with a strong wind, the fire soon spread to the entire bark pile. It took lots of water and nearly six hours of combined effort by the mill crew and the town fire department to bring the fire under control; and even then, 11:00 p.m., eight members of the mill crew were left on overnight duty to guard against any flare-ups.

A current aspect of the Company's promotional program involves the mailing of historical theatrical posters that are printed on either Great Northern Jet or News (Letterpress) to a special list of customers and prospects comprised of newsprint publishers and commercial printers. The mailings, under the signature of C. D. Tiedemann, Manager - Newsprint Sales, were started in July and will continue through to the end of November.

Another historical folder entitled "A Folio of Newsprint Firsts" has been mailed under the signature of Robert A. Haak, President. It is a direct mail piece with a distinctive display of facts on the first paper mill in America, the first newsprint to be printed in America, and the first contract between an American paper mill and an American newspaper publisher.
WOODLANDS NOTES

Wood for the Northern Mills. . . . For the year to date we have produced 54% of the required cut. This percentage is in line with production at this date in previous years. Aroostook operations are, as is customary at this time of year, feeling the effects of the potato harvest. It will probably be mid-October before all the cutters return to the camps. In the Pittston area the supply of labor is holding up quite well. Of the year’s cut, 141,000 cords have been delivered to the mills. The 212,000 cords undelivered consists of 82,000 cords of river wood which will be delivered in 1967, 20,000 cords piled down at rail sidings and 110,000 cords of rail and truck wood in process.

The 1966 drive has made remarkable progress under very adverse weather conditions. There remains about 50,000 cords to be towed through the lower lakes and sluiced through North Twin Dam. About half of this wood will be sluiced to Dolby, and the balance held in Ferguson and Quakish for use next spring at Millinocket.

The Company now owns 19 wheel skidders, and this figure should double by next year. In addition, many independent producers have switched from horses to skidders. Three of the Company camps have no horses. The skidder can yard from 1 to 1 1/2 cords of tree-length wood for any distance, though from a practical and cost point of view, the maximum yarding distance is about 1500 feet. Being able to yard this distance means far fewer bulldozed roads and this makes for a two-fold cost savings: 1) the savings in bulldozing costs and 2) land that is not taken out of production. Horses had a maximum yarding distance of about 250 feet and at best could yard from 8 to 10 cords a day. A skidder doesn’t get tired, doubles the production of a horse and yards a greater distance. It is predicted that the horse will soon be as obsolete as the cross-cut and bucksaw.

The slasher didn’t fail, but . . . no practical inexpensive way could be found to load the slashed wood onto rail cars. The unit that was operating at McDonald Siding has been closed down and will be used by its owner at another location. The slasher would be very efficient if located where the wood could be conveyed directly into the water.

The Product Development Department reports that interest is mounting in the printing industry for larger diameter rolls of publication printing papers. A program is being undertaken to determine whether our existing coated paper winders at Millinocket can be modified to wind acceptable rolls in the 50” diameter range.

The major problem to be overcome in increasing diameters from the present 40” range to the 50” range is a means of controlling the tightness of winding. As the diameter increases, the weight of the set being wound exerts increasing pressure on the winding drums. This in turn causes tighter or harder winding. The planned method to control this roll hardness will use the combination of programmed rider roll loading at lesser diameters and weight relieving as reel weights exceed our present capability. One feature of this latter control mechanism will be antideflection core shafts and larger core diameters.

One of our customers has expressed active interest in this program; and should our results prove satisfactory, a new press that is in the design stage will be adapted to accept the larger diameter cores.

We have obtained quotes for winder modification, and are presently studying design drawings of the antideflection core shafts.
Barklie M. Henry, former Great Northern Director, died of a heart attack on September 5. The following article, in the form of a special release to the New York Times, clearly illustrates the challenging life of Mr. Henry in philanthropic and business fields, but fails to mention his association with Great Northern Paper Company as a member of its Board of Directors from 1949 until early 1963.

"Barklie McKee Henry, welfare leader and former banker and publisher, died today of a heart attack at his summer home in the Adirondacks here. He was 64 years old and lived in Princeton, N. J.

Surviving are his widow, the former Mrs. Margaret Trowbridge Griggs; three sons, William B., Harold S., and Richard McK.; two daughters, Mrs. Gertrude H. Connor and Miss Mary J. Henry; a stepson, Lawrence T. Griggs, and two sisters, Mrs. Harold S. Vanderbilt and Mrs. Hans Von Briesen.

A memorial service will be held at 11 a.m., Thursday, in All Saints Episcopal Chapel in Princeton.

Mr. Henry was first president of the Community Service Society of New York. He was active in its formation in 1939 through a merger of the Association for Improving the Condition of the Poor, which he had headed since 1934, and the Charity Organization Society.

In his report for the first year of the Society, he said, 'Social work is needed more than ever, because the upheaval in peoples lives going on day by day has brought about a dislocation of living.'

Mr. Henry, a tall, forceful man, served in a variety of philanthropic fields. He was a governor and former President of the New York Hospital, a trustee and former chairman of the Carnegie Institution of Washington, and former secretary of the board of trustee of the Cooper Union.

As a trustee of the Institute of Advance Studies at Princeton, he recently helped select Dr. Carl Kaysen as director to succeed Dr. J. Robert Oppenheimer, who retired.

He was an organizer of the Greater New York Fund and a member of its first executive committee. Mr. Henry was also a director or trustee of the American Academy in Rome, the Pierpont Morgan Library, Rockefeller University, and the John Hay Whitney Foundation. He was a member of the advisory council of the philosophy department of Princeton University, and was on the visiting board of overseers at Harvard. He had been a director of the Milbank Fund.

Mr. Henry was born in Ventnor, N. J., the son of William Barklie and Alice Belknap Henry. He was graduated from St. George's School in Newport, R. I., and received an A.B. degree cum laude in 1924 from Harvard, where he was captain of the crew and second Marshall of his class. He took postgraduate work at Balliol College, Oxford University.

In 1924 he married Barbara Whitney, daughter of Mr. and Mrs. Harry Payne Whitney and a descendant of Commodore Cornelius Vanderbilt. The marriage ended in divorce.

Mr. Henry became assistant to the editor of the Boston American in 1925. He was managing editor of The Youth's Companion the next year and assistant to the treasurer of The Atlantic Monthly from 1927 to 1929. He was with the Guaranty Trust Company bond department from 1928 to 1930. From 1933 to 1935 he was president of the Township Press, which published a number of weekly newspapers in Nassau County.

In World War II, Mr. Henry served as a commander in the Naval Reserve. He commanded one of the first new submarine chasers and the destroyer escorts Ganther and Rutherford.

He was a director of the United States Trust Company and a member of the Century Association.

With Mrs. Margaret Trowbridge Henry, whom he married in 1945, he was active in promoting the sale of Adirondack handicrafts through Blue Mountain Designs."
An Interesting Hobby. . . Ron Terceira, Market Analyst in the New York office, was recently crowned North Atlantic Spearfishing Champion, after winning three out of a series of four interstate spearfishing contests held on the Eastern Seaboard this year.

The last meet, sponsored by the Northeast Skindiving Council, was held on September 17, in the cold, clear waters off Cape Ann, Mass. This event lasted a gruelling four hours, during the course of which most contestant were forced to swim up to two miles offshore in search of fish. Blackfish, pollock, cod and flounder were caught. Many stripers were seen but none were speared, due to a Massachusetts law restricting striped bass to hook-and-line fishing.

Ron won this contest as well as the contests sponsored by Connecticut and Massachusetts. His only loss, the New York State Open, was held under such poor underwater visibility, that only one fish was caught between 50 contestants.

The Annual Labor Day Great Southern Golf Association Tournament was held at the Blakely Country Club. Tournament attendance and competition was excellent. Flight winners were--

Championship Flight - John Harper, Assistant Woodlands Manager; First Flight - Jim Richardson, Woodlands Manager; Second Flight - Bruce Ellen, Resident Manager and Assistant Vice President, Operations; Third Flight - Billy Joe Raines, Power and Steam Foreman; Fourth Flight - Walter Tiner, Sixth Hand; Longest Drive on NBR 3 - Sonny Hickox, Machine Tender; Closest to Pin on NBR 2 - Coy Williams, Pulp Mill Foreman; Closest to Pin on NBR 7 - Chester Sowell, Dozer Operator. Coy Williams, Pulp Mill Foreman, made a hole in one on the 145 yard par 3.

In the evening a dinner and dance was held at the Dothan VFW Club and was also well attended. Trophies and prizes were awarded; and at the dinner there was a drawing for a new golf bag and complete set of clubs including woods and irons. The name drawn out of the hat was that of Mr. Heuer who donated the equipment for use by visitors to the Great Southern Guest House.

Great Northern was the only company to be identified in a recent brochure description of the U. S. A. The 16-page brochure, American Outdoors, was published as a salute from the United States of America to the Sixth World Forestry Congress held in Madrid, Spain, June 6-18, 1966.

The publication contained seventeen colored photographs, and the print used to form the cover of our 1963 Annual Report was one of three to be given a two-thirds page spread. With the West Branch of the Penobscot River and Mt. Katahdin in the background, the Company was clearly identified in the foreground by a "GNP Co." truck loaded with pulpwood, a Tree Farm sign, and a large red lettered sign of "Entering Great Northern Paper Co. Lands - Keep Maine Green."

Are they accident prone (?) . . . Ed Leonick, Scheduling Supervisor in the New York office, is limping around on crutches with a broken foot. John Rogers, Director of Personnel Administration, is crutch-hopping around Millinocket with a broken ankle. Frank Dunne, Sales Coordinator, is back in the New York office wearing a "horse collar" after recovering from five weeks of hospitalization for a dislocated vertebra.

Without a First Report of Injury, cause of these ills cannot be accurately reported; but one is verbally reported as being the case of a "Little Boy Grown Tall" . . . the employee stubbed his toe and fell while trying to instill some children with a fear of darkness.
NEW EMPLOYEES

ALBERT N. BENAR, effective August 16, joined the Central Engineering Department in Millinocket as Senior Engineer, reporting directly to Richard Hale, Chief Electrical Engineer. A1 earned his Masters in Electrical Engineering at the Istanbul Technical University in Turkey in 1954. Prior to coming with Great Northern, he was employed by General Electric Company in Roanoke, Virginia.

ANDREW W. ELICK, effective September 1, 1966, joined the Plant Engineering Department in Millinocket as Area Engineer, reporting directly to Neville Mann, Plant Engineer. Andy received his BS degree in Industrial Arts from Gorham State. Prior to coming with Great Northern, he was employed by Huyck Felt Co., Rensselaer, New York.

JOHN E. O'DONNELL, effective September 26, joined the Controller's Department at Millinocket as Budget Analyst, reporting directly to R. F. Bartlett, Budget Supervisor. John received his Bachelor of Arts degree in Accounting from Boston College in 1965. Prior to coming with Great Northern, he had been employed with Peat Marwick, Mitchell and Co., Portland, Maine.

ROBERT W. COUVARD, effective September 26, joined the Controller's Department at Cedar Springs as Accountant, reporting directly to K. E. Durden, Assistant Manager of Accounting. Bob received his BS degree in Business Administration from Auburn University in 1965. Prior to coming with Great Southern, he had been employed with Foremost Dairies, Inc., Pensacola, Florida.

FREDERICK JONES, effective September 1, 1966, joined the Central Engineering Department in Millinocket as Cost Assistant, reporting to Richard Pickering, Engineering Planner. Ted attended Husson College and is a native of Millinocket.

PERSONNEL CHANGES

HARLEY O. BENJAMIN, effective July 1, 1966, was promoted from Senior Draftsman to Junior Engineer. Harley has been with the Company since February, 1953.

JOHN R. HICKEY, effective August 29, was promoted from Safety Supervisor to Personnel Assistant at the Millinocket mill, reporting to W. L. Adams, Personnel Supervisor. John has been with Great Northern since May, 1945.

GORDON COOK, effective August 29, was promoted to Safety Supervisor, reporting directly to John Hickey. Gordon joined Great Northern in January, 1962.

HOYLE MC LENDON of Woodlands Department, Cedar Springs, was promoted to Head Scaler, effective September 12, 1966. Hoyle has been with the Company since August, 1964, and reports to Wendon Warr, Technical Supervisor.

FREDERICK V. ERNST, Export Salesman, was promoted September 13 to Manager, Export Sales, reporting directly to J. V. Carena, General Sales Manager. Fred will be responsible for export sales of Great Northern's grades from both of the Northern mills as well as linerboard from the Southern mill.

MISS S. E. WHITTAM, who has served as Manager of Insurance for a number of years, has decided to retire as of October 1, 1966. Miss Whittam has been with the Company since 1933. Her many friends in Great Northern extend their best wishes for a future filled with every enjoyment.

THOMAS H. FLANAGAN, Assistant Manager of Insurance, has been named Acting Manager of Insurance.

JOHN J. ELLIS, effective August 1, 1966, was promoted to Tour Foreman-Coating. John has been with Great Northern since March, 1956, and was a member of the original start-up crew in the Coater Plant in September, 1962.
RESIGNATIONS

CLOVENSKI REYNOLDS, Head Scaler in the Cedar Springs Woodlands Department, resigned September 2 to accept a position with West Bend Company at Columbus, Georgia.

WILLIAM A. LEVESQUE, Manager, Credits and Collections at Cedar Springs, resigned September 18 to accept an Accounting position with Kimberly Clark Corp., at Coosa Pines, Alabama.

WAYNE BOWERS, Junior Research Chemist at Millinocket, resigned August 31 to accept a position as Mill Chemist with Oxford Paper Co., Rumford, Maine.

BRUCE AMM, Area Engineer at Millinocket, resigned September 19 to accept a position with Thurso Pulp and Paper, Thurso, Province of Quebec.

JAMES A. MERNAGH, Inside Salesman in the New York office, has resigned, effective September 30, to accept a position with Domtar Pulp and Paper Ltd., New York City.

ANNOUNCEMENTS

By J. H. Heuer, Vice President - Operations, (September 20, 1966). . . Effective immediately, JOHN F. MARQUIS has been appointed Director, Purchases and Stores.

In his new position, Mr. Marquis will be responsible for unifying and coordinating purchasing and stores activities for the entire Company, both North and South.

Mr. Marquis was formerly Manager of Purchases and Stores for Great Northern's Northern Division. He will be located in the Company's executive offices in New York and will continue to report directly to J. H. Heuer.

Before joining Great Northern in May, 1965, as Manager of Purchases and Stores - Northern Division, Mr. Marquis was for 12 years Purchasing and Traffic Manager for the St. Croix Paper Company, a division of the Georgia-Pacific Corporation.

By J. F. Marquis, Director, Purchases and Stores. . . Effective October 1, 1966, the following personnel changes will be made in the Purchases and Stores Department, Northern Division.

E. D. FAIRLEY, Purchasing Agent, will be promoted to the position of Assistant Manager, Purchases. In his new assignment, Mr. Fairley will be responsible for all administrative and operational aspects of the Purchasing Department for the Northern Division.

THOMAS M. KNIGHT, Director, Inventory Control, will be promoted to the position of Assistant Manager, Stores. In his new assignment, Mr. Knight will be responsible for all administrative and operational aspects of the Stores Department at the Millinocket and East Millinocket mills.

Mr. Fairley and Mr. Knight will report to Mr. John F. Marquis, Director, Purchases and Stores.

By J. V. Carena, General Sales Manager (August 19, 1966). . .

The assignment of FRANK J. DUNNE to the Pace Program as project leader requires the reassignment of his former duties.

Effective immediately, DAVE MARTINSON will assume the duties of Mr. Dunne, insofar as coordination of sales is concerned. His primary responsibility will be the coordination of sales with manufacturing activities so as to achieve optimum performance with regard to customer service and manufacturing efficiency.

MISS ELIZABETH GENTER will assume the duties of Mr. Dunne with respect to office services.
Improvement in net income is a highlight of Mr. Paine's statement to stockholders for the 40 weeks ended July 10, 1966:

"Earnings for the first forty weeks of the fiscal year amounted to $3.20 a Common share after providing for dividends on the Preferred Stock. The corresponding figure for last year was $2.15 a Common share after pro-forma Preferred Stock dividends. The improvement of 49% in net income per share was, to a large degree, the result of a 10 per cent increase in sales volume.

On July 22, 1966 the Company announced its intention to build a mill in Northwest Florida to produce newsprint and bleached kraft pulp. The final decision on this project is contingent upon obtaining additional timber cutting rights, completion of mill site arrangements and a satisfactory solution of the waste treatment problem.

A new subsidiary (Chattahoochee Plywood Corporation) recently announced successful completion of arrangements to finance a new plywood plant at Cedar Springs, Georgia.

Our three mills continue to run full and demand for our products remains strong."

Francis J. Dunne, Sales Coordinator, will be the project leader working in conjunction with James Heeremans, Manager, Arthur Anderson Company, and with members of departments in the Company. In this assignment, Mr. Dunne will continue to report to Mr. Joseph V. Carena, General Sales Manager, who will also serve as Chairman of a Committee appointed to guide and review progress of the project.

The Committee also will include Leslie G. Kewer, Vice President - Planning; Robert Hellendale, Vice President and Secretary; Emery E. Allain, Controller; Robert J. Shinners, Resident Manager and Assistant Vice President - Operations; David Sullivan, Partner, Arthur Anderson Company; and Alvah Crocker, Consultant to the Committee.

The scope of this program includes demand forecasting, identifying the factors affecting manufacturing costs, reporting systems to collect pertinent production and cost data, evaluating the potential of leveling peak loads through alternative scheduling policies, and institution of profit maximization procedures.

Water storage in Maine is now at 31.7 billion cubic feet, or 55.6% of full storage capacity. Although this is a little more than 16 b.c.f. below rule curve, it is 14 b.c.f. more than last year at this time.

Capacity production and boiler overhauls continue to place a high demand on the hydro system; but with above average precipitation for the past month, the heavy water usage has not had an adverse effect on the overall storage picture.
Paper production for forty-four weeks ended 8/7/66.

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CEDAR SPRINGS MILL

Expansion for the two new paper machines is producing a rapid change to a young mill. The finishing, shipping and paper storage building has been completed. The structural steel is all erected for the new pulp mill. Foundations are complete for the two new barking drums, with the first drum already on its way from the vendor. The white water chest for No. 2 machine has been completed; foundation for the 3-ton broke chest has been poured; and work is in progress on forming of the operating floor slab; setting tile for the hyrapulper pit; and forming of the couch wire pit. Work has also been started on the caissons for No. 3 paper machine.

Maintenance offices are being renovated to accommodate the additional personnel that will be needed as a result of the expansion program.

A power boiler failure, caused by ruptured boiler tubes, shut the mill down from 4:15 p.m., August 9 until late forenoon of August 12. A complete mill outage of this nature will be eliminated by installation of the second power boiler as a part of the present mill expansion.

A new chip silo is being constructed with steel erection scheduled to begin within a few weeks. The silo is expected to improve soap and turpentine yield due to the use of green chips for the major portion of the digester charges. It will also reduce work load of bulldozers in rehandling of chips at the pile, and eliminate outages due to breakdown of the chip reclaiming system which can be by-passed with the new silo.

A new tall oil plant is being engineered which will allow the mill to manufacture crude tall oil from the soap that is now being sold to outside refiners.

CHATTahoochee Plywood Mill

The in-line system equipment has been purchased at approximately $1,000,000. This is the largest single equipment purchase that has to be made for the new operation. It includes lathe and block deck equipment, lathe charger, tray systems, waste return conveyors, veneer drying system and sorting tables.

A 40-opening plywood hot press has also been purchased, a letter of intent has been placed for transformer equipment, and a requisition issued to Chattahoochee Industrial Railroad for construction of the rail spurs.

Site excavation is expected to get underway around the middle of the month. Building foundation work is tentatively scheduled to commence on September 30, and building erection around the middle of October. Equipment is scheduled to begin arriving about November 30. The first major price of equipment to arrive will be the Coe dryers, followed by the plywood press about December 30.
MILLINOCKET MILL

Nuclear Gage Weighs Wood Chips...
The Paper Industry has long been searching for a practical method of weighing wood chips. In recent years, Nuclear Gages have been applied with varying degrees of success.

To obtain first-hand experience with a Nuclear Gage for weighing wood chips, an Ohmart Gage was installed after the chip screens on the conveyor belt to the chip loft. The method of measurement consists of placing a source of gamma radiation on one side of the belt, and on the other side locating the measuring cells that convert radioactive energy directly into electrical current. As the thickness of the material varies, a change in electric current value is produced which can be interpreted as weight.

This is among the first installations of Nuclear Gages on wood chips in the industry.

The two sulfur dioxide gas fans, located in the Acid Plant, are now operating with new steam turbine drives. Speed is controlled remotely from the main Acid Plant control panel with RPM indication there also. The steam turbine drives replaced undersized U. S. Motors Vari-Drives which were limiting acid production.

EAST MILLINOCKET MILL

A new Borol system will replace the zinc-hydro now being used to bleach the stock. After modification to the pH control, the system will be ready for production runs and is expected to result in reduced bleaching costs. Borol is a combination sodium borohydride—40% sodium hydroxide solution that produces sodium hydrosulfite (bleach liquor) when reacted with sodium bisulphite.

WOODLANDS NOTES

Labor from Louisiana is the result of a 2-week recruiting tour just completed by Leo Thibodeau, Manager of Employment and Public Relations. To date, sixteen recruits have arrived in Bangor and have been transported for work at the Milliard camp in Aroostook County. All of the men have had considerable woods experience; and after a 2-week break-in period, they are expected to produce satisfactorily. Six of the men have already worked a week and seem to be satisfied with the job opportunity.

A slasher machine in operation at MacDonald Siding...
The machine takes 16-foot logs and quickly produces 4-foot bolts that are crane loaded onto railroad cars. When the usual new equipment "bugs" have been eliminated, the unit will have a good potential for reducing labor requirements.

Satisfactory progress is being made on the river drive, though there has been some holdup due to mechanical problems on the big boats and low water conditions. Wood remaining in Chesuncook will be sluiced through Ripogenus Dam by the end of the month, with the possibility of leaving some rear unless water conditions improve. It will take until the middle of October to get the wood now in the river towed across the lower lakes and through North Twin Dam, at which point the new sluice and water jets will greatly expedite the sluicing operation.

The annual foremen's banquets were held on August 9 at Portage and on August 16 at St. George, Province of Quebec, and were highlighted by rewards for good safety records.
Export Sales Department. . . .
The Department dates back to about 1952 when Great Northern sold newsprint for the first time to a New York exporter who, in turn, sold the paper for its own accounts in Columbia and Venezuela. For Great Northern, this transaction was the same as doing business with a domestic merchant.

In anticipation of the startup of the new No. 5 and 6 paper machines at East Millinocket in October, 1954 and August, 1955, greater effort was directed toward export sales; and the number of exporters was increased to more than ten, some of which we are still doing business with today.

However, over the next four or five years, particularly during the 1958 recession, the disadvantages of exclusive dependence on exporters became very apparent. Except for an occasional trip abroad by Great Northern people, we had no sustained contact with the ultimate customer and, consequently, were out of touch with competitive changes that were taking place. Thus, the Company began to move in the direction of direct selling. This was possible because of the experience with exporters who had acquainted Great Northern with many of their customers in the preceding years; and it was from this source that Joe Carena joined the Company in 1961 as head of the Export Department, as well as John Cortissoz.

Today, by far, the largest portion of our export business is through direct sales. The number of grades the Department sells has grown with the Company's diversification program and now includes newsprint and printing papers, as well as linerboard which is currently the largest volume product exported.

By going direct, the Export Department had to take over many of the functions and risks that were once assumed by the exporter. Scheduling of vessels to transport our products abroad was an important new area. Another area was preparing and coordinating the documentation—letters of credit or bank drafts, certificates of origin, bills of lading, insurance certificates, commercial invoices—for each shipment to the detailed specifications of each customer, and in many cases each country. In some countries, the failure to comply with all of these details can result in substantial penalties or even denial of payment.

Since the original work in South America, Great Northern has sold paper in six of the world's seven continents (Antarctica was left to our competitors). Australia, Japan, Korea, India, Egypt, Ivory Coast, Argentina, Peru, Mexico; and most of the nations of Europe can be included in the list of countries where Great Northern paper has been shipped. In the past, we have also shipped newsprint to Pacific Stars and Stripes which publishes the U.S. armed services' newspaper that is distributed in Vietnam.

In countries where we have wanted to concentrate our selling efforts, representatives have been selected who sell and service our customers—particularly linerboard customers at this point—and also keep the Export Department informed of each country's external regulations toward imports and the changing competitive and political factors which occur within each country. These agents are currently located in England, France, Germany, and Holland; and as export sales are expanded, the areas of sales representation will increase. As this occurs, it may eventually be necessary for Great Northern to set up its own European office in order to become more closely involved in the sale of its products in foreign markets.
Peter S. Paine and Robert A. Haak, along with 14 other top executives of the Company, will attend an Executive Computer Concepts Seminar August 15 and 16. The two-day shirt sleeve introduction to the capabilities of modern computers in industry will be hosted by the IBM Corporation at their Education Center in Poughkeepsie, New York.

The program will include sessions on basic computer concepts, management information systems, communications and teleprocessing procedures. This seminar has been arranged in conjunction with the computer feasibility study being conducted by the Administrative Services Dept. The study is being made to expand services to meet the increased demand for swift and accurate operating data by all departments of the Company.

Appreciation for Great Northern's participation in the Seventh Summer Institute program at the University of Maine is best expressed by excerpts taken from letter of August 2 written by Andrew J. Chase, Professor of Chemical Engineering:

"On behalf of the staff and students of the Pulp and Paper Summer Institute I wish to thank you for allowing us to visit your mills three times in the past three weeks. I feel almost as though I were an employee of the Company after such frequent visits.

We feel that this was one of our better summer programs and Great Northern certainly had a lot to do with making it so. Of course, in addition to visiting your mills, we also had some of your employees appear on our lecture program. A man by the name of Mr. Peter Paine, whom you probably know, Dick Noyes and helpers Carl and Jim, and George Van Goethem from Cedar Springs all did very well on the program here in Orono."

J. R. Schoettler of Product Development and Marshall Brunden of Research and Development contributed again this year in time and effort to make the TAPPI Statistics Course at the University of Maine a success. Enrollment is up 25% this year over last, which may reflect an increased interest in the importance of statistics to the paper industry or may result from good reports on last year's course. Those from Great Northern attending the advanced session are Robert Leavitt, Henry Gore, Bud Chase, George Levensalor, and Carl Berquist.

The annual outing for Company supervisory personnel was held at the Rice Farm at Millinocket on August 3. More than 250 people attended the outing, including guests from Finland, customer guests, sales trainees, Cedar Springs personnel and Messrs. Haak, Hellendale, Heuer, and Staples of the New York Office.

TRANSPORTATION NOTES

More New Freight Cars. . . .

Deliveries are starting on the last Bangor and Aroostook order for 200 new box cars, the first of which should arrive sometime this month. The cars are 50-foot capacity. With completion of this order, the BAR will have nearly 800 cars of this type; and as a BAR customer, a large percentage of the cars are available to the Company.

J. D. Perkins, Manager of Transportation Research is spending several weeks at Millinocket to familiarize himself with the Company's transportation operations in Maine. Jerry is a member of Mr. Fischer's transportation staff at the Cedar Springs mill. While on his present assignment, Jerry and his family are making their home at Millinocket Lake.
Further interest in Maine minerals is indicated by a recent Washington news release which announced that a U. S. geological survey team will arrive in Maine next month to look for new sources of heavy metals. The article stated - "The Government normally does not mine an area which looks productive. Instead, it attempts to find exploration targets and then broadcasts the information for the benefit of private industry. This would be the case if any 'finds' were located in Maine."

The Paper Jungle. . . . What do you do about the growing tide of professional literature which arrives on your desk almost daily? Many busy practitioners find they are unable to cope with the lot, and, consequently, all is pushed aside. We are all full of good intentions and put aside each brochure, magazine or book with the thought, "I must really take time to catch up on this shortly." A lot will still be in the wrappers long after the value of the information has ceased.

This problem of literature is not peculiar to public accountancy. It is growing in all professions and trades. What started out to be information to assist the reader in his particular occupation has developed into comprehensive magazines with everyone giving opinions on the economic, political, and international situation as the writer thinks it affects the particular trade of industry. Where is it all going to stop? As far as a public accountant is concerned, it should stop at his desk. He must be selective and not take the least line of resistance by putting everything aside.

The practitioner who states that he is far too busy to read is probably in a rut so deep that he is unable to see over the top of it.

From - Practioners' Forum by - W. H. Morgan
Annual Open House Programs attracted 1,249 visitors to the Maine Mills. . . .576 people visited at Millinocket on July 28 and 673 at East Millinocket on August 11. Of the total 1,249 visitors, 839 were residents of the two communities. The additional 410 visitors were from more than 30 Maine towns, 13 states from Florida to California, Quebec, Prince Edward Island, and St. John New Brunswick.

A highlight of the Millinocket event was the one thousandth summer visitor award that went to Mrs. Gladys Wright of Milo, Maine, who visited with her five children ranging from two to twelve years of age. Mrs. Wright was presented with a set of Great Northern glasses by Mill Manager, Scott E. Weldon. Mr. Wright is employed as a machinist in the Engineering Service Department at Millinocket.

Cost Reduction is Everyone's Business. . . .This was confirmed by a lecture-type film of the Dupont cost reduction program that was presented at Millinocket on August 3. The film was narrated by V. M. Gelin, Manager of Methods and Standards of the Dupont Pigments Department, and told the story of a program that was embarked upon over ten years ago which is still making money for Dupont.


E. A. Lumbert, Cost Control Supervisor - Woodlands, has returned from Halifax, N. S., where he attended a five-week course at the Atlantic Summer School for advanced business administration conducted by Kings College.

The Company's Stock Purchase Plan is available if you are over 21 and have at least one year's service. This monthly investment plan is the only way you can buy common stock by dollars rather than by shares. The plan establishes a normal broker-client relationship between you and the broker, Merrill, Lynch, Pierce, Fenner and Smith, Inc.

The Company is involved only because of making its payroll deductions facilities available and the fact that it pays the broker's commission on all purchases of common stock by payroll deduction. Complete details are available from Stan Hawes, telephone extension 211 in Millinocket.

The Company makes no recommendations to its employees and participation in the plan is purely voluntary.

Great Northern contribution will help to provide equipment in the new Early County High School in Georgia which is expected to be completed by September. Bruce P. Ellen, Assistant Vice President and Resident Manager at Cedar Springs, recently made a Company presentation of $2,000 to Ralph J. Balkcom, Chairman of the Early County Board of Education, and Lonnie B. Chester, Superintendent of Early County Schools.

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DEATH

Ivan C. Ames, retired manager of the Millinocket mill, died July 29 of a heart attack while fishing at Millinocket Lake. He joined the Company in 1919 as Assistant Superintendent of the East Millinocket mill. He became Superintendent of the Millinocket mill in 1952 and later became Mill Manager, which position he held at the time of his retirement in March 1959.
NEW EMPLOYEES

JAMES N. DENNIS, effective August 8, 1966, joined the Central Engineering Department at Cedar Springs as Mechanical Engineer, reporting to Waylon Lacey, Division Engineer. James is a graduate from Auburn University where he majored in Engineering. Prior to coming to the Great Southern Division, he had been employed by the American Cyanamid Company at Pensacola, Florida.

HENRY M. WILLIAMS, JR., effective August 8, 1966, joined the Traffic Department at Cedar Springs as Assistant Manager, Transportation Research, reporting to Jerry D. Perkins, Manager, Transportation Research. Prior to coming with the Great Southern Division, he was employed by the Southern Railway at Washington, D. C.

PROMOTIONS

JULE M. TALLEY of the Cedar Springs mill was promoted from Pulp Mill Tour Foreman to Acting Assistant Pulp Mill Superintendent on June 1. Prior to coming with Great Southern in August, 1963, Jule was employed by Continental Can Company, Augusta, Georgia. Jule reports to George Van Goethem, Pulp Mill Superintendent.

By J. R. Adams, Manager of Personnel, (August 9, 1966). . . . effective immediately, EDWIN N. GRINDLE has been promoted to the newly created position of Benefits Director. In his new position, Mr. Grindle will be responsible for salary administration, pension administration and functions in connection with the Group Insurance Program. Mr. Grindle will continue to report to J. R. Adams, Manager of Personnel, and assist in other duties as assigned.

Effective immediately, CHARLES PARSONS, Personnel Assistant at the East Millinocket mill, will assume the new duties of Benefits Coordinator in areas of insurance and pension administration. In this position, Mr. Parsons will carry out the duties now performed by Mrs. Elizabeth Walls, Coordinator - Group Insurance, who plans to retire in the near future. In carrying out his new duties, Mr. Parsons will be located in Millinocket and will report to Edwin Grindle, Benefits Director.

Also effective immediately, ARTHUR MICHAUD, Safety Supervisor, East Millinocket, will assume the duties of Personnel Assistant at East Millinocket reporting to Mr. Robert Montgomery.

GORDON JARVIS, Fire Chief at East Millinocket, has been appointed Safety Supervisor, filling the vacancy previously held by Arthur Michaud. In carrying out his new duties, Mr. Jarvis will continue to report to Mr. Michaud for the time being.

TRANSFERS

RICHARD Q. HATFIELD, Assistant Scheduler at Millinocket, was transferred as of August 1 to the East Millinocket mill to assume the duties of Production Coordinator. Dick will act as a liaison between New York Scheduling and the mill on matters pertaining to orders and scheduling. He will also supervise the finishing room clerical group.

FRANCIS H. LARKIN, effective August 1, transferred from Central Engineering at Millinocket to Cedar Springs as Engineering Office Supervisor. Fran will report to Waylon Lacey, Division Engineer.

TERMINATIONS

R. S. KLEINSCHMIDT, Hydraulic Engineer in the Central Engineering Department, resigned August 1 to enter a business of his own as a consulting engineer specializing in hydraulics and sanitary engineering. Steve will be located in Pittsfield, Maine.
As announced today, July 22, by Peter S. Paine, Chairman of the Board and Chief Executive Officer, Great Northern Paper Company intends to build a mill in Northwest Florida to manufacture newsprint and bleached kraft pulp, conditional upon its obtaining additional timber-cutting contracts to support the project, completion of mill site arrangements and a practical solution to the problem of waste treatment. Present plans call for completion of the mill in 1969.

This decision follows extensive market studies indicating continued healthy growth for newspapers and strong demand for newsprint in the years ahead.

Rush property purchased by Great Northern. On June 21, 1966, Great Northern purchased from Frank W. Rush & Sons, Inc. the Rush sawmill property and the so-called Rush gravel pit in Millinocket. The sawmill property consists of about 9½ acres of land sold by Great Northern Paper Company to Frank W. Rush on August 12, 1908, for the manufacture of lumber, together with 7 acres of land sold by C. W. Mullen to Frank W. Rush on June 16, 1909, use of the latter parcel being unrestricted. These 16½ acres are at the junction of Little Smith Brook and Millinocket Stream and are bounded by these waters and by land of Bangor and Aroostook Railroad Company. A railroad spur track leads to the old sawmill building which has not been in operation for several years. Water mains and sewers are installed on the premises which include several old buildings.

The gravel pit property consists of 89 acres of land on the east side of Millinocket Stream opposite the sawmill property, and the use of this land is also unrestricted according to the Mullen to Rush deed. The Engineering Department will make an inspection of the entire purchase with the view of making recommendations relative to possible use.

Great Northern Paper Company ranks among Fortune's 500. Each year Fortune magazine publishes a directory of the 500 largest U. S. industrial corporations ranked according to sales volume. 1965 was the first year in which it took more than $100 million of sales to make the list, and the second year that Great Northern has appeared (in 1956 we ranked 460 with sales of $67,096,561).

Net sales of $111,428,000 placed the Company in the 493 spot for 1965. Fortune also ranked the performance of the top 500 in other categories, and GNP scored as follows:

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Growth rate '55-65: 5.18%
Millinocket Mill. Installation of the new Hanson-Hooper barking drum is practically complete. The Hanson-Hooper drum is of same capacity as the three existing Ingersoll-Rand drums which are currently handling the full mill load. The new drum will take care of increased barking requirements that will result from installation of the No. 8 digester about one year hence.

Another small change at the Millinocket wood room is relatively unnoticed. In the past, the chute on the transfer conveyor has been a source of high maintenance and replacement expense because of damage resulting from dropping of the barked wood. On the July 4th shutdown, two-inch thick steel plates were suspended on boom chains at the two points where wood drops from conveyor belts to the transfer conveyor. The plates act as bumpers for the falling wood, and a truck tire back of each plate acts as shock absorber to the plate itself.

A similar wood transfer arrangement was observed by Great Northern people at the Penobscot Company and adapted to our particular needs. A small change—yes—but one which represents manpower, material and dollar savings, as well as improved operating procedures.

New Coating Head. Installation of the new coating head and associated equipment was completed during the scheduled Fourth of July shutdown. The unit, called a Fountain Coater, was installed in the first head position. It is of Black Clawson design and has advantages which are expected to improve production rates and quality. The coater experienced a smooth startup with the new unit. Speed of 3200 f.p.m. was reached after a few hours of operation.

East Millinocket Mill. A semi-automated roll wrapping project has been approved for the old Finishing Room area. Lamb-Grays Harbor, Inc. will furnish the materials and equipment, with delivery expected in early March 1967. Roof work will be started in time to complete before cold weather this Fall. The new facilities will result in labor savings and an improved roll package.

A joint meeting was held at East Millinocket on June 30 between mill personnel and newsprint sales people. Topics of discussion were pressroom problems and market growth of offset tonnage. The meeting was followed by an evening picnic and a volley ball match at which mill personnel soundly defeated the sales group.

Cedar Springs Mill. A very successful maintenance shutdown was experienced at the end of June. Machine production was discontinued at 12:45 a.m. on June 27, and resumed at 4:30 p.m. on July 1.

A considerable number of maintenance and construction jobs were completed.
during this period. One of the most significant accomplishments was the replacement of bends and hangers of the superheater tubes in the recovery boiler. This work was done by Babcock and Wilcox to overcome a design limitation which had been causing repeated recovery outages due to leaking tubes.

To try to list all of the other major work which was done would consume too much print, but it should be noted that the accomplishment of so much work within such a tight schedule would not have been possible without the tremendous effort and fine spirit of cooperation of the production, technical, maintenance, engineering construction, and contractor personnel connected with the shutdown.

Product Development Department

Approximately 5000 tons of 37-pound Norblade 0 Satin were made on a trial order basis in developing the coated unsuperced offset sheet for Reader’s Digest. The paper was designed for the world’s fastest four-color web offset press located at McCall Corporation, Dayton, Ohio. The press runs in excess of 1800 feet per minute or the equivalent of a roll every 18 minutes (70 tons printed paper per day).

We now have a contract with Reader’s Digest for 500 tons per month. Previous to our production of this sheet, International Paper supplied nearly all the unsupered paper portion of the Reader’s Digest magazine.

Lightning lightens production

On July 13, a pole on the North Twin transmission line was struck by lightning. When the pole had burned through, the top section fell to the ground causing a complete electrical shutdown of the two Maine mills. The shutdown resulted in approximately four hours of loss production at each mill.

Grant is Victor of Great Northern Open. . . .Clair Grant shot a 66 to win the Great Northern Open and green championship jacketed at the Hillcrest Golf Course at Millinocket over the 4th-of-July weekend.

Dewey DeWitt of Presque Isle was second with 69 and Tom Wentworth of Millinocket was third with 73. Gib Harris and Maurice McLean tied for net honors with 62 net.

The Treasury Department would like to remind you of the Company’s Stock Purchase Plan that is available by payroll deduction. The minimum monthly deduction is $10 and the maximum is $99, with restrictions of being at least 21 years of age and having at least one year of Company service. Complete details are available from Stan Hawes, telephone extension 211 in Millinocket.

A series of monthly information sessions devoted to discussions of paper, printing, and other subjects directly related to Company business has been initiated by J. Paul DeMarrais, Regional Manager - Commercial Sales. The first session was held in the New York Office on Monday, July 11, from 8:45 to 9:30 a.m., the topic of discussion being "Letterpress - Roto-gravure - Offset Lithography - A Comparison." William L. Shaughnessy was the speaker. All New York Office personnel, as well as any visitors to the office, are cordially invited to attend these sessions that are scheduled to be held the first Monday of each month.

Open House at Maine Mills. . . .

The Annual Open House Program will be held at the Millinocket Mill on Thursday, July 28, and at the East Millinocket Mill on Thursday, August 11. Conducted tours, souvenirs and refreshments will be part of the program.
WOODLANDS NOTES

Recruiting. . . Woodlands' representatives, assisted by the U. S. Department of Labor, will attempt to recruit woods labor in Louisiana the latter part of this month. The Department of Labor contends there are many unemployed woodsmen in the area who are available for work in Maine while woods operators of the same area maintain they are faced with a shortage of labor. The Company will be required to pay transportation fare to Maine for all men hired. In view of results from recruiting in the South last Fall, it is questionable as to how many will accept such employment and how long they will remain once they have arrived on the job in Maine. Additional Maine companies will be recruiting in other parts of the South.

Training Program. . . Since early June, the Company has cooperated in an effort to conduct an On-The-Job Training Program at the Bartlett Woods Camp in Northern Maine. The Company agreed to pay trainees at hourly rates of pay for a period of ten weeks, when they would then become employed as regular production workers. The Government was to pay the trainer's salary, with five men assigned to each trainer. The program started with one trainee; and after heavy advertising and recruiting expenditures by both the Company and Uncle Sam, it eventually reached a total of five trainees at one time. However, as of the past week, all but one trainee had quit; and the training project was temporarly suspended. It demonstrates the fact that under present economic conditions a man who wants to work doesn't need to join a training program.

Maine River Drive. . . The rear of the drive on the main river above Chesuncook Lake is now at the so-called Fox Hole. This section of the drive should be completed by the end of the month.

All landings around Chesuncook have been cleared, which means that wood stranded by low water in 1965 will be delivered this year. There will be a very small rear left on Black Pond above Chesuncook and possibly a heavy rear around the shores of Chesuncook, the extent of which will depend on how the water holds up at Ripogenus Dam.

The Company's Maine woods camps are now in full production, with a high percentage of the workers being either bonded or visa Canadians. The labor supply is adequate in the Pittston area camps, but some shortage is being experienced at two of the camps in Aroostook County. Favorable economic conditions in Canada, with natural preference for work nearer home, adversely affects this labor market. Also, July is the month when many workers depart for three or four weeks to complete their seasonal haying operations.

Heavy rains for the month to date have helped compensate for a 2-inch shortage of precipitation in June. However, if precipitation continues below normal, the high river flows that are now required to carry the power load during boiler overhauls will be considerably reduced when all steam units are available. Storage now stands at 33.75 BCF, or 59% of capacity.
KNOW YOUR COMPANY. . . .

Great Northern's Graphic Arts Laboratory. . . .About two years ago the functions of the Research and Development Quality Control Section were augmented by the transfer of the Graphic Arts Laboratory from Paper Research. This laboratory acts as an important link between end-use in the pressroom and process levels in the paper mill.

Ninety-five percent of all the paper produced at the Company's Maine mills is directly used for printing. Whether it be newsprint, catalog, telephone directory or coated magazine grades; it ultimately ends up in the hands of a consumer as a printed sheet.

There are several ways of putting ink on a sheet of paper. However, there are three major processes; and Great Northern manufactures paper designed to be printed by all three methods. These processes and major paper grades used are:

A. Letterpress - newsprint, directory, and coated paper.
B. Gravure - catalogs, high finish newsprint, publication (bleached & unbleached) and coated paper.
C. Offset - newsprint, and coated paper.

Although these processes differ in several ways, the major difference is the point where the ink is actually transferred to the paper.

In the letterpress process, the ink is on raised images and is transferred to the paper much as a hand stamp is used.

The gravure process finds the ink located in little wells that have been etched into a cylinder. Printing takes place when paper is pressed against the cylinder and the ink transfers to it by a "wicking" action.

In offset printing, the paper is not printed directly from an inked plate or cylinder; but as the name implies, the inked image is first transferred from a plate to a rubber blanket and then offset onto the paper.

The nature of each process requires slightly different paper characteristics for optimum print quality. In our Graphic Arts Lab, considerable printability testing is done so that we can reliably predict how the paper will print in the pressroom. We have equipment and procedures to measure the important paper characteristics required for each process. Some of the tests used are quite standard in the industry, but most have been modified or completely developed by Great Northern.

Paper made for letterpress printing may be print tested on at least one of three different printing units depending on the end use. Samples of coated magazine paper are run through a $10,000 commercial Heidelberg printing press and the print quality rated for image reproduction. The ability of the surface of the paper to resist "picking" is also tested on the Heidelberg as well as on a Vandercook power 219 proof press and an I.G.T. Printability Tester. The Vandercook proof press is also used to check newsprint printability using a Great Northern version of the Larocque test. This test was developed by Dr. Gerald Larocque of the New York Daily News and is used by several mills. The Graphic Arts Lab improved the repeatability of the test by devising a dead-weight loading device and installing a strain gauge system on the base of the printing plate to better control the printing pressure. Directory paper is tested for printability and "show-thru" on the I.G.T. printability tester.

Papers to be printed by the gravure process, such as catalog, high finish newsprint, publication and coated magazine paper are tested in the lab on a Diamond National Print Smoothness Tester. This print tester simulates the gravure process well, because it uses a gravure printing cylinder with little etched ink wells. A dead-weight loading device and strain gauges have also been installed on this printing unit.
Offset grades, both coated and uncoated, are evaluated primarily for their surface strength. Remembering that this paper is printed by contacting it with a rubber blanket, a considerable amount of pulling force is exerted on the surface of the paper when it separates from the blanket. Surface strength tests have been developed on the Vandercook proof press and on the I.G.T. using polybutene oil-ink mixtures. Printability evaluations are done on the Heidelberg printing press.

In addition to actual printing tests, other ink-paper tests are made to measure ink hold out, show-thru, coating scratches, pinholes, and other surface characteristics.

In order to know if all this testing is reliably predicting printability in the pressroom, it is necessary to follow some of the paper that has been lab tested into the pressroom and obtain print quality results. To accomplish this, customer acceptance programs have been set up with pressrooms in Pennsylvania, Massachusetts, New Jersey, Rhode Island, and Illinois. These programs are continuing and the results so far have been very encouraging. Some lab results have correlated very well with those found in the pressroom.

In addition to developing tests for predicting printability in the pressroom before our paper leaves the mill, much service work is also done in the lab. Printing tests are made on pilot handsheets and on samples evaluating paper mill trials and mill process changes that are carried out by the various Research groups and mill personnel. Much print testing is also done for the Product Development Department as they develop and scale up new products. Printing of competitive papers to determine their print quality levels is another important service of the lab.

**ANNOUNCEMENTS**

**By H. G. Brush, Vice President - Finance.** . . . Effective July 1, 1966 the Manager of Insurance will report directly to the Treasurer, D. E. York. . . . Miss S. E. Whittam, Manager of Insurance will be on leave of absence until October, 1966. During her absence, T. H. Flanagan, Assistant Manager will take over her duties.

**By E. L. Cowan, Vice President - Engineering and Research.** . . . The Transportation Department of Great Northern Paper Company and its Great Southern Division has recently been consolidated. Carl F. Fisher, III, formerly Director of Transportation for the Great Southern Division, has been given the same title for the newly centralized department. Mr. Fisher will continue to have his offices in Cedar Springs, Georgia. Division Traffic Offices will continue to be maintained in Millinocket, Maine and Cedar Springs, Georgia.

**By J. F. Steedley, Assistant Vice President - Engineering.** . . . A cost engineering group has been established within the Central Engineering Department. The group will be composed of K. G. Hunnewell as Cost Engineer and R. E. Pickering as Assistant to Cost Engineer and supporting personnel. Mr. Hunnewell's functional reporting line is to the Assistant Vice President-Engineering and Mr. Pickering's is to the Cost Engineer. Mr. Hunnewell and Mr. Pickering shall remain in their present resident states for all projects in progress.
PERSONNEL CHANGES

Sales Department. . .JOHN P. BISHOP joined the Sales Department on June 1 as a Sales Trainee (Newsprint). John, a graduate of Miami University in Oxford, Ohio, has been with the Reserach Department for the past two years.

JOHN J. THIBODEAU, effective July 1, joined the Sales Department as a Sales Trainee (Commercial). After completing his training at Millinocket, John will be working under George L. Nyström, Regional Manager, out of the Chicago Office. John has been with the Central Personnel Department for the past four years.

WILLIAM F. SHAUGHNESSY and JOHN A. PINTARD have transferred to the New York Office where they will specialize in the sale of the Company’s coated and uncoated Commercial Printing grades. They will report to J. Paul DeMarrais Eastern Regional Sales Manager. Bill returns to New York from the Chicago Office where he was responsible for sale of our Specialty Papers throughout the Middle West, and John comes to New York from the Company’s Washington, D. C. Office.

Operations Department. . .

FREDERIC C. MORRISON was promoted June 13 to the new position of Director of Profit Planning-Operations. Fred has been with the Company since 1942, and for the past four years has served as Budget Director in the Controller’s Department.

Millinocket Mill. . .ROBERT H. HALL was promoted July 1 from Materials Clerk to the position of Planner in the Plant Engineering Department.

ALBERT R. ALBERT was promoted July 1 to Tour Foreman - Coating. Dick is one of the original Coater Operators from the "start-up" days.

WALTER F. PEASE was promoted July 1 from Tour Foreman - Coating to Paper Mill Supervisor.

Cedar Springs Mill. . .ALBERT L. RAY was promoted July 11 from Mechanic to Mechanical Foreman in the Maintenance Department.

Chattahoochee Plywood Corporation . . .WAYNE F. CROWELL was appointed July 1 to the position of Chief Accountant reporting directly to the General Manager, Ward K. Hoseid.

Wayne came with Great Northern in March 1963, and for the past eight months has held the position of Accountant at the Southern Division.

Product Development Department . . .REGINALD L. SWEET was promoted July 1 from Research Engineer to Product Development Engineer.

Central Engineering Department . . .ROBERT C. BOYNTON was transferred on July 1 from mill forces to Service Foreman in the Engineering Services Section.

Woodlands Department . . .LOUIS P. PAQUET was promoted on July 1 to a monthly salaried Foreman in the Pittston area. Except for military service and seasonal lay-offs, Phil has worked in the Company’s Maine Woodlands operations since he was a youngster. His father started operating camps for the Company in 1910.

Controller’s Department. . .

ROBERT F. BARTLETT was promoted July 1 from Budget Analyst to Budget Supervisor, reporting directly to Peter F. Yacavone, Assistant Controller.

NEW EMPLOYEES

CHARLES R. CHANDLER, effective June 20, joined the Great Southern Division as Accountant, reporting directly to M. B. Robinson, Manager of Accounting. Charles attended Abraham Baldwin College and the University of Utah where he majored in Accounting. Prior to coming with Great Southern Division he had been employed by the Singer Company at Syosset, New York.
WILLIAM E. EVANS, effective June 20, joined the Great Southern Division as Staff Electrical Engineer in the Central Engineering Department, reporting to J. D. Blankenship, Electrical Engineer. Bill graduated from Georgia Tech in 1962 with a degree in Electrical Engineering. Prior to coming with the Great Southern Division, Bill was employed by the Georgia Power Company at Albany, Georgia.

JAMES F. PICKLE, effective July 5, joined the Great Southern Division, Woodlands Department, as a Unit Forester, reporting to R. C. Wakefield, Area Superintendent. James graduated from the University of Georgia in 1966 with a BS in Forestry.

RUSSELL E. BYRON, effective July 18, joined the Central Personnel Department as Staff Assistant reporting directly to Russell York, Training Director. Russ graduated from Clark University, Worcester, Mass.; earned a Master's degree in Measurement and Guidance from the University of Maine. He has spent 16 years as Director of Guidance in public school systems which position he has held for the past eleven years at Stearns High School in Millinocket. Russ's primary responsibilities will be campus recruiting and training.

DONALD D. NODINE, effective June 27, joined Analytical Research at Millinocket as Research Chemist. Don graduated this year from the Fifth Year Pulp and Paper Program at the University of Maine; and having been in the Summer Apprentice Program for the two previous seasons, he is no stranger to Great Northern's Maine operations.

NATHANIEL C. LYON, effective July 1, joined the Sales Department as a Sales Trainee, and is now in training at Millinocket. Nat is a 1966 graduate from the College of Business Administration, Northeastern University, where he majored in Management.

TRANSFERS

ALLEN E. SYMONDS, Manager - Corporate Profit Planning is now located in the New York Office, reporting directly to L. G. Kewer, Vice President - Planning.

RESIGNATIONS

JOSEPH H. BIGL, Superintendent Paper, 7-10 Paper Machines, Millinocket, resigned July 15 to accept a position with St. Regis Paper Co., Bucksport, Maine.

CLIFFORD T. MACWHINNIE, Tour Foreman of Coating at Millinocket, resigns August 1 to accept a position with Fraser Paper Co., Madawaska, Maine.

CHESTER F. KEENE, Area Engineer at Millinocket, resigned July 17 to accept a position with St. Regis Paper Co., Bucksport, Maine.

STEVEN S. HARDY, JR., Research Technologist at Millinocket, resigned July 15 to accept a position with Oxford Paper Co., Rumford, Maine.

ROBERT W. MCDOWLE, Engineering Supervisor at Cedar Springs, resigns July 8 to accept a position with the Walter Kidde Engineering Co.

EDWARD E. HENRICKSON, Personnel Assistant at Millinocket, resigns August 1 to accept a position as Dean of Students at the Northern Maine Vocational-Technical Institute, Presque Isle, Maine.

DEATH

HARVEY G. NEAL, SR., retired Traffic Accounting Supervisor, died on July 2 after a long illness. He joined the Company on February 4, 1935 as a freight clerk, and was employed by the Controller's Department in various positions throughout his 26 years of service. Mr. Neal was promoted in 1959 to Traffic Accounting Supervisor, and held this position until his retirement, March 1961.
Great Northern to manufacture softwood plywood. . . . Chattahoochee Plywood Corporation will represent the Company's initial move into the softwood plywood manufacturing field.

The first plywood plant will be constructed at Cedar Springs, Georgia, a short distance east of the existing mill, at an approximate cost of 4.4 Million Dollars. Investigations are currently being conducted to determine the feasibility of a further softwood plywood operation in Maine.

The new plywood plant at Cedar Springs is expected to be in operation within two years. Actual construction is estimated at 18 months after completion of engineering. While the plant will have a rated capacity of 60,000 M square feet of construction grade plywood, it is hoped that actual production will reach 72,000 M square feet annually. It is being designed so that it can be expanded at a future date to produce 120,000 M square feet.

The plant will employ approximately 140 persons. It will also provide employment for an additional 185 persons supplying the plant with pine-peeler logs.

Mr. Ward Hosied has been engaged as General Manager of the Plywood Division of Great Northern Paper Company, reporting directly to Mr. Haak. He will be in charge of all Company plywood activities.

Mr. Hosied was born and brought up on the West Coast where he worked in the plywood industry. Most recently, he was in charge of the construction, operation and sales of Angelina Plywood in Angelina, Texas, recently acquired by Owens-Illinois. Mr. Hosied came with the Company June 1 and has his headquarters at Cedar Springs, Georgia. He recently made a tour of potential plywood sites in Northern Maine with Mr. Maines and Mr. Clifford.

The Spring runoff in Maine has ended with water storage at the forecasted level of 40.0 billion cubic feet, which is 70% of storage capacity and 11.0 billion cubic feet more than last year at this time.

Extra water usage is presently necessary due to the shutdown of No. 1 boiler at East Millinocket for its annual overhaul. However, heavy precipitation for the month of May and the first two weeks of June is allowing for the extra usage without any appreciable effect on the overall level of storage.

Robert A. Haak, President, experienced a speedy recovery after undergoing surgery at the Doctor's Hospital in New York City on May 10. Mr. Haak, who had been convalescing at his home following ten days of hospitalization, returned to his office on Thursday, June 16.
Paper production for thirty-six weeks ended 6/12/66 . . .

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<td>Tons</td>
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At the Millinocket mill, a new coating head is scheduled to be installed on the coater in the first coater position during the 4th of July shutdown. It is of a new design manufactured by Black Clawson and is referred to as the "fountain head." The unit will be the first of its kind to coat lightweight publication papers at high solids and viscosities. If the application proves to perform satisfactorily, it should result in more efficient production of lightweight coated grades at higher speeds.

A Driver's Improvement Course on the techniques of defensive driving was recently completed at East Millinocket. The course was sponsored by the Company in cooperation with the Maine Highway Safety Committee and the National Safety Committee.

Retired employees and their wives were invited by the Company to take the course; and upon completion of eight 1-hour conference-type sessions, twenty-three participants were presented certificates by Mill Manager Martin J. Roach. Instructor for the course was Arthur C. Michaud, Safety Supervisor at East Millinocket mill.

An attempt is being made to have the course conducted in every community in the country. The one at East Millinocket was the first one for the area.

The summer tour program at the Millinocket mill stands to date at 157 visitors. Two visits were made by local school children from the Granite Street Elementary School. Adding a little political air to the program have been the visits by various candidates trying to round up those votes for the up-coming June Primaries. During the second week of the program, visitors included four distinguished members of the medical profession from Argentina, S. A. The party was comprised of a Dr. and Mrs. Busch (Dr. Busch is President of the Medical Society of his Country) who were most impressed by the enormous size of the paper machines.

Product Development Department . . . During the past six months, successful trial orders have resulted in three standard paper grades for computer and teletype application. A fourth grade is currently in the trial order stage.

Earlier attempts in this field of communication paper were unsuccessful, mainly due to equipment limitations. Major converters were demanding narrow trim rolls (8-3/4") which made the grades economically unfeasible on existing winding and slitting equipment.

Active participation by our Sales Department, however, has resulted in outlets for wider trim rolls. We are currently supplying papers in 36" to 52" widths to seven converters.
WOODLANDS NOTES

Maine River Drives. . . . The wood from the North and South Branch Drives has reached Seboomook Lake, and the crews will spend the next few weeks "picking the rear" which is expected to go through Seboomook Dam by July 4th.

The wood is all out of Black Pond, and practically all the wood in Umbazookskus is floating free. The crews at Chesuncook have already towed fifteen booms and sluiced 66,000 cords through Ripogenus Dam.

Low water in the 'lower lakes' has made towing a difficult job. However, seventeen booms have been towed from the river and three from Nahmakanta Lake.

In the Maine Woods, . . . the four camps in Aroostook County are in full production; and as usual, labor turnover has been heavy. The men always shop around at the start of the season looking for the best place to cut.

Most of the crews have adjusted to the long-length skidder operation. One operation, Garrity's, plans to cut 15,000 cords with just four skidders. It is possible that the fifth skidder will be required; but even so, if the same amount of wood was being yarded with horses, it would take about eighteen horses to do the job.

Two camps in the Pittston area, Marcoux and Paquet, have started up with normal crews; and the Caouette and Gosselin camps will open on June 20.

At Ripogenus Dam, the installation of an apron in the sluice gate, along with sluicing jets, has greatly improved the driving operation. With this new setup, wood is being sluiced with a 6' gate at a considerably faster rate than it was with the old 16' gate; and water usage is less than 100 c.f.s. where the old gate used up to 700 c.f.s.

An overland sluiceway, 4,300 feet long, being constructed between Ripogenus Dam and McKay Station will further reduce water usage and could represent a substantial reduction in labor required for sluicing. More important, with the third unit now being installed at McKay Station, the extra water is expected to produce power valued at $75,000 annually.

At North Twin Dam, a floating flume is under construction which will also reduce the amount of water needed for sluicing at that point.

Norcross purchased by Great Northern . . . . As a result of negotiations carried on over the past four years, on May 16, 1966, Great Northern closed the transaction for the purchase of Norcross from the Norcross Transportation Company.

"Norcross" was the post office address and designation of railroad station in Lot 93 on the west side of Township Number 3, Indian Purchase (Millinocket is on the east side of the same Township). It is on the south shore of Elbow and North Twin Lakes, and the Fowler holdings originally included the entire lot of about 190 acres. In 1937, 35 acres were sold to the Jo Mary Company; and later transfers were made of several small lots so that the total purchase by Great Northern consisted of about 148 acres; and it included the old Fowler House hotel buildings.

In the late 1890's and early 1900's, Norcross was a famous starting point for hunters, fishermen and vacationers from all over the United States who wanted to reach the Mt. Katahdin area. The Colt family, makers of the famous Colt revolver, stopped yearly at Norcross accompanied by many guests and guides for each, on their way to their camps at Kidney Pond. The party
often included Ethel Barrymore, wife of Russell Colt.

In those days three daily passenger trains going north and three going south made stops at Norcross. It was not unusual to see the trainmen disconnect from the early northbound train a private car or a special Pullman from New York, Philadelphia, or some other city and place it on the "siding" where it would remain until the occupants returned from their expedition into the Maine Woods. A United States Post Office was maintained in the Hotel; and the Hotel's mailboat, also carrying passengers and freight, made two daily trips up across the lakes.

As an indication of the success of the hunters, in 1900, 259 deer and 12 moose were shipped from the Norcross Station; in 1904, 314 deer and 19 moose; and in 1906, 230 deer and 11 moose. In those days the Station was up among the first four or five along the lines of the Bangor and Aroostook Railroad in the shipment of wild game.

Fred Fowler is said to have started the business while Albert Fowler was earning a degree at Bates College and starring on its football team. With a degree tucked safely away, Albert returned to Norcross and later organized the Norcross Transportation Company. He remained in control until his death in 1961.

The Hotel has been idle for several years. It makes up part of the purchase with several other small buildings. A schoolhouse is situated on the land together with about fifteen summer cottages along the lake shore. At this time no firm decision has been reached with respect to final disposition of the Hotel property. However, the Fowler family will continue to be prominent in the affairs of Norcross, because, prior to the sale, each of the three sons and three daughters of Albert Fowler reserved a house and lot for his and her personal use.

Visitors from Japan. . . . On Tuesday, May 24, the New York Sales Office was visited by 16 members of the Office Management Study Team of the Japan Productivity Center.

The visit to Great Northern completed a tour of the United States for this group, after having visited such companies as Wells Fargo in San Francisco; Armour and Company in Chicago; Burroughs Corporation in Detroit; Ford Motor Company in Michigan; Proctor & Gamble in Cincinnati and IBM in New York.

Engineer and Author. . . . For the second time, Douglas D. Smeaton, Senior Engineer in Central Engineering at Millinocket, has been named one of the winners of the annual Bolton-PIMA Essay Award. Doug was one of the fourth-place winners in writing on this year's theme of "Why Join the Paper Industry." He was second place winner in 1963 with the theme on "Who Profits from Profit?"

The annual Great Northern Open Golf Tournament will be held at the Hillcrest Golf Club in Millinocket over the 4th of July weekend (July 2, 3, and 4). There was a large turnout at last year's tournament, and it is expected there will be greater participation this year. Results of the tournament will be reported in the next issue of your Newsletter.

Domestic Newsprint shipped from the two Maine mills during the month of May totaled 627 carloads, of which 289 cars moved at the new "incentive rates." While the 289 was only 46% of the Newsprint cars, it represented 64% of the tonnage.
Great Northern Paper Company
Preparatory Scholarships will offer
a new educational opportunity to
newspaper carrier boys starting next
Fall.

The program will provide two
scholarships at the Wooster School,
Danbury, Connecticut, enabling each
boy selected to attend two full years
at this first-rate non-sectarian
boys' school in preparation for
college.

Selection of the scholarship
winners will be made by a Selection
Board comprised of the Headmaster
of Wooster School and college
officials from Brown and Princeton
Universities.

The program will permit each
contract customer to name two
candidates for the two-year schol-
arships. From amongst the can-
didates submitted, 100 boys will be
chosen, on the basis of their SSAT
scores and their scholastic record
as Great Northern Paper Company
Scholarship Selectees. From these
the Selection Board will pick 25
for a trip to the Wooster School
campus in April of 1967, where
each boy will be interviewed and
the final choices will be made for
the 1967 Great Northern Scholarships.
The names of all Selectees, other
than the Great Northern Scholar-
ship winners, will then be sent to
50 leading eastern boys' boarding
schools, with the expectation that
a number may be offered entry into
some of these schools on the basis
of their SSAT's and scholastic
records.

The Newspaper Carrier Boy Pro-
gram, started in 1965, got underway
again this year when twelve boys and
six chaperones from Mansfield, Dover,
and Canton, Ohio, arrived at Milli-
nocket on Monday, June 13. It was
a repeat performance for four of the
lads. Inspired by their trip last
year, they put forth increased effort
over the past year to become winners
for the second time.

Our industry is attractive to those
who know. . . . In doing some research
on how to interest secondary school
students in the paper industry, it
was revealed by the University of
Maine that 66% of the students who
take the pulp and paper programs at
the University come either from a
paper mill town or one adjacent to it.

It was also learned how much coun-
selors and students in non-paper mill
towns know about types and scope of
opportunities in the industry, and
the answer was to be expected. "Most
of them knew relatively little. After
all, paper is just paper. What gla-
mour is there in a piece of paper?"

These facts point out the need
for informing students in 'outside'
towns about the paper industry.

The Company's Corporate Advertis-
ing Program is designed to inform a
large cross section of the public.
Advertisements with a sophisticated
approach appear in national publica-
tions such as Business Week, News-
week, Fortune magazine and various
pulp and paper trade journals. They
are aimed at acquainting the public
with the image of Great Northern
today, its people and its products,
from Maine to Georgia.

"We Got Shakespeare Down to
75c" was the title of an advertise-
ment that appeared nationally in a
recent issue of Business Week where it
received an exceptionally high reader-
ship score of 55 percent--i.e., more
than half the readers of that issue
looked at the Great Northern ad.

A highlight of the World Meeting
of Affiliated Advertising Agencies
International, recently held in
Philadelphia, was awards for excel-
lence in advertising in which Great
Northern entries figured prominently
as winners of Gold Medal, Silver
Medal and Merit Awards in a contest
that drew over 5,000 entries in 90
categories, from some 55 member
agencies.

5.
Sales Department. While maintaining a traditionally strong position in the newsprint field, Great Northern now manufactures groundwood specialty papers, light-weights, catalog grades, machine-coated papers and kraft linerboard. Last year the Company shipped thousands of tons of newsprint to some 250 newspapers in the area east of the Mississippi River. This accounted for 38 percent of our 1965 sales dollar. Groundwood printing papers, a second major sales activity, accounted for 35 percent.

Unlike newsprint, the groundwood specialty market is composed of a great variety of customers: book publishers, catalog publishers, magazine publishers, advertisers and commercial printers. In addition, certain of these grades (Publication Printing, for example) are also sold to newspaper publishers for use in supplements, advertising flyers or other special requirements. A subsidiary company, Great Northern Board Sales Corporation, handles the sale of linerboard from our Cedar Springs mill so far as customer contacts are concerned. In 1965, kraft linerboard accounted for 27 percent of our total sales.

From the standpoint of personnel, the Department is composed of approximately 57 employees (this figure includes the Boston, Chicago, and Washington sales offices) who are organized into groups responsible for Marketing, Newsprint Sales, Commercial Sales, Export Sales, Order Processing and Advertising and Promotion. John H. Staples Vice President-Sales, is in charge of all these activities. The Sales Department currently occupies an entire floor at 522 Fifth Avenue, New York, Great Northern's headquarters office building. Board Sales personnel are located in another building at 477 Madison Avenue.

Specific information relating to the early history of the Department is fragmentary, although there must have been some sales activity in anticipation of startup at the Madison mill in mid-November 1899. How sales were handled at that time is pure conjecture; but it would seem probable that Mr. Garrett Schenck, the President, and Colonel A. G. Paine, Vice President, were active in this regard. Colonel Paine was Mr. Peter S. Paine's grandfather.

On November 15, 1899, the New York & Pennsylvania Company was designated Sales Agent for the Great Northern Paper Company. The arrangement was confirmed by a formal contract in April, 1900. Commission was two percent of the net price received by the Great Northern Paper Company for paper and pulp sold. At this time the Company apparently had a clerical organization in New York processing orders and doing the billing, but no sales force as we know it today.

A formalized Sales Department seems to have been established in January, 1901, when William B. Dillon was elected Vice President and made Manager of Sales. His office was at 51 Wall Street. He resigned in 1912, and was succeeded by William C. Powers as Manager of Sales. Mr. Powers headed Great Northern's sales efforts for seven years. He resigned in June, 1919 and was replaced by H. Merton Joyce who was then elected Vice President and made Manager of Sales. In January, 1935, Mr. Joyce became unable to carry on his duties because of poor health (he died in June of that year), and between June, 1935, and June, 1936, Great Northern had no Vice President in Charge of Sales or Manager of Sales.

From January, 1935, until June, the Sales Department was headed by John M. Marshall, who had been made Assistant Manager of Sales in 1934. However, Mr. Marshall had been partly crippled in a traffic accident, and he did not feel able to handle the responsibilities of the Manager's job. Therefore in July, 1935, after the death of Mr. Joyce,
Mr. A. R. Caspar was sent from Boston to New York to take over the Sales Department.

Mr. Caspar started with Great Northern as an Apprentice in the old Bureau of Economy and since 1928 had been Assistant Manager of Manufacture, located in the Boston office. In June, 1936, he was elected Vice President and made Manager of Sales. Mr. Caspar held both titles until January 1952, when two positions were created. At that time, he was in Bangor, Maine, and became Vice President in Charge of Sales, while Robert A. Haak was made Manager of Sales in New York.

In the early days the Department was very small. Even as late as 1924, twenty-five years after Great Northern made its first shipment of paper, the Company had no more than four salesmen. Thirty-one years ago (1935) there were only seven people, including Mr. Caspar, in the Sales Department in the New York office, plus one each in Boston and Philadelphia.

The total number of people in Great Northern's sales force remained the same from this point through World War II, although there were some changes in faces. After the war, the Company's sales force was gradually augmented, but the Department as it is now constituted was not organized until 1952, when Mr. M. C. McDonald became President.

In 1952, the Sales Department had a Manager and two Assistant Managers, six salesmen and about 16 office employees. The Chicago office was opened in 1955; the present Boston office in 1958; and a Cincinnati office in 1960 (it was closed in 1964). The Washington office was opened in 1960.

In 1958, Robert A. Haak, then Vice President-Product Development, was named Vice President and Manager of Sales. When Mr. Haak was elected President in January, 1966, Mr. Staples replaced him as head of the Sales Department. Great Northern's New York office was moved from 342 Madison Avenue to 522 Fifth Avenue in 1961.

WHO'S NEWS

PERSONNEL CHANGES

In the Sales Department, effective June 13, IRVING P. PHELPS was promoted to New England Regional Manager-Newsprint Sales. Mr. Phelps came with the Company in November, 1953, and, for the past eight years, has been salesman in charge of the Boston Office.

CHARLES M. SHEAFE, effective June 13, was promoted to Southern Regional Manager-Newsprint Sales. Mr. Sheafe joined Great Northern in November 1947, and, for the past six years, has been salesman in charge of the Washington Office.

In the Central Engineering Department, effective May 1, WARREN B. METCALF was promoted from Senior Engineer to Electrical Design Engineer.

CALEN M. LANDERS, effective May 1, and CHARLES J. ROBERTS, effective June 1, were promoted from Junior Engineers to Engineers.

In the Woodlands Department, effective April 1, EUGENE L. PUTNAM, was promoted to Assistant Superintendent of the Division of Forest Engineering. Gene, a University of Maine Forestry graduate, joined Great Northern in February, 1957, and, since March 1962, has been a Supervisor in Forest Engineering.

GEORGE R. GODIN, effective May 1, was promoted from Secretary to the new position of Supervisor-Leases and Stumpage Agreements, Division of Forest Engineering.

EDWARD E. CHASE, JR., effective May 1, was promoted from District Forester to Assistant Superintendent. Ed will be located in Ashland and will report to N. W. Sutherland, General Superintendent of the Aroostook Area.

HARALD CLYVE, effective May 1, was promoted from Supervisor of Contract Logging to Assistant Operating Superintendent-Aroostook Area.

At the Southern Division, effective June 1, CARY V. GODWIN was promoted from weekly to monthly status as Computer System Specialist.
DONALD E. DAVIS, effective June 1 was promoted from Design Draftsman to Material and Cost Engineer.

In the Research Department, effective June 1, GEORGE W. LEVENSALOR was promoted from Research Technologist to Senior Development Technologist.

NEW EMPLOYEES

PETER F. YACAVONE, a native of Hartford, Connecticut, has been appointed to the position of Assistant Controller. Mr. Yacavone graduated from the University of Hartford in 1950 with a Bachelor of Science degree in Business Administration. He is presently a Manager with the international firm of Price Waterhouse and Co. where he has had twelve years' experience in public accounting. He will assume his duties with the Controller's Department in July.

WILLIAM H. DAVIS joined the Southern Division on June 6 as Senior Mechanical Engineer. Bill graduated from Georgia Tech. in 1956 with a degree in Mechanical Engineering, and also has his Master's degree in Business Administration from Harvard University. He has been employed with West Virginia Pulp and Paper Co., Hudson Pulp and Paper Co. and, most recently, with Albermarle Paper Mfg. Co. at Roanoke, Va.

ERNEST B. HARVEY, III, effective June 1, joined the Woodlands Department in Maine as a Forester. He received his Master's degree in Forestry from the University of Maine earlier this month.

WESLEY A. NASH joined the Central Engineering Department, Mechanical Design Section, on June 6 as a Mechanical Engineer. Wes, a resident of Lincoln, Maine, has just received his Bachelor's degree in Civil Engineering from the University of Maine.

M.S.F.A. ABIDI joined the Analytical Research Group as a Junior Research Chemist on June 1. He is originally from Lucknow, U. P. India, and received his M.D. degree in Chemistry at Panjab University in West Pakistan. He came to the United States in 1961 and received an M.A. degree in Chemistry at San Diego State College in 1963. He has also done work towards a doctoral degree at the University of California in Santa Barbara.

The Company has announced the appointment of ALVAH CROCKER as a full-time consultant to its executive staff. Mr. Crocker will be located in the New York Office and will report directly to the President.

Upon graduation from Harvard Business School in 1934, Mr. Crocker became associated with Crocker, Burbank & Co., Inc., paper manufacturer. He was President from 1959 until the firm was merged with Weyerhaeuser Co. From then, until his early retirement in June of this year, Mr. Crocker served as President of Weyerhaeuser's Paper Division.

Quite a record—don't you think?

... .On June 20, 1966, Traffic Manager F. R. KEENAN will have 48 years of service with the Company. He is at the top of the seniority roster of salaried employees, and is surpassed by only a very few in total years with the Company.

The knowledge of the world is only to be acquired in the world, and not in a closet. - Philip Dormer Stanhope Earl of Chesterfield 1664-1773.
Water storage in the Maine West Branch storage reservoirs has reached 30.7 billion cubic feet, which is 54% of full storage capacity and 4.3 billion cubic feet more than last year at this time.

Precipitation for the month of May to date has been only slightly below normal. However, below normal precipitation during April when the snow cover melted rapidly has changed the storage outlook. It is now anticipated that storage on July 1 will be somewhere in the order of 12 billion cubic feet below rule curve, which would be roughly 40.0 billion cubic feet or 70% of total storage capacity.

Even with this less optimistic outlook, adequate water should be available to continue full production; but all auxiliary sources of power will be needed unless the water situation improves considerably.

Savings in Dollars and Cars was the result of the new incentive rail freight rates on Newsprint about which we advised in the April Newsletter. These new rates, effective March 31, 1966, are subject to minimums of 100,000 and 120,000 lbs. per car. Actual performance during period March 31 through April 30 resulted in not only freight dollars saved for transportation but additional benefits to the Company and to the railroads. Sixty-one percent (61%) of our Newsprint tonnage was loaded to the required weight level. This resulted in a savings of 316 fewer cars required for our Newsprint loadings during the period.

Average Newsprint carloadings (non-incentive loaded) in April was 57,440 lbs. Those cars loaded to the new higher minimums averaged 121,400 lbs. each.

To achieve these savings required and received cooperation from Manufacturing, Sales and Mill personnel which the Transportation Department fully appreciates.

Most of these heavy-loaded shipments moved in 5-foot Cushion Underframe equipped cars which will produce a better outturn condition for more of our paper at the Consignees' plants. This, coupled with Transportation Department Damage Prevention Programs, will help to further augment our goal of better satisfying customers' needs.

Studies are progressing to expand the use of these rates for additional customers who purchase in sufficient quantities to utilize the many advantages of "Incentive Loading."

What is Early Retirement would be a good question to put to 38 employees who retired from the Company's Maine operations during the year ending May 1, 1966. Two of the retirees are proud holders of 49-year service records, 22 have service records of more than 40 years each, and average service for the 38 retirees is 35½ years.

The 38 retirees were amongst approximately 300 people who attended the 11th Annual Retirees Banquet at Millinocket on May 12. Following the dinner, the retirees were shown a slide program of Great Northern's operation at Cedar Springs, Georgia, and heard remarks from former President, M. C. McDonald, and guest speaker, J. H. Heuer, Vice President of Operations.
Emphasis on research may sound like a pretty dull subject to the average employee, but the efforts of our research people are not directed toward 'average' problems.

State laws have set the date when the waste (sulfite spent liquor) from the Millinocket sulfite mill can no longer be discharged into the Penobscot River. Management is looking to the efforts of our research group for the answer.

The most promising approach is recovery of the sodium by the Pritchard-Fraxon ion exchange process followed by evaporation and burning of the organic material.

Two truckloads of the liquor (sulfite liquor, that is) were run through a Pritchard Pilot Plant in New Brunswick in early May, and the trial showed that most parts of the sodium recovery process worked well. But, there is the major problem of evaporating the deionized spent liquor, as it is extremely corrosive—-even to most corrosive resistant metals.

What happens when you shorten the interval between sulfite digester cooks, or when you add another digester? The Pioneering Research Group, has been getting answers to these pulp mill operating questions by simulating the situations on the IBM 1440 computer.

Each situation is run for the equivalence of a few days and the outputs compared. The initial runs use the conditions and restrictions of the change so that results can be checked against normal mill experience. The simulation includes the normal time variation that is usually experienced in each operation. It is because of this normal time variation that misleading results are obtained from "simple" calculations, while simulation comes closer to actual experience.

A new papermaking aid... Several orders have been made recently on No. 1 and No. 2 paper machines at Millinocket with PKT in the furnish. PKT is a new high brightness-high opacity mineral filler marketed by DuPont. It is similar to regular anatase titanim dioxide in brightness and opacifying properties, but PKT has the added advantage of a fibrous body. Because of this fibrous structure, PKT has a better distribution throughout the sheet which improves both its retention and optical efficiencies. The main areas of use have been in special lightweights requiring higher than normal opacity and brightness, and in offset sheets requiring high brightness with a minimum ash level.

U. S. Patent No. 3,244,971 with 15 claims allowed, was recently issued to A. J. Thompson of the Pioneering Research Section for the on-machine, continuous caliper profiler. In the meantime, new instrument hardware is arriving which will allow for completion of the installation at the Millinocket Mill.

Thirty-two students from Beal Business College, Bangor, Me., visited at Millinocket on April 29. Their main interest was in the Data Processing Department; they also toured the Millinocket, Mill.
Millinocket Mill. . . The new medium density sulfite storage tower was started up on April 19. This system consists of a tile lined tower 95' high with agitators and high pressure dilution nozzles at its base; high density supply, and dilution pumps.

The tower system is designed to take stock directly from the sulfite washers at medium consistency (12% bone dry) and provide 70 tons of storage to even out system surges. As the tower is emptied, stock is diluted to 3.0% consistency in the agitated zone of the tower base.

Use of this tower, along with hot stock screening, will eliminate the need for existing sulfite Jonsson knotters, Cowan screens, and gravity deckers. The tower also has a reverse taper that will permit future operation as a high density (25% bone dry) bleach tower for sulfite pulp.

Foils on No. 1 paper machine? Webster describes 'foil' as being synonymous with 'frustrate.' But it is not so with the 7-unit Wagenknecht foils that are arranged in a box fashion for the purpose of speeding up drainage over a short space of the fourdrinier wire length, or with the 3 Beloit arc foils that are installed immediately adjacent to the forming board for the primary purpose of promoting a "graduated drainage" from breast roll to first flat box. The foils are blade skimmers, with adjustable or predetermined angles of contact with wire, that replace table rolls. They have proven extremely efficient in the control of fourdrinier drainage problems; and on a future shutdown of No. 1 machine, 5 more Beloit arc foils will be added to the 3 that are already installed.

The annual pile-out of peeled softwood was started on April 25. The piling operation is being slowed by low barking rate of green wood and limited capacity of the woodroom, as well as the high consumption of wood due to capacity mill operations.

East Millinocket Mill. . . The mill has been plagued with boiler problems beginning with outages of both No. 1 and No. 2 units on April 13 for repairs to leaks in water-wall tubes of each boiler. No. 2 was off the line again on April 27 for tube repair and acid cleaning, and had only been back in operation for a period of about 3 hours on May 3 when a third failure resulted in a 2-hour mill shutdown. The boiler has been subjected to complete acid cleaning and thorough inspection of sludge removal. The acid cleaning loosened the scale, but the accumulation over a long period made it necessary for each boiler tube to be individually washed. The work was completed on May 13, and the boiler is now back on the line in satisfactory operating condition.

Even with boiler problems, the organization at East has not rested on their past production laurels. During the 4-week period ending May 15, No. 2 machine established a new 24-hour record of 104.2 tons. The six machines established a new weekly record of 7,890.3 tons and a new period record of 30,463.2 tons.

In addition to six high-density polyethylene suction box covers, No. 3 machine will soon be equipped with a forming board in which polyethylene strips have been installed. The polyethylene installations, plus a rubber covered breast roll and a rubber covered couch, are all a part of the continuing attempt to increase wire life.

No. 1 machine has also been equipped with six of the polyethylene suction box covers.

North Twin Power Station started producing power on April 5 with one generator after having been off the line since August 7, 1965, due to low water conditions. All three units are now on the line with output averaging 3,000 KW. This is about 40% of the station's rated 7,000 KW output.
WOODLANDS NOTES

Upward movement in the cost of Maine pulpwood... Effective April 1, 1966, it was necessary for Woodlands to up their price schedule by $1.00 per rough cord over what it was on October 1, 1965. This represented the first increase in ten years to independent wood producers. A 'dollar' in itself is a trivial sum of money today. But, compounded against current annual requirements of some 800,000 cords, better than 50% of which is independently produced, it becomes a tidy sum of money to both Great Northern and the producers.

The April 1st price increase is even more significant in view of the commendable record of stable wood costs that the Woodlands Department has maintained over the past ten years. In fact, wood was delivered to the mills in 1965 at a lower cost than it was in 1955. This was basically due to mechanization which increased wood production and lowered manpower costs, and to favorable supply and demand conditions. However, the picture changed rapidly in 1965. Idle machines went back into production, major expansion programs were gotten underway in Maine by International Paper, St. Croix, St. Regis and other companies and unemployment statistics disappeared from the headlines.

Also, as a condition of retaining bonded labor, the Government insisted that effective October 1, 1965, all cutters be paid an additional 50 cents a cord for use of their chain saws. Further costs have been incurred in the shift to year-round green wood at the Millinocket Mill. Piled-down wood at up-river sidings, rather than at the mill, has to be rehandled; and all-weather gravel roads have replaced frozen winter roads. Increases in Social Security and Workmen's Compensation have also added to the cost of wood production.

With these adversities, it becomes a real challenge of the Woodlands Department to meet the increased wood requirements of the two Maine Mills and maintain a record of stabilized cost equal to that of the past.

The loggers training school that was scheduled to open May 23 has been postponed due to lack of candidates. The opening will be rescheduled for a later date if candidates are available; but with employment in Maine at the highest level it has been since 1944, plus a high level of military calls, there are few young men left to seek such training opportunities.

Woodlands announced, effective Thursday, May 19, a schedule of road-use fees for travel on certain Company roads in Maine. Toll gates will be located at 20 mile on the Pittston Farm Road; at Telos, Elbow and 7 mile on the Realty Road; and on the Fish Lake Road. Schedule of fees has been established covering autos with or without boat trailers and special fees for pickup campers or mobile house trailers. Company employees with proper identification will not pay a road usage fee unless they are using a camper trailer or pickup camper. There will be no charge for use of any roads in the immediate Millinocket area. Due to extra width operating equipment using the Fish Lake Road, it may be necessary to close this road during working hours. All other roads will remain open for the season except that, as in the past, they may be closed due to fire hazard. Further information for the benefit of Company employees will be posted on bulletin boards. The cooperation of all Company employees will be appreciated.

Cutting crews in Maine have been established in all the Aroostook County camps, but heavy snow cover in the dense woods and plenty of mud in the open areas have had an unfavorable effect on yarding operations. It is hoped that conditions will improve to the extent that initial experience in high labor turnover and low production can be eliminated by the first of June.

The Maine River Drive is underway... Although everyone would be happier with ten more feet of water behind Ripogenus Dam, wood has been sluiced through Big Bog and Canada Falls dams; and the 'William Hilton' towboat has taken booms of wood across Chesuncook Lake.
Woodlands safety banquets, a custom of long standing, have recently been held in honor of foremen and employees who went through the operating season without a lost-time accident. The first banquet, honoring Ken Bartlett and his crew, was held at Fort Kent on April 28. This safety honor was a 'first' for Ken in his long career with the Company, and he expressed his appreciation with a real enthusiastic speech in French. In addition to local supervisory personnel, the Employers Group was represented by Ed Walls, Regional Superintendent, and Art Allen, their Safety Engineer.

A banquet honoring W. Caouette, P. Paquet and their crews was held at St. George, P.Q. on May 5. This was the first time for Phil Paquet and his crew to be honored in this manner but was the second time for Willie Caouette. Ralph Clifford, Manager of Woodlands, represented the Company, and the Employers Group was represented by Arthur Allen, Safety Engineer and J. A. Concannon, Regional Engineering Superintendent.

Woodlands' employees in the Millinocket area were honored with a banquet on May 19. This group was previously honored in 1960; and in both instances, a lot of credit has been due Superintendent Bartley and his supervisory staff and crew, as much of their time is spent on real hazardous work. Congratulations were extended to the group by John T. Maine, Vice President of Woodlands, and W. A. Simonson, Regional Manager for the Employers Group.

R. W. York, Training Director, participated in a panel discussion at the annual meeting of the Maine Forest Products Council in Lewiston on April 14. Discussions were centered on shortage of skilled manpower and approaches that should be taken to enhance the image of a vocation in the forest products industries.

The Townsite Department has completed a sale of land adjacent to the Millinocket Foodliner on outer Central Street to Rosenthal Investments, Inc. of Waterville, Me. Work is now underway to complete the construction of a small shopping center which will include the Foodliner, a W. T. Grant Department store with an area of 32,000 square feet and several smaller establishments. It is expected the Grant store will be ready for occupancy in the late summer.

Eighty-six school representatives comprised of high school principals, science teachers and vocational guidance directors from 13 high schools attended a dinner program sponsored by the Great Southern Division on April 26. Guest speakers included W. B. DeVall, Head of the Department of Forestry at Auburn University; J. G. Wolford, Director of Co-op Courses at Georgia Tech.; J. R. Parker, Professor of the School of Forestry at the University of Georgia; F. Vandegrift, Asst. Director of Engineering Extension Services at Auburn University; and R. Smith, Executive Secretary of N. Carolina State Pulp and Paper School.

The program was received with much enthusiasm, and it is tentatively planned to continue it in the future on an expanded yearly basis.

Diamond Jubilee Special is the name given to an 18-car showcase that the Bangor and Aroostook Railroad assembled in commemoration of its 75th Anniversary. The 'Special' began a 3-week tour of Eastern and Northern Maine on May 17, and was at Millinocket for a full day of open house on May 19. A Maine Products car with displays of products served by the railroad includes a Great Northern exhibit. Another interesting car is one of the new Cushion Underframe boxcars which serves as a B & A Museum of their railroad history in Maine. In addition to adults, some 12,000 school children are expected to visit the 18-car showcase before completion of its run.
Twenty-four students and three instructors from the State University College of Forestry, Syracuse University, N. Y., toured both the Millinocket and East Millinocket Mills on May 9. Great Northern was selected as the point of interest for this student body when they made their last New England tour in 1962.

Apprenticeship Council appointment... W. L. Adams, Personnel Supervisor at Millinocket has been reappointed by Governor John H. Reed to serve a second 2-year term as an industry member on the State of Maine Apprenticeship Council.

An Executive Computer Concepts Class that is to be held in the IBM Educational Center in Boston from May 23 through May 27 will be attended by W. O. Wagner, Manager of Administrative Services.

Speaking Engagement... John B. Rogers, Director of Personnel Administration, delivered the keynote address to approximately 35 members of the Paper Industry Management Association attending a "Management by Objective" Seminar at the University of Maine on May 4. Mr. Rogers' address, entitled "The Pace of Modern Business," explained how the increasing tempo of modern business plus the decreasing number of men in the critical 35-44 age group will deplete the reservoir of executive talent unless business recognizes the need to increase the supply of trained management personnel.

TAPPI Coating Conference held at Chicago May 9-12... R.V. Osborn, Technical Executive Assistant, chaired the first session of the technical program; and H. P. Gore, Coating Research Group Leader, discussed the problems caused by variations in coating viscosity and how Great Northern has minimized these problems by use of the gamma ray solids meter, an expanded temperature control system, and a slimicide addition program.

R. F. Bartlett, Budget Analyst, was the speaker at the May 16 meeting of the National Association of Accountants held in Bangor. Bob's topic was "Establishing a Flexible Budget" and he discussed some of the major problems and solutions which arise in budgeting.

New Yorkers on the move... Company organization changes have produced an influx of new faces in the New York Office; and in the process of accommodating the newcomers, everyone has gone through a course in the 'art of mobility." However, the 'practice' is over; and each department can look forward to a permanent little niche at the Company headquarters in the Morgan Guaranty Trust Building at 522 Fifth Avenue.

The entire sales organization consisting of Newsprint Sales, Commercial Sales, Export Sales, Order Processing and Sales Service is now occupying the full 8600 square feet of space on the 20th floor of the building. Their departure from the 19th floor has left 1300 square feet of floor space to be occupied by the Chairman of the Board, the President, five Vice Presidents, Market Research, Transportation, Advertising and their respective staffs.

Great Southern Golf Association... a tournament held at the Blakely Town and Country Club on May 7 was won by newcomer, John Harper, Assistant Woodlands Manager.

A friendly game of golf is what Tour Foreman Billy Sprague and Storeroom Supervisor Howard Pugh of the Southern Division presented as a challenge to Messrs. Bruce Ellen and Bill Lloyd. The challenge was accepted on April 22; and at the end of twelve holes, Mr. Ellen and Mr. Lloyd were leading by more than 20 strokes. The final score is being held in strict confidence by Messrs. Ellen and Lloyd, as their opponents were afflicted by "sun in my eyes," "darndest hail storm you ever saw," "camels on the course" and numerous other adverse factors that aren't ordinarily encountered at mid-day, in fair weather, and on a level course.
The Townsite Department originated on November 1, 1899, when a townsite plan for the Village of Millinocket was recorded in Penobscot Registry of Deeds. In December, 1899, the first deed was issued and the Grantees were Francis LePage of Berlin, New Hampshire, and King Bishop of Ashland, Maine. Lot 3, Block 27, was conveyed to them for a barbershop; and it is now a portion of the land upon which the Millinocket Bowling Center is situated.

In 1901 the Town of Millinocket was incorporated. The average town in Maine is six miles square; but the Act creating the Town included only about twenty-five percent of Township Number 3, Indian Purchase. Had the entire Township been included, Norcross and Big Smith Brook Pond would both be within the town limits.

In order to facilitate the sale of lots, the Directors voted that portions of about sixteen town lots would make up the Great Northern Townsite within the Town of Millinocket, and the President was authorized to sign deeds for the sale of land in that area. In 1956, due to expansion, parts of eight additional town lots were added to Townsite.

George W. Stearns was designated as Land Agent for the Company, and he held office until 1930. At that time, due to ill health, he gave up the duties which were then taken over by Mr. Bryan Seelye. Mr. Seelye continued as Townsite Manager, as well as performing other duties, until his retirement on December 31, 1955.

Meanwhile, in 1907 a portion of Township A, Range 7, was incorporated as the Town of East Millinocket; and Great Northern set up a portion of it as a Townsite. Mr. Stearns thereupon became Land Agent of East Millinocket as well as Millinocket. The first deed at East was issued to W. O. Cookson and C. H. Robbins on June 1, 1907. It conveyed Lot 2, Block 35, on Pine Street for residential purposes.

From December, 1899, to April 28, 1966, approximately 1,758 deeds have been issued at Millinocket; and from June 1, 1907, to April 28, 1966, approximately 673 deeds have been issued at East, for a total of 2,431 conveyances in the two towns. After World War II and from July 10, 1947, to date, approximately 793 deeds have been issued at Millinocket and 354 at East for a total of 1,147. From January 1, 1956, to date, at Millinocket 434 deeds have been issued and at East 208 for a total of 642.

The Townsite Department has control over all land of the Company in the Millinocket and East Millinocket townsites as well as certain lands in Medway, Woodville, and Mattawamkeag. The Department offers assistance to the above-mentioned towns in their affairs and generally offers the cooperation of Great Northern in all municipal matters. The Department is the "Landlord" in respect to the Guest House and the Mill Managers' homes in the two towns. It has jurisdiction over the Hathaway Farm at Medway, the Ross Waite Farm in Woodville and the Ripogenus Village at Ripogenus Dam. In addition to selling land for residential and commercial purposes, the Department also leases land for gardens, lawns, garages, warehouses, and other purposes.

John F. Ward, Clerk of the Corporation, has been Townsite Manager since January 1, 1956, having previously served as Assistant. Mrs. Louise G. Passmore makes up the "office force." She worked with Mr. Seelye on Townsite matters since 1930 along with other duties. The Department formerly had one assistant at Millinocket and one at East.

At the present time, expansion plans are underway in Hillcrest, Section D, Millinocket, whereby the Town will build additional streets and install sewers. Water will also be installed, and it is hoped that by September 1, 1966, sixty-seven additional residential lots will be accessible for sale. In the near future and perhaps in 1967, it will no doubt become necessary to provide additional residential lots at East Millinocket.
PERSONNEL CHANGES

In the Sales Department effective May 1, JOHN A. PINTARD was transferred from Newsprint Sales in the Washington Office to Commercial Sales in New York. John will report directly to W. E. Cozens, Manager of Commercial Sales.

In the New York Office, Miss ELIZABETH CENTER, Administrative Supervisor, has assumed the administrative-clerical responsibilities for all departments of the New York Office, including branch sales offices. She is responsible for the coordination of secretarial and clerical staffs of all departments, and reports directly to Robert Hellendale, Vice President and Secretary.

At the Southern Division, effective May 1, DAVID M. MERCER was promoted from Draftsman to Design Draftsman in the Plant Engineering Department. Morris joined the Southern Division prior to plant startup in 1963.

At the Millinocket Mill, effective June 1, BRUCE C. AMM, Control Engineer, assumed the position of Area Engineer - Coater Operation. Bruce joined Great Northern in September of 1962.

In the Woodlands Department, effective May 1, ORVILLE TRIPP, Ashland, Maine, was promoted to Superintendent, Aroostook District, working under the direction of General Superintendent, Newcomb Sutherland. Orville came to Great Northern as a forester in 1952; and for the past ten years, he has held the position of Assistant Superintendent.

NEW EMPLOYEES

TOMMY L. SURLES, III joined the Southern Division on May 2 as Analytical Chemist in the Technical Services Department. Tom graduated from Georgia Southwestern College in 1964 with a B. S. degree in Chemistry. His former place of employment was Southern Nitrogen Company at Savannah, Georgia.

GUY A. PALMER joined the Southern Division as a Process Engineer in the Technical Services Department on May 2. Guy graduated from Auburn University, Auburn, Alabama, in 1963, also with a B. S. degree in Chemistry. He was formerly employed as a Process Engineer with the Georgia Kraft Company in Rome, Georgia.

J. TIMOTHY SAMWAY joined the Commercial Sales Department in New York effective April 16. Tim is no stranger to Great Northern. He is a native of Bangor, Maine; and prior to graduating from Merrimac College at North Andover Mass., in 1963, he spent one season in the Summer Apprentice Program at Millinocket. His former employment was with the H. Waterbury and Son's felt company in Waterbury, Connecticut.

RESIGNATIONS

ROBERT A. KNIGHT, Mechanical Foreman in the Maintenance Department, Southern Division, resigned effective May 15, to accept a position with Georgia Kraft Company.

CARROLL FISHER, Junior Engineer in the Central Engineering Department resigned May 13 to accept a position with Tileston and Hollingsworth Company at Hyde Park, Massachusetts.

EDGARS TRETMANIS, Engineer in the Central Engineering Department, resigned on May 20 to accept a position with the Brown Company at Berlin, N. H.

R. A. JORDAN, Chief Engineer of the Central Engineering Department, resigned May 19 to accept a position with St. Regis Paper Company at Bucksport, Me. D. O. NELDER, Paper Mill Design Engineer, has been promoted to Acting Chief Engineer.

WE PROMOTE... and we hear about it too! In the April issue, we inadvertently promoted Messrs. J. Paul DeMarrais and George L. Nystrom to full-fledged Managers of Commercial Sales. We were informed by Mr. W. E. Cozens, the Manager of Commercial Sales, that Messrs. DeMarrais and Nystrom are Regional Managers of Commercial Sales in the geographical areas of their new assignments.
"GNP Reports 43% Increase in Earnings". In making this announcement on April 19, Peter S. Paine, Chairman of the Board, stated that earnings for the 24-week period ending March 20, 1966, rose to $1.87 per common share from $1.31 during the comparable period last year. Sales totaled $55,672,854 and were up 9% over the corresponding period of last year.

Better operating efficiencies resulting from the Company's capital investment programs have helped the higher earnings; but as pointed out by Mr. Paine, increased volume from near capacity operation of the three mills and the price improvement in coated papers and linerboard have also been contributing factors.

Pension Plan Renewed. Representatives of the Company, Local Unions and International Officers met in Bangor on April 7 and 8 and reached agreement on renewal of the Union Pension Plan for a 3-year period beginning May 1, 1966.

West Branch water storage is now 9.9 billion cubic feet, or 17.3% of full storage capacity. Last year at this time, storage totaled 12.1 billion cubic feet, or 21.2% of capacity.

Since the first of April, the runoff has been adversely effected by cold nights and a lack of precipitation. However, with a few warm days and some rain, the situation could change rapidly.

Reduced rail rates on newsprint became effective March 31 from mills in Maine to destinations in Official Territory (North of the Ohio and East of the Mississippi River). These so-called "incentive rates" are based on minimum loads of 100,000# in a forty-foot car and 120,000# in a fifty-foot car. The new rates are approximately 15% below the basic rates for the normal 40,000# minimum load.

To load these new minimum weights, large rolls must be double decked; and while substantial tonnage is being loaded in this manner, it can only be done to customers with the proper unloading facilities.

The East Millinocket Mill, where better than 90% of our newsprint is produced, is complying wherever possible by utilizing the hydro-cushion underframe cars for the 120,000# minimum loads; and as rapidly as customer clearance is obtained, these loads will be going forward to more and more destinations.

"Our THANKS to each of you". is the message from the Transportation Department for the cooperation displayed in overcoming the many difficulties and problems connected with going to the 'big loads.'

Rail Strikes on various railroads around the beginning of the month resulted in some delay at the Maine mills on inbound materials such as clay and soda ash. However, substantial inventories carried the mills through until service returned to normal. Sufficient empty cars were also available for loading.
Paper production for twenty-eight weeks ended 4/17/66. . . .

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New Production Records. . . . The Cedar Springs Mill established its second world production record for a single paper machine by averaging 1017.0 tons per day for the 31 days of March. The St. Regis machine at Jacksonville, Florida, formerly held the world monthly record of 1013.0 t.p.d.

For the 4-week period ending April 17, the 'big' machine averaged 1007.1 t.p.d. The previous 4-week record was 994.3 t.p.d.

The two Maine Mills combined established a new 7-day record of 2006.3 t.p.d. for the week ended April 4. The previous record was 1991.6 t.p.d.

The East Millinocket Mill averaged 1117.4 t.p.d. for week ended April 4, which cancels out the previous high of 1105.6 t.p.d.

A Guest House at Great Southern . . . Recognizing the need for these accommodations at the Southern operation, the Company purchased an 1100-acre farm tract on which was located a one-story house and an adjacent bungalow. The house has been completely renovated to accommodate eight overnight guests, and the bungalow is serving as living quarters for the caretaker and housekeeper (man and wife).

The House is located about four miles from the mill. Surrounded by trees, it sets back some two hundred yards from the paved highway leading from Suffold to Cedar Springs. Excluding property immediately adjacent to the Guest House, the farm acreage is under jurisdiction of the Woodlands Department for whatever use that is deemed most advantageous to the Southern operation.

Supervisory Training. . . . April has been a month of feverish activity for the Training Department. On April 7, a one-day session on Supervisory Development was conducted for members of the Maine Woodlands Division. Present at the seminar were the supervisors who have the responsibility of getting the wood to the mills. These men also attended a week-long training session at the Jo-Mary cutting operation.

A second two-day Supervisory Seminar was held at the Heritage Motor Inn at Millinocket on April 12 and 13. There were thirteen supervisors attending representing both Northern mills and the Central Stores Department.

Success of these seminars at the Northern operations prompted the decision to extend them to the Southern Division. During the week of April 18, two sessions were held at the Holiday Inn in Dothan, Alabama with thirty-six Great Southern supervisors taking part.
MANUFACTURING NEWS

Millinocket Mill...A two-week period of reverting to acid sulphite pulping has re-confirmed the advantages of the bisulphite process. Investigations conducted during the two-week period by Control Departments at the two Maine mills substantiated the original Research and Development studies that bisulphite pulp is superior to acid sulphite in mullen, tensile, tear, stretch and brightness. Also, paper machine and coater operating efficiencies are higher with the bisulphite. World sulphur continues to fall short of world requirements. However, the increased requirement resulting from our conversion to bisulphite pulping were recognized in advance, and arrangements were made to protect existing production capacity against a foreseeable shortage. For the four weeks ending March 21 (prior to the 2-week reversion to acid sulphite), the Sulphite Mill established a new Period Record with production averaging 417.5 tons per day.

A minimum standard speed of 3000 feet per minute was established for the coater operation effective April 18.

Green end bands replaced the kraft colored end bands in the finishing process beginning April 14. The roll package now consists of a kraft colored body wrap with green end bands and, around the outside of the body wrap, a continuous roll-on-ink band to identify roll position, i.e. A-B-C-D or E position.

East Millinocket Mill...No. 3 paper machine has been fully equipped with six high density polyethylene suction box covers. Four covers were recently installed; and of the other two, one has been in operation nearly a year without having to be "dressed" or ground. The conventional wooden covers (Maple) have to be ground about every six weeks. Polyethylene covers are on (East Millinocket Mill Continued) order for equipping No. 1 machine. Also, a high density polyethylene lead strip on the forming board of No. 2 machine is being evaluated.

No. 5 machine was shut down for a 29-hour period beginning at 7:00 a.m., March 22, to replace the suction third press with a new Beloit Venta-Nip press capable of 350 pounds nip pressure per lineal inch of roll width. The Venta-Nip press has operated without incident since startup; and press tests of sheet entering the dryer, from the installation, are consistently 2% drier than from the suction press. The machine is currently operating at or above its rated speed of 2500 f.p.m.

♦♦♦♦♦♦♦

Great Southern ranked seventh in 1965 with best improved safety record in the entire Southern industry...This improvement was revealed at a meeting of the Southern Pulp and Paper Safety Association at Beaumont, Texas, on April 4, 5, and 6, which was attended by Mark Holt, Industrial Relations Assistant at Cedar Springs.

In 1965, the plant had six lost-time accidents and a lost-time accident frequency rate of 6.11, as compared to eleven lost-time accidents and a frequency rate of 11.79 in 1964.

"Fifty Million Dollar Expansion Program in Progress at Great Southern" is the title of a feature article in the "Dothan Eagle" at Dothan, Alabama, on April 25. The story traces the history of the Southern Division from the time of startup in the Fall of 1959. It points out the factors influencing the decision for locating at Cedar Springs, details the present expansion program, and comments on the favorable effect its operation has had on the economy of Early County and the surrounding areas.
New Look for Old Landmark.

Viewed from the outside, the Administration Building in Millinocket is easily recognized as the same building of fifty years ago—rugged brown brick soon to be covered by lush, green vines. The interior however has been reconstructed numerous times, but never to the degree of the renovation nearing completion.

Following months of planning, actual work began in the basement area on August 2, 1965. Offices were built for the Transportation Department which moved from Bangor later in the month. Next came the ground floor where a new rear entrance/lobby was constructed. The heating and plumbing systems were overhauled and offices were relocated throughout the building. Fluorescent ceiling fixtures have replaced the antique, hanging globes, and floor and ceiling tiles installed where required. By far the greatest improvement has come from the use of gay, daring colors on all walls. The familiar "Great Northern green" is no longer.

Frank Bowler, the Company's Chief Engineer until 1951, personally designed the Administration Building. Construction began in 1912 and was completed the following year. The basement was used for storage until the 1920's when a section was converted into pulp testing laboratory for the Bureau of Economy (now Research and Development). The east wing of the ground floor was designed and served as a drafting room until just prior to the East Millinocket expansion when the Engineering group temporarily leased a building off Company grounds.

For many years, the major thoroughfare to Millinocket Mill was through the Timekeeper's Office in the west wing. Also located here was the Conference Room where Annual Stockholders Meetings were held until 1962.

The second floor west wing was built as a laboratory. In 1928 when the Spruce Wood Accounting Department moved from Bangor, the entire floor was turned into office space. The third floor storage area also was converted into offices in 1948 with much difficulty because of the building's architectural structure. At this time, the laboratory was reconstructed on the second floor.

Since the opening of the E & R Center in 1962, the Administration Building has been occupied for the most part by members of the Financial Division.

Great Northern People Participate in Sixteenth Open House - Research Day Program of University of Maine Pulp and Paper Foundation.

On the second day of the program, April 22, J. H. Heuer, Vice President of Operations, represented the Company as a member of the panel from industry that discussed Summer Placement with Fifth Year Students. In commenting on the high priority that Great Northern places on its Summer Employment Program, Mr. Heuer mentioned that prior to merger of our Southern Division the Company had 190 degree employees of which 95, or exactly 50%, were University of Maine graduates. The merger of the Southern Division added 30 degree employees to Great Northern operations.

Mr. Heuer also spoke to the group of secondary school teachers whose attendance at the Annual Open House Program is sponsored by Foundation members. He emphasized the important link that they represent in the line of communication between our youth and higher education, and outlined the financial assistance in the form of scholarships and grants that is available to students who are interested in preparing for careers in the pulp and paper industry.

Great Northern's Corporate Advertising Program has just been cited in the Saturday Review's 14th Annual Award for Distinguished Advertising in the Public Interest. The Campaign began last November in Business Week, Newsweek (Eastern edition), and Time, (East-Central edition).
WOODLANDS NOTES

Woodlands closed out its 1965 pulpwood production year in Maine on March 27. . . . Total production of softwood amounted to 590,000 peeled cords, which is 4½% more wood than the 565,000 cords estimated when plans were made a year ago. In addition to this softwood, a total of 26,700 cords of peeled poplar was also produced.

Plans for the 1966 cut are nearly complete; but being made at this time of year, they must be considered as tentative because certain adjustments will become necessary as the operating year progresses. During the 1966-67 operating year (April of 1966 through March of 1967), we expect to produce 645,000 cords of softwood and 70,000 cords of poplar, or a total increase in requirements of nearly 16% over last year's production. Converted to a rough cord basis, which is the way 90% of the wood will be produced, the total requirement is 822,000 cords; and this is only for the two Maine mills. . . . Cedar Springs mill will have an appetite for at least an additional half million cords!

Aroostook Operations. . . . Two jobs in Aroostook County, Maine, will be converted to tree length operations this year. The Beloit Harvester, the Beloit skidder, and nine conventional wheel skidders will be utilized on these two jobs. It is estimated that only 18 skilled woodsman will be needed in addition to the harvester and skidders to produce 40,000 cords of tree length logs and land it on bulldozed roads.

Two additional Aroostook camps will cut four-foot wood in the conventional manner. In order to try to get a head start in procuring available labor, the Aroostook camps will open early in May. There will still be snow in the woods, and certainly mud conditions will slow things down a little. But, the key to the year's production is manpower, and we want to get in first. The Pittston area has not been as hard pressed for manpower, so these camps probably will not open until early June.

Labor Supply. . . . As one Maine APA Forest Engineer recently expressed the situation - "one-third more production, with one-third less labor." Actually, the picture may not be that bad; however, we do know that Great Northern and most other Maine companies will require more wood this year. Maine is presently operating at nearly 100% of its full employment level. Defense industries in Maine, and out of state, are advertising for labor. Therefore, it can be conservatively stated that less skilled woods labor will be available this year than has been available in previous years; and certainly there was no surplus last year.

Hazards of Progress. . . . From the point of safety, mechanization of Woodlands camps this year will present a real challenge to the camp foremen and our safety supervisors. New skills must be taught so that tasks are performed safely. Old habits must be changed. Men will be upset; and being human, they will resist change. Foremen will insist on jobs being done the safe way, however; and our safety supervisors have been making their plans accordingly.

Logging Research. . . . Lester Hazelton, Logging Engineer, and Orville Tripp, Asst. Superintendent - Aroostook Area, attended a Forest Engineerinx Symposium held at West Virginia University on April 6 and 7. The Symposium revealed the range and extent of research in logging that is being conducted by Northeastern Forest Experimental Station and other agencies sponsoring the 2-day program.

The Big Maine Drive. . . . Superintendents Bartley and Nelson are geared up and ready to start the biggest river drive in years. While eagerly awaiting the familiar cry that "Ice is out," silent prayers are being said for some good rains.
Junior Achievement Activities have been stepped up because of the fast approaching close-out date. The two Junior Achievement companies in Millinocket and East Millinocket will close their books during the last week in April and the standard liquidation process will take place.

Miss Gail Hendsbee of East Millinocket recently attended the Best Salesman's Contest which was held in Providence, Rhode Island. Although she didn't win, Gail's pleasing personality and ready smile made new friends for her, and Great Northern, during the contest.

James Hamm of East Millinocket took part in the Young President's Contest which was held in Boston on April 14th. This unique contest is sponsored by presidents of corporations in the metropolitan area whose companies have grossed one million dollars or more. By the way, these presidents are all under forty.

Jimmy participated in the contest with six other Junior Achievement Company presidents from the New England area. Although he was one of the strongest representatives from this area to take part in recent years, Jimmy did not win; however, the judges reported that his showing was extremely favorable.

Newspaper Carrier Boys... The "Great Northern Paul Bunyan Club" program will be repeated again this year. C. D. Tiedman, Manager - Newsprint Sales, reports that 450 boys and chaperons are scheduled to participate this season, with the first group arriving at Millinocket on June 13.

Two new features have been added to the Great Northern Radio Hour in Maine. They are "Miracle Gardening Hints," and "Boating Tips." Each of the features is from forty to fifty seconds long and are seasonal in nature. They are conducted by recognized experts in each of the subject fields. It's hoped that more of these taped spots can be added to the Great Northern Hour in the future.

Future Foresters of America - (F.F.A.). For the fourth consecutive year, Great Southern has sponsored the Southwest Georgia F.F.A. Forestry Field Day. The contest was held on April 5 at Kolomoki State Park, Early County. It was won by the F.F.A. Chapter of Pelham High School whose team will represent Southwest Georgia in the overall competition later this month.

The F.F.A. program teaches the basic fundamentals of good farming and forestry. The field events consist of tree planting, selective marking, land measurement, log scaling, etc., and are designed to test the knowledge gained from classroom instruction by F.F.A. advisors.

Cash prizes were awarded to the first, second, and third place winners by James W. Richardson, Woodlands Manager, and Warren G. Garrett, Area Superintendent of Great Northern's Cedar Springs operation. At the close of the contest, participants were served a barbecued chicken supper, courtesy of Great Northern, which was prepared by the F. F. A. Chapter of Early County.

COMING EVENTS

The Annual Retirees Banquet will be held at the Millinocket Municipal Auditorium on May 12. Officers of the Company will welcome an expected attendance of more than 200 former employees with distinguished service records.

A Teachers Orientation Program will be sponsored by Great Southern on April 26. Principals, science teachers, and vocational guidance directors will be given a chance to become better acquainted with opportunities in the pulp and paper industry.
PERSONNEL CHANGES

In the Sales Department, HOWARD WILLETS, JR. has been promoted to the new position of Director of Marketing. Mr. Willets has devoted his entire business career to the sale of paper with Great Northern. Prior to this new assignment, Mr. Willets was Executive Director of Sales Development.

J. PAUL DEMARRAIS and GEORGE L. NYSTROM were promoted, effective April 1, to Managers of Commercial Sales. Mr. Nystrom assumes responsibility for all Commercial Sales effort in the Midwest Region, and Mr. Demarrais will serve in a similar capacity in the Company's Eastern Sales Region. Both men will report to the Manager of Commercial Sales.

WILLIAM L. SHAUGHNESSY, Commercial Salesman in the Chicago Office, will transfer to the New York Sales office effective May 1.

Effective April 1, ANTHONY M. SCOTTO, was promoted to the position of Export Traffic Assistant.

In the Central Engineering Department, HERMAN W. PETERSON was promoted to the position of Senior Design Engineer effective April 1, 1966. In his new position, 'Pete' will be responsible for all structural design, mechanical layout and process piping in the Mechanical Design Section, reporting to F. W. Lindsay, Acting Chief Design Engineer.

In the Controller's Department, ALMON L. MCCORDIC was promoted to the position of Systems Analyst effective April 1. Al was formerly Maintenance Programmer in the Data Processing Department. Effective May 1, WINSTON H. BROOKS, JR. is transferred from Cost Accountant to Budget Analyst; and FRED G. EATON is transferred from Systems Specialist to Cost Accountant.

At the Southern Division, effective April 1, FREDDIE F. DAVIES was promoted from Mechanic in the Maintenance crew to Mechanical Foreman. (Southern Division Cont. . . .)

BILLY JOE RAINES was promoted from an Area Operator "A" in the Power House to Acting Power and Steam Foreman. Effective April 18, JAMES ELLIOTT was promoted from Shift Operator in Technical Services to Senior Technician.

In the Purchasing and Stores Department (North), EUGENE D. FAIRLEY has been promoted from Administrative Assistant to Purchasing Agent effective April 1. A. E. Gourley, Purchasing Agent, will continue to be responsible for procurement and control of production raw materials, machine clothing, and packaging supplies. Gene will be responsible for liaison and coordination with Central Engineering and Plant Engineering at the two mills.

NEW EMPLOYEES

JOHN P. HARPER joined the Southern Division on April 4 as Assistant Woodlands Manager. Mr. Harper graduated from North Carolina State College with a B.S. degree in Forestry. He brings to Great Northern 16 years of experience with the International Paper Company.

ROBERT A. KELLY joined the Central Engineering Department, Mechanical Design Section, on March 28. Bob is from Caribou and a Freshman at Northeastern University, Boston, Mass. Under the Student Co-op Plan, he will alternate in thirteen-week periods between Great Northern and school.

RESIGNATIONS

E. JOHN WARD and JOHN J. DUNNE, Salesmen in Commercial Sales, resigned effective April 15. Mr. Dunne has accepted a position with Domtar and Mr. Ward with Fraser Paper Company.

GERALD K. JOHNSTON, Process Chemist at the Southern Division, resigned effective April 8. Gerald has accepted a position with the Oxford Paper Company at Rumford, Maine.
Newsprint Price Increase . . . . Rumors of a restoration of the $10 a ton price cut by West Coast newsprint mills in 1964 were confirmed on March 1 when these producers moved their prices back to the $134 contract base. Approximately one week later, two large eastern Canadian producers also announced a $10 increase, raising the contract base to $144. The amount of the latter increase was surprising to many, but in the ensuing week, a number of other East Coast producers made similar announcements effective April 1.

At Great Northern, it was felt that a price increase was overdue considering that the current price of $134 had been in effect for nine years. During that period, numerous increases in the cost of raw materials and labor rates had adversely affected the Company's profit per ton of newsprint. This attrition of profit was one of the reasons for the changes at the mills to make other grades of paper that would return a more reasonable return on investment. The Sales Dept. felt however that a $10 increase might produce an unstable situation, and on March 14 Great Northern announced an increase of $5 per ton effective May 1. On the same day, Kimberly-Clark announced a $5 per ton increase, and International Paper announced a $7 per ton increase. Since then the mills which had previously announced their $10 increase moved back to the $5 level. The Sales Dept. believes that our Company's move enhanced our position among the publishers, and numerous calls as well as letters were received commending us on our stand.

Additional Financing for Expansion . . . . The Company, on March 4, filed with the Securities and Exchange Commission a registration statement covering a proposed public offering of $10,000,000 principal amount of the Company's convertible subordinated debentures due April 1, 1991. The offering is expected to be made soon by a national underwriting group headed by Lehman Brothers.

Proceeds of offering will be applied with other funds to the Company's present program for expansion and capital improvements. The program includes addition of two new paper machines at the Cedar Springs facilities. One machine, a second linerboard machine, will have indicated capacity of 250,000 tons annually. The other, with indicated capacity of 100,000 tons annually, will produce corrugating medium, the material used along with linerboard in the manufacture of corrugated supporting facilities. The two machines are scheduled to be completed in 1967, at a total estimated cost of $50,000,000. The Board of Directors has also authorized expenditures aggregating an additional $16,000,000 for various other capital improvements.
For many years the railroads have assessed what is known as demurrage charges against shippers and receivers alike for holding freight cars beyond certain allotted free time. Great Northern and its customers have had the privilege of 48 hours free time and then under certain conditions, an additional period of free time. Saturdays and Sundays were not considered in computing either free time or certain of the extended periods. Charges assessed by carriers against shippers and receivers alike were computed at $4 for the first four days and $8 for all days beyond. Recently, all of the rail carriers except the Bangor and Aroostook Railroad increased these charges from $4 and $8 per car per day to $5 and $10 respectively.

The boxcar supply has become acutely short in recent months and has now reached emergency proportions in certain areas of the country. To alleviate this shortage, to encourage prompt loading and unloading, and to penalize shipper or receiver who fails to promptly release cars, the I.C.C. has issued a drastically revised ruling, effective April 1 -- 1) Saturdays must be considered in computing free time; 2) the $5 and $10 charges have been increased to $10 and $15; and 3) free time at ports on export traffic has been reduced from seven to five days.

Paper loading crews at Millinocket and East Millinocket mills are placing large placards in all BAR railroad cars in compliance with requests of the Transportation Dept. These placards are bright yellow with black lettering, requesting the unloading supervisors to return the car immediately to the Bangor and Aroostook Railroad. This is an effort to have more BAR cars available for our use.

A total of 400 new boxcars have been purchased by the Bangor and Aroostook Railroad of which 200 have 18-foot door openings compared to the conventional nine-foot opening. Five of these new boxcars were on display at East Millinocket, Wednesday, March 23. These cars were officially put into service at 10:00 a.m. after a brief christening ceremony, picture taking, etc. Officials of Great Northern Paper Company and Bangor and Aroostook Railroad were in attendance.

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<tr>
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</thead>
<tbody>
<tr>
<td>Cedar Springs</td>
<td>156,630</td>
<td>967</td>
<td>141,866</td>
<td>887</td>
</tr>
<tr>
<td>East Millinocket</td>
<td>173,258</td>
<td>1,048</td>
<td>166,997</td>
<td>1,018</td>
</tr>
<tr>
<td>Millinocket</td>
<td>139,033</td>
<td>842</td>
<td>136,384</td>
<td>833</td>
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<tr>
<td></td>
<td>468,921</td>
<td>2,857</td>
<td>445,247</td>
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</tbody>
</table>

West Branch storage is now at 4.1 billion cubic feet, which is 7.3% of full storage and 14.4 billion cubic feet below rule curve storage for this date. A snow survey made on March 17 showed 9.3 inches of water in the snow pack. This is above average for this date, and should we realize average precipitation now until the end of June, storage would level off at slightly below rule curve.
Higher income tax withholding rates effective May 1. On that date a new sliding scale of withholding brackets from 14% to 30% will replace the present flat rate of 14%. Although this change will not affect the tax due for the year, it will hurt temporarily as larger amounts will be withheld on a monthly basis. For example:

<table>
<thead>
<tr>
<th>Monthly Salary</th>
<th>Monthly Withholding</th>
<th>Single Rate (1 Exemption)</th>
<th>Graduated Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 600</td>
<td>$ 79</td>
<td>$ 96</td>
<td>$17</td>
</tr>
<tr>
<td>800</td>
<td>107</td>
<td>138</td>
<td>31</td>
</tr>
<tr>
<td>1,000</td>
<td>132</td>
<td>190</td>
<td>58</td>
</tr>
<tr>
<td>1,200</td>
<td>160</td>
<td>250</td>
<td>90</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Monthly Salary</th>
<th>Monthly Withholding</th>
<th>Married Rate and Two Children</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 600</td>
<td>$ 55</td>
<td>$ 55</td>
</tr>
<tr>
<td>800</td>
<td>84</td>
<td>89</td>
</tr>
<tr>
<td>1,000</td>
<td>109</td>
<td>125</td>
</tr>
<tr>
<td>1,200</td>
<td>137</td>
<td>165</td>
</tr>
</tbody>
</table>

The primary objective of the new system is to diminish under-withholding. However, it is also apparent that the system based on this 10% standard and minimum standard deductions could cause taxpayers who have large itemized deductions to be seriously over-withheld. The new tax law provides relief by permitting these taxpayers to claim extra allowances to remove salary from withholding -- this feature is not effective until January 1, 1967. Immediate relief from over-withholding can be accomplished by claiming any personal exemptions you may have dropped and you may count each exemption as $700 -- not $600. To do this you must file a new Form W-4 which will be supplied by the Company as soon as they are received. A married man must file the W-4, otherwise the higher single person withholding rate will be applied.

The Cedar Springs Federal Credit Union was chartered by Southern Division employees on September 4, 1964. The remainder of the first year was primarily devoted to organizing. At the end of the first full year of operation on December 31, 1965 the credit union had 282 members with shares of $66,632 and loans outstanding of $68,769. A total of $168,554 has been loaned to members since organization. For 1965, a 5% dividend was paid on shares.

Directors and officers serving for 1966 are --

- President: H. D. Pugh
- Vice President: D. V. Merritt
- Treasurer: O. L. Fussell
- Secretary: C. A. White
- Membership Chairman: J. E. Collins

The credit union has one part-time employee and plans soon to establish an office in the recently completed Babcock and Wilcox construction office building.
Millinocket Mill . . . A new semi-bleached kraft refining system was successfully started up on March 8. The system consists of one Bolton-Emerson Claflin refiner installed in the kraft pulping area between the semi-bleached kraft dump tank and #3 outside storage tank. Its function is to reduce the pulps' Canadian Standard Freeness with a minimum of tear strength reduction. The refiner is equipped with a drainage rate indicator and controller. This is an automatic on-line instrument that detects and records the drainage rate of the pulp slurry and automatically controls the plug settings on the kraft refiner which controls the freeness.

No. 2 paper machine started up on February 24 -- four days ahead of schedule -- after being down for almost three weeks. During the shut-down Mill Maintenance and Engineering Service crews worked two 10-hour shifts a day for two of the three weeks to get the machine back on line. The rebuild covered jobs such as installation of a third centriscreen, headbox recirculation pump, Venta-Nip press, dryer drainage system, dryer and calender lubrication systems, and a high speed winder trim system. The increased screening capacity will give a cleaner pulp, while the recirculation pump will be of valuable help during balancing of the headbox header. The leveling of the four-drinier should improve the formation. The Venta-Nip press, which replaces the old multi-press as second press, will reduce the maintenance cost of this part of the paper machine. Due to the higher nip-load the dryness of the sheet after the press will increase, thus reducing steam required to the dryer section.

A Mason-Neilan thermo-compressor dryer drainage system was installed to replace the outdated cascade system. These changes will improve the overall operation of #2 paper machine and make it even more efficient and suitable for production of lightweight and colored specialty sheets.

In a joint Research-Operations effort to improve hardwood utilization, some 200 cords of rough green poplar have been ground at Millinocket Mill. Trial grinds have been made using 100% poplar, 25% poplar, and no poplar. Final results of the test are not yet known.

East Millinocket Mill . . . A third 40-cycle grinder motor has been replaced with a 60-cycle unit which allows us to purchase power and save water. This means an additional 2000 hp has been removed from our hard-pressed-by-low-water power system.

A Farrel Corporation cross-axis crown compensator unit has been installed on No. 4 paper machine calender stack. Crews are still learning how to best utilize it and it should prove a valuable production tool. So far, a marked improvement in ease of reel building and reel quality has been noted.

The Scapa dryer felt (100% synthetic felt) was removed from #6 paper machine second top position after running 155 days. The felt had evidently been subjected to acid hydrolysis as the edges could be easily torn in both machine and cross-machine direction.

Installation of a third anion unit in the water treatment plant at the Steam Station is now about 75% complete. Work is progressing but delays have been encountered due to the necessity of replacing 60-cycle relay coils with 40-cycle coils. This installation will increase the reliability and quality of water treatment.

A broken shaft was discovered on #6 waterwheel at Dolby during a routine check in February. A new shaft has been made ready and two new waterwheels, spares for No. 4, have been adapted for use in No. 6 and are now being installed. The unit should be ready to go by spring runoff time.

The Formex power fabric on #3 paper machine, which was installed to reduce wear on the Formex fabrics at the suction boxes, has been removed.
RECENT DEVELOPMENTS IN MANUFACTURING

East Millinocket Mill (Continued) . . .
We are now evaluating the wire life of rubber-covered couch and breast rolls on this machine.

Winter repairs on the Wood Room are going well and should be completed by the end of March -- ready for a normal April start-up of river wood operations.

On March 18, chemigroundwood use rate was increased from an average of 145-150 tons per day to a maximum of 180 tons per day.

Cedar Springs Mill . . . . Project 04 - No. 2 Linerboard Machine - The forming and pouring of digester piers and excavation for the filtrate tank foundations have been started. The pulp mill building piers and concrete encasement for the existing pulp mill process sewer have been completed. Caissons are complete for the buffer chest, broke low density storage tower and base high density storage tower. Work is continuing on the machine track grade beam and caissons in the machine room. Vacuum pump caissons have been completed in this area. The fire wall between the machine room and the finishing, shipping and storage building has been started and installation of underground fire protection piping is complete. The lathe foundation has been poured in the new shop area, and the roll storage building floor slab and roofing have also been completed. Erection of structural steel for the recovery boiler has started. Caisson caps for the turbine are complete, and cap work for the power boiler is in progress. Piers are being formed and poured in the causticizing and lime reburning area. Heavy rains have put work on the waste disposal system behind schedule. The old loading dock railroad siding has been removed, and a new track for unloading machinery and equipment has been installed east of the paper mill.

Project 05 - Nine-Point Machine - Negotiations are still in progress with the Babcock and Wilcox Company for the 05 General Contract. An order has been placed with Duncan Electric Company for General Contract of electrical labor and material on this project. Work has been started on a 48" water supply line to the flume. Construction of the finishing, shipping and storage facilities continues to progress well. Several orders for major pieces of machinery and equipment have been placed with vendors.

We have a dam again at North Twin - Work on the reconstruction of North Twin has commenced the stage where we can accommodate a full pond again. The new concrete work for the Taintor Gates is very near completion and the upstream wing wall and earth fill have been completed in the areas where they will be flooded. Sufficient stop logs are now on hand to completely close off the large openings for the Taintor Gates. The water going through the left-hand gate opening will be closed off with stop logs as soon as the flow is greater than we need to run the mill at Millinocket. As the natural flow picks up, additional stop logs are placed every few days and it is hoped that within a week or two the opening will be completely shut off with all the flow going through the power house.

The Taintor Gates are now being fabricated in the shops of Augusta Iron Works and will be installed during the summer. With the relatively heavy snow cover in the woods this spring, and if we have normal precipitation, we can look forward to good water levels in the Twin Lake system for the summer.
WOODLANDS NOTES

Cutting activities are at a low point now and will remain so until early May. A few men are cutting hardwood logs in the Pittston area -- these logs are sold to veneer mills, furniture plants, etc. At Jo-Mary three crews are still cutting pulpwood. In the Ashland district some road building is in progress. For the most part this is limited to graveling roads that were bulldozed and shaped last year. Also in Aroostook, the Beloit harvester is operating on a two-shift basis. Deep snow does not present too much of an obstacle to the 'Monster.'

This is a busy time in the shops, as equipment that has been working since last summer comes in for repairs and in some cases a complete overhaul. Electric light plants must be tuned up for another season. Boats and motors must be readied for river driving. It takes a lot of mechanical equipment to produce 200,000 cords of wood and most of the work done by this equipment is done under adverse conditions.

A school for welders is being sponsored at Sheridan garage. Some twenty men, eight of them employees, attend a four-hour session each Saturday morning. The course will run until late in May. Reports to date indicate that the instructor is very well qualified and the 'students' are learning a lot.

Applications for Canadian pulpwood cutters to be used from April 1 to October 1 have been filed -- no action yet. The volume of forms that have to be filed for just one company would almost keep No. 6 paper machine at East Millinocket going for a week. Rumors are rampant that Maine woods operators will be required to go South this spring and attempt to recruit woods labor. Without doubt many will take an all-expense paid tour to the North, but we have serious doubts as to any men staying in camp very long. After all, there is an acute shortage of woodsmen in the South.

Great Northern was well represented at the Woodlands Section meetings of the Canadian Pulp & Paper Association held in Montreal from March 14 to 17. The meetings were attended by R. E. Farnham, L. W. Hazelton, P. K. Patterson, E. E. Chase, K. L. Bartlett and R. Guerette. They reported that the meetings were both interesting and informative. Logging conditions over the border are about the same as we have here in Maine so these meetings always attract strong delegations from Maine companies. Most of the Canadian companies report an acute labor shortage and they are mechanizing as fast as they can. In many cases costs go up but the machine does the work that you can't find the labor to do in the conventional manner. Certainly faithful old Dobbin's days are numbered. As of now the Company does not own a horse, though we will rent many this spring. Not too long ago we owned 1,400 and hired several hundred extra for winter hauling.

Notable & Quotable . . . Obtaining facts or statistics is only half the battle. Information must be used intelligently. I cannot resist making the observation that some people use statistics as a drunk uses a lamppost -- more to lean on than for illumination.

Alfred E. Perlman, President, New York Central System
Blaze in Wood Pile at Millinocket Mill ... . No. 2 Pile West, containing approximately 3,600 cords of peeled hemlock, burst into flames on March 17 about 8:40 a.m. The fire was quickly brought under control by the combined efforts of both the Mill and Town Fire Departments. Start of the fire was believed to be due to a dynamite charge which had been set off to break up frozen wood accumulation. Wood loss was relatively light. The exact cordage will not be known until the burned wood is rejected and scaled during recovery of the pile at normal use rate.

Speaking engagement ... . On March 15, Steve Kleinschmidt gave a talk to the Northeastern University Civil Engineering Society in Boston on The Work of the Civil Engineer in Industry. At the close of the meeting, the movie 'Meet Your Neighbor, Great Northern' was shown.

The 14th Annual Institute for Maine Industry opened at Colby College in Waterville, Maine, Friday afternoon, March 25, and continued through Saturday, March 26. Among the conference leaders were Earnest Dichter, President of the Institute for Motivational Research; Ed Cong, Managing Editor of the Wall Street Journal; and Dr. Louis Anapolle from Northeastern University. Great Northern personnel attending were W. H. Brooks, Jr., K. L. Fish, Steve Kozlovich, C. L. Oliver, C. H. Reed and R. F. Smart.

The Atlantic Summer School to be held at University of King's College in Halifax, Nova Scotia, will be attended by A. E. Dentremont, General Production Superintendent; and E. A. Lumbert, Woodlands Cost Control Supervisor. The summer course is an advanced business administration course in executive development and will be in session from June 19 to July 23.

The Northeast Conference on Training held their spring meeting on March 24 at Millinocket. Representatives from the Paper Industry were welcomed by J. R. Adams, Manager of Personnel, following which there was a presentation by R. W. York and J. J. Thibodeau on the Company's Apprentice and Supervisory Training Program.

After lunch the group sat in on an Apprentice Trades Training Session and then were taken on a tour of the Engineering and Research Building and the mills.

Chronological time has become a highly unreliable measure of what constitutes the future in terms of change, innovation and invention. The 'future' has had a way recently of sweeping down upon us and becoming part of today - or tomorrow, at the latest. It isn't enough to be able to discern the dimension of change the future will bring, we must also be able to appreciate when that 'future,' as fashioned by change, will arrive.

Robert Beyer, Managing Partner, Touche, Ross, Bailey & Smart
Personnel Changes

In the Controller's Dept., Wm. O. Wagner was promoted to the position of Manager of Administrative Services effective March 18. He was formerly Manager of Accounting. In his new position he will be responsible for the systems and procedures effort of Great Northern on a Company-wide scale, including the Data Processing Center, and will report directly to E. E. Allain, Controller. . . . Timothy L. Ludden is promoted to the position of Systems Analyst effective April 1. Tim will report directly to Keith R. Veazie, Data Processing Specialist. . . . Effective today, Winston D. Spivey is promoted to the position of Data Processing Supervisor at the Southern Division.

At Millinocket Mill, Neville W. Mann has been employed as Plant Engineer. Neville is no stranger to many since his service with Stone & Webster included an assignment at East Millinocket Mill during the erection of No. 5 paper machine. Since that time, Nev has advanced up the ladder with Stone & Webster. His most recent assignment has been Resident Engineer on major power developments. At this time it is anticipated that he can complete his commitments by April 18 to assume his duties with the Company. . . . Effective March 1, Frederick J. Bissonnette and Howard Alley were transferred to Tour Foreman - Paper.

In the Research Dept., effective March 1, Walter R. Heal was promoted to Control Engineer from Paper Research Group Leader. . . . Avern B. Danforth was promoted to Senior Research Chemist from Research Chemist. . . . Robert M. Leavitt was promoted to Research Engineer from Junior Research Engineer. . . . Steven S. Hardy was promoted to Research Technologist from Junior Research Technologist. . . . Warren A. Richardson was promoted to Senior Research Technologist from Research Technologist. . . . Marshall N. Brumden was promoted to Senior Research Technologist from Research Technologist.

In Central Engineering, effective March 1, Emery O. Taylor was transferred to the Electrical Engineering Section as an Engineer, and will report to W. B. Metcalf, Acting Electrical Design Engineer. Emery was formerly Service Foreman for the Engineering Service Section.

Resignations

Thomas J. Young, Jr., Pulp Mill Design Engineer in the Central Engineering Dept., resigned effective March 25. Tom has accepted a position with Groveton Paper Company, Groveton, N.H., as Plant Engineer.

Robert C. Black, Assistant to Director of Transportation - New York, has resigned. His future plans have not been announced.

Grady L. Smith, IBM Supervisor at Cedar Springs, left the employ of the Company on March 23.

New Employee

Effective March 1, Jacque V. C. LeBeau was employed by the Transportation Dept. as Assistant Traffic Manager. He assumed his duties at Millinocket on March 24, and reports directly to F. R. Keenan, Traffic Manager. Mr. LeBeau was previously associated with a major paper company and was responsible for transportation functions at a Southern (U.S.) mill.

Death

Robert M. Hume, Sr., retired Millinocket Mill Superintendent, died March 7 at the Millinocket Community Hospital at the age of 72. He joined Great Northern as a chemist in 1914. He was promoted to Superintendent of the Sulphite mill at Madison in 1916, and returned to Millinocket in 1917 as Assistant Superintendent of the Millinocket Mill. Mr. Hume was appointed Superintendent in 1927 and retired in 1952.
Committee Formed to Investigate Paper Damage . . . . Our Transportation Dept., in conjunction with the Bangor and Aroostook Railroad, connecting railroads and the Association of American Railroads, have formed a joint committee to carry out a program entitled SPEARHEAD. The purpose of this program is to eliminate excessive paper damage by conducting investigations of all phases of handling from the loading of cars at our mills, inspections of railroad switching procedures used at various points en route, to the unloading and methods of handling at customer pressrooms.

The committee's first assignment, referred to as SPEARHEAD ALPHA, was to concentrate on improvement of condition of paper on arrival at the Cincinnati Post & Times Star. Results of inspections made at our mills, rail yards at Mechanicville, N. Y.; Pittsburgh, Pa.; and Cincinnati, brought about recommended changes which have resulted in considerable improvement.

At a meeting of the committee in Boston on January 25, it was decided to divert Spearhead's barb towards Philadelphia for inspection of shipments to the Inquirer and the Bulletin. This project is known as SPEARHEAD BETA. A subcommittee composed of representatives from Great Northern, Bangor and Aroostook, Pennsylvania and Reading Railroads and the Association of American Railroads, met on February 15 at Penn Station in Philadelphia to lay out plans for this project.

With claims reported by the Association of American Railroads on newsprint received by U. S. Publishers running at a rate of better than $2,000,000 annually, the task ahead appears to be a formidable one. However, realizing that damaged shipments are monstrous sources of grief to the shipper, railroads and customers, all concerned have joined in a combined effort to reduce losses to the lowest possible minimum.

Key personnel from Commercial Sales and the Northern mills' Manufacturing Division met on January 25 and 26 in Millinocket. The purpose was to discuss sales problems and goals and to bring Sales people up to date on recent developments at the Millinocket Mill. Co-chairmen of the meeting were W. E. Cozens, Manager of Commercial Sales and R. J. Shinners, Resident Manager & Asst. V. P. - Operations (Northern mills).

The Sales Dept. portion of the program included a discussion of the specialty sales aims for 1966 by W. E. Cozens, and a presentation of Great Northern's advertising program for 1966 made by T. H. Stewart, Senior Vice President of Gaynor & Ducas, our advertising agency. F. J. Dunne, Sales Coordinator, delivered a luncheon address on sales forecasting.

R. J. Shinners set the tone for Manufacturing in his talk on capital improvements, present and proposed, for the Millinocket Mill. S. B. Weldon and H. N. Packard followed with presentations on machine capabilities and quality control.

Tours of the Research and Development Dept. and the Millinocket Mill rounded out the program.
Future Customer?? . . . The following letter was received from Wilbert S. Miller of Wheeling, West Virginia, one of the newsboys who participated in the Company’s sales promotion program (newsletter 9/8/65):

"Last July I was your guest at Millinocket and Rainbow Lake in connection with the visit of the news carriers from the Wheeling News Publishing Company. I had the time of my life. As each day passes I realize more and more what a valuable experience this was for me. I want to thank you for all that you did for me.

Just recently I was able to purchase a few shares of Great Northern Paper Company stock with savings I earned with my paper route. I hope to purchase some more in the future as I am financially able. Now I have a double reason for wishing you good business during 1966."

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<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Cedar Springs</td>
<td>129,111</td>
<td>964</td>
<td>118,095</td>
<td>895</td>
</tr>
<tr>
<td>East Millinocket</td>
<td>144,283</td>
<td>1,051</td>
<td>139,416</td>
<td>1,025</td>
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<tr>
<td>Millinocket</td>
<td>115,783</td>
<td>845</td>
<td>113,458</td>
<td>840</td>
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</table>

New daily saleable production record . . . East Millinocket Mill continued their record breaking production pace on No. 5 and No. 6 paper machines -- the following exhibits the old and new record highs:

<table>
<thead>
<tr>
<th>New Record</th>
<th>Old Record</th>
</tr>
</thead>
<tbody>
<tr>
<td>#5 Machine</td>
<td>413.7 tons - 2/ 2/66</td>
</tr>
<tr>
<td>#6 Machine</td>
<td>424.0 tons - 1/26/66</td>
</tr>
<tr>
<td></td>
<td>411.7 tons - 12/14/64</td>
</tr>
<tr>
<td></td>
<td>420.0 tons - 1/19/66</td>
</tr>
</tbody>
</table>

M. J. Roach, Mill Manager, announced on February 24 that due to the shortage of power, East Millinocket Mill will operate on a five-machine schedule for an indefinite period.

No. 1 paper machine was shut down at 6 p.m., February 23 because of emergency repairs on No. 1 boiler. The boiler was back on the line on February 24 at 10:10 p.m.

Management of the Penobscot mills, Personnel Dept., representatives, Union presidents, and International Union representatives held a quarterly meeting on February 15.

These get-togethers were initiated two years ago in the interest of creating a situation which would encourage discussion free of the negotiating - grievance atmosphere. Subjects have been presented which increased the information of all and were of mutual interest.

At the meeting this month, R. P. Vivian, Advertising & Promotion Director, made an interesting presentation on the 'Whys of Advertising and the Great Northern Approach.'

The Region One Junior Achievement Conference was held in Atlantic City on February 22. Advisers of the East Millinocket J. A. company selected Miss Beverly Faloon as the most outstanding achiever for the first half of the year to attend this conference. She was accompanied to Atlantic City by Mrs. John Egan.
KNOW YOUR COMPANY

The Chattahoochee Industrial Railroad, or the CIRR as it is affectionately known, was conceived and built as part of the overall plan for what has recently become the Great Southern Division of Great Northern. It commenced operations from Saffold to the mill site at Cedar Springs in 1962. At that time CIRR operated as a strictly private industrial facility with no income, no public responsibilities and all expenses being but a part of mill construction costs.

The Railroad facility was separated from Great Southern, incorporated and certificated as a common carrier railroad on July 8, 1963. It holds authority from the Interstate Commerce Commission and the Georgia Public Service Commission. As a privately owned public utility, CIRR is subject to the same laws, rules, regulations and requirements as the BAR, NYC, UP, MC, ACL, or any other railroad. The CIRR likewise participation in agreements pertaining to claims, interchange, divisions, per diem, etc., the same as other larger railroads.

CIRR presently operates about 25 miles of track. It has physical connections with Atlantic Coast Line at Saffold and Central of Georgia (Southern Railway) at Hilton. Since CIRR trains meet all arrivals and departures of both connecting lines, it offers a service equivalent to the combined services of two trunk line railroads.

Four locomotives enable the Railroad to operate 24 hours a day, seven days a week. Locomotives, motor vehicles and offices have radio equipment and switchmen are equipped with walkie-talkies to permit complete and instant contact between and among all areas of operation.

A locomotive and car repair shop is now under construction and should be in service within the next 60 days. And, in less than a year 200 new specially designed CIRR 50 'DF' (damage free) box cars will be in service.

In addition to Great Southern, CIRR 'on line' customers include an alum plant, a concrete plant, and a multimillion dollar tubing plant now under construction. The CIRR also transports thousands of tons of freight as a 'bridge' carrier between its two big connecting lines.

The CIRR has 20 full-time paid employees plus the part-time service of several Great Southern-Northern personnel. Track maintenance and construction for Railroad and the mill is performed by an independent contractor with a six-man gang, under supervision of CIRR.

Officers and key employees are: President, Ed. L. Cowan; Vice President and General Manager, C. F. Fischer, III; Treasurer, W. A. Levesque; Operating Superintendent, B. W. Moore; General Freight Agent, C. W. Hollinhead; Auditor, A. C. Ford; Car Accountant, J. M. Perry; Master Mechanic, E. C. Benton; Assistant to Superintendent, Larry Smith.

All CIRR personnel wear several hats to fill the gaps of yardmaster, roadmaster, trainmaster, dispatcher, purchasing agent, switch foreman, mechanical-civil-electrical engineers, sales, industrial development agents -- not to mention the fields of advertising, law, real estate, personnel, insurance, communications, etc. There is no 'featherbedding.'

The CIRR has recently filed application with the ICC seeking authority to operate as a motor common carrier. If this application is granted, CIRR will soon offer and perform 'piggyback' or trailer-on-flat-car service.
WOODLANDS NOTES

All of the Aroostook camps have completed their winter haul-off. Bartlett and Saucier had trucked a good part of their wood when cut, so the amount left for winter hauling was considerably reduced. The Milliard camp cut until an additional 30 inches of snow during the last week of January put an end to cutting. All of the wood at the Guerette camp is river wood so was landed for winter hauling. Winter trucking on frozen roads is much cheaper than trucking through summer mud. The Pittston operation lost two days due to heavy snowfalls and then lost two more during the early February thaw. All is going well now and they should be able to finish by March 10.

Plans are nearly completed for the 66-67 season. The amount of wood to be cut must be increased to keep up with mill production. There are many uncertainties as competition for wood and labor now exists in areas in which we had little competition for a number of years. This is due to expansions in Maine by St. Regis, International Paper, St. Croix and Penobscot Company. In addition, no one knows how many Canadians, if any, will be allowed to come in and cut wood.

The Beloit harvester continues to produce wood at a fairly satisfactory rate. Mechanically, the machine operates well but has many limitations due to terrain and type of wood stands. It operates best on fairly smooth ground and stands that are nearly 100% softwood. We do not have too many sites that meet these specifications.

The February issue of Outdoor Life ran a short article about Maine and noted that the company had free maps of the North woods area -- result -- over 1,500 requests to date for these maps.

P. K. Patterson has recently been appointed Chairman of the Maine Tree Farm Committee. This committee receives all applications from people who wish to have their forested land designated as a tree farm and then inspects these lands to see that they qualify.

Ed Chase, District Forester in Ashland, is laying out roads for a wheel skidder operation on T.14 R.8 for the coming season. Other DFE crews are busy tree-marking for selective cutting on Company lands and working on about 100 miles of property lines.

Growth studies were completed this winter on about 100 sample plots. Some of these plots were established in 1924. The purpose of these studies is to study natural reproduction and growth on cutover lands.

Woodlands expects to conduct several on-the-job training programs this summer if qualified trainees can be found. They will be trained over an eight to ten week period as directional tree fellers and wheel skidder operators. Each group of four to five trainees would be located in a Company camp and be under the direction of a full-time instructor.

The Allagash controversy at long last has been brought to rest by a special session of the Maine Legislature, which approved a modified version of the bill considered at the regular session of the Maine Legislature. Major changes were the inclusion of Telos and Chamberlain and widening of the protective strips, both changes apparently dictated from Washington. This is a workable solution and the successful protection and operation of the area will now depend on good cooperation between State agencies and landowners.

WILDERNESS BILL PASSED IN MAINE
CLEARS WAY FOR PRESERVATION OF ALLAGASH RIVER AREA

Maine has qualified to become the first state to establish a wilderness waterway to preserve the natural characteristics of a river, the Allagash.

The measure moved quietly through a special session of the Democratic-controlled Legislature, which wound up its business this week. The bill was signed without fanfare last Friday by Governor John W. Reed, a Republican.

Creation of the Allagash Wilderness Waterway represents a compromise between Federal and state concepts of land use and control after 15 years of intermittent negotiations and political pressure.

The state will manage the area, but is guaranteed matching Federal funds to help acquire land.

The total financing, estimated at $3 million, depends on the acceptance by Maine voters of a $1.5 million bond issue to cover the state's share. This will be presented as a referendum in the state election in November.

Secretary of the Interior Stewart L. Udall has assured state officials that the successful completion of the funding will make Maine the first state to have taken such action.

Under the Waterway Act, Maine will control a strip of land about 85 miles long and 2 miles wide, extending from the confluence of the Allagash and West Twin Brook in northern Aroostook County to Telos Lake, near the edge of Baxter State Park.

TRAVELED BY THOREAU

The Allagash forms the main string of a chain of lakes and ponds bordered by deep timberland. It is considered the last unspoiled wilderness in the East. Henry David Thoreau, the naturalist-philosopher, wrote of a canoe trip down the Allagash more than a century ago.

Secretary Udall sent telegrams of congratulation to Governor Reed; Senator Edmund S. Muskie, Democrat of Maine, and State Senator Elmer H. Violette, Democrat of Van Buren, who played leading roles in the legislative process, here and in Washington.

The Secretary said, "I look forward to increased cooperative efforts between this department and your state which I am sure will lead to the successful preservation of the Allagash as a wilderness waterway."

The vast tracts of timberland have many owners. But the principal title holders are the Great Northern and International paper companies. In recent years, since the conservation of forests has become a national concern, these companies have done everything possible to create a favorable public impression by adopting good forestry practices in harvesting timber.

ACCESS FOR SPORTSMEN

Qualified sportsmen have been allowed access to the wilderness to fish and to hunt. And a number of commercial sporting camps have been constructed on paper company land.

Some of the smaller landholders, concerned chiefly with selling timber to the giants of the industry, are less enthusiastic about giving up title to their waterway rights. However, the state has the power, under the new legislation, to take the land by eminent domain.

The Waterway Act provides for a restricted area of 400 to 800 feet on either side of the river and its connected chains of lakes. No timber may be cut in this area except for conservation measures.

Land from there out to the mile boundaries may be cut with state approval in accordance with accepted practices of cutting mature timber and leaving young growth for future harvesting.

The state will buy all camps in the area, removing the smaller private camps and leasing back the commercial ones to the present operators if they wish to do so.

Except for Chamberlain and Telos lakes and Round Pond, boating will be restricted to canoes, although outboard motors up to 10 horsepower will be allowed for square-end canoes.

MIXED FEELINGS

A spokesman for the paper concerns said today that the companies had mixed feelings about the act. They would have preferred a wilderness bill that was rejected by the last regular session of the Legislature, he said.

That bill excluded Chamberlain, Telos and Round Pond, which the companies contend do not qualify as canoe waterways and where there are no restrictions on power boats. The spokesman noted that Chamberlain Lake was 18 miles long and from 4 to 5 miles wide, thus encompassing considerable private land on its shores.

But rather than have Federal control of the region, the companies were willing to go along with state administration of the wilderness, the spokesman said.

The waterway will be administered by the State Park and Recreation Commission. Lawrence Stewart, director of the commission, expected that most of the purchasing agreements could be worked out before the voters decided on the bond issue. He was optimistic about its chances of acceptance.
The annual reports of the Credit Unions in East Millinocket and Millinocket show tremendous growth since they were first organized -- East Millinocket in 1955 and Millinocket in 1954. As of December 31, 1965, the East Millinocket Federal Credit Union shows $915,259.47 in shares, $981,377.97 in loans and 1,298 members. Their board of directors declared a 5% dividend and a 15 percent interest refund. The Katahdin Federal Credit Union reports a total of $2,445,828.80 in shares, $2,441,041.17 in loans and 2,863 members. Their board of directors declared a 4 1/2% dividend with a quarter percent bonus, and a 10 percent interest refund with a 5 percent bonus.

Included among the 13 speakers at the two-week pulp technology program which is part of the Seventh Summer Institute for the Pulp and Paper Industry scheduled at the University of Maine beginning July 11, are George E. Van Goethem, Pulp Mill Superintendent of the Cedar Springs Mill and Richard W. Noyes, Assistant Superintendent - Paper of the East Millinocket Mill. The program includes visits to two pulp mills, one of which is East Millinocket Mill.

In addition to pulp technology the Institute will also give a three-week paper technology program and two one-week units in process control and process modeling.

Since the Institute was established six years ago, 205 different companies have had 590 of their employees take programs in pulp, paper or computer technology.

Russell A. York, Training Director, assisted by John Thibodeau, Training Supervisor, conducted a Supervisory Seminar on February 8 and 9 at the Heritage Motor Inn. The seminar was an intensive examination of modern supervisory practices and techniques, and was designed as an aid to first-line supervisors and as a training course for future conference leaders. There were thirteen participants in the course representing various departments in both mills: from Millinocket - R. G. Bouchard, D. J. DeVoe, F. C. Fowler, J. A. Goodwin, R. M. Hersey, G. H. Martin, W. A. Welch, F. W. York; from East Millinocket - W. R. Brown, R. D. Goodridge, G. J. Legassey, V. A. Peters and R. E. Whalen.


Forestry . . . Several companies have submitted proposals to the British Columbia government for collecting driftwood logs along the coast and converting it into pulp. One idea would be for a mill that would move up and down the coast snaking logs from the beaches and processing them en route to markets. Another would be for Japanese or Soviet interests to set up a floating pulp mill outside the 12-mile limit to harvest the logs as they are washed out to sea.

--Paper Week - 1/3/66

Advertising in newspapers in 1965 hit $4.4 billion. That equals the combined total expenditures for television, magazines and radio.

--Editor & Pub. - 1/22/66
RECENT DEVELOPMENTS IN MANUFACTURING

Millinocket Mill . . . . The Black Clawson Twin Hydraulic Refiner for No. 7 paper machine was started up January 26. This is a 22" unit capable of handling up to 75 tons per day of sulfite and kraft stock. It was purchased specifically to increase the surface strength of the coating base stock and thus improve our coated sheet. The unit is presently operating on 2.5% consistency sulfite and kraft, but will be used on heavier stock (4% - 5% consistency) in the near future. Results to date show improvements in the sheet, and still further improvement is expected once the 4% - 5% consistency stock refining is on line.

Coating Research has been working on a project to cut the costs of coating. A unique cooking process has been worked out, which to our knowledge is not in use in the paper industry. With this new method, the starch binder is chemically converted in our own system. A more expensive starch, which has been chemically treated at the starch factory is presently being used. Trials of this process have recently been made in the mill. Quality was equal to normal production and no running difficulties occurred because of the coating. A permanent installation is now being engineered. When this is in operation we will have one of the most economical coating preparation installations in the country.

No. 2 paper machine was shut down February 7 for a major rebuild including leveling the fourdrinier, installation of Venta-Nip second press, installation of new dryer drainage system, a winder trim blower and a dryer lubrication system. The rebuild should provide us with a machine to make lightweight grades at higher speeds and better quality. Although this shutdown was scheduled to last for three weeks, the machine will be ready for operation on February 24. No. 2 paper machine has been our mainstay in manufacturing Western Electric Directory papers, both white and colored.

The sulphite mill has been undergoing many changes of late and some of the items being pursued include development work on hot stock screening, trial cooks to shorten the cooking cycle to enable us to increase capacity, reduction of knots and tailings, and continuation of sulphite mill expansion. On increasing digester capacity through cooking cycles, the incoming digester is being prepressurized from the digesters which were already under pressure. This has been successful and is being continued. Another scheme is to fill the digesters completely full of acid for pressurizing and withdrawing side relief back to the accumulators. This was done once unsuccessfully but will be repeated. Several chip charging trials have been made using three methods of packing — no packing, steam packing, and mechanical packing. The mechanical packer definitely puts the most chips in the digester.

Our sulphite mill continues to be expanded. The new 70-ton storage tower is in place and being worked on. Excavation work is under way for No. 8 digester under Step III.

East Millinocket Mill . . . . A new system for bleaching groundwood is being installed. This system will use sodium bisulfite to be produced at the chemigroundwood plant and sodium boro-hydride from an outside source. The mixing of these two chemicals will produce sodium hydro-sulfite presently being purchased. It is expected that the new system will reduce bleaching cost.
WHO'S NEWS

Personnel Changes . . . Ralph E. Clifford was promoted to the position of Manager of Woodlands (North) effective January 19. Mr. Clifford was formerly Assistant Manager of Woodlands.

Effective January 24, T. M. Knight was promoted to the new position of Director of Inventory Control. Tom is in complete charge of all Materials and Stores in both Millinocket and East Millinocket mills reporting directly to the Manager, Purchases and Stores, John F. Marquis. He will continue the duties of Plant Engineer at Millinocket Mill, reporting to the Mill Manager, S. B. Weldon, during the transition period.

Effective March 1, Ed N. Grindle, Administrative Executive Asst. - Oper., will join the Central Personnel Dept. as Personnel Assistant. Mr. Grindle will be located in Millinocket and will report directly to Manager of Personnel, J. R. Adams. . . John J. Egan will transfer to the New York office and replace Mr. Grindle as Administrative Executive Asst. - Oper., reporting directly to Vice President - Operations, J. H. Heuer.

In Central Engineering, Carroll Fisher was promoted to Junior Engineer on February 1. . . Richard H. Hale's title has been changed to Chief Electrical Engineer. He will continue his same duties reporting to the Chief Engineer, R. A. Jordan.

Effective March 1, Frederick V. Ernst transfers to a new assignment in the Export division of the Sales Dept., reporting directly to the General Sales Manager, J. V. Carena. Fred is presently Market Research Director in the Planning Dept. . . . The following changes were made in the New York Sales office on February 7 -- Edward J. Leonick assumed the position of Scheduling Supervisor; Edwin M. Gardner filled the vacancy of Junior Inside Salesman, . . . William L. Shaughnessy was promoted to Salesman in the Chicago office effective January 1.

At Cedar Springs, Coy C. Williams was promoted to Pulp Mill Foreman. . . Charlie H. Jacobs, Jr. was promoted to Acting Powerhouse Superintendent replacing M. W. Loyed who has been assigned special projects relative to the expansion. . . Clayton E. Hattaway was promoted to Power Tour Foreman. . . C. R. Epperson was promoted to Purchasing Agent.


Resignations . . . Seymour W. Tice, Junior Engineer, resigned effective Feb. 28 to accept a position with Weston & Sampson, Consulting Engineers in Boston. . . Clyde A. Hayward resigned as Analytical Group Leader in Research & Development on February 11 to accept a position with Brown Company. . . Charles T. Quartuccio, Junior Engineer, resigned on February 11 to accept a position with Raytheon Corp. in Quincy, Mass. . . Bernard M. Storer resigned as Engineer on February 4 to accept a position with St. Croix Paper Company in Woodland.

Retirements . . . Warren F. Daniell retires on March 1 after 44 years of service. He came to Great Northern in October 1922 as an apprentice in the Bureau of Tests (now known as Research & Development). He held the position of Groundwood Foreman at both Millinocket and East Millinocket mills, and became Superintendent of the Bureau of Tests in 1945. In 1950 he transferred to the Engineering Dept. and was named Manager of Engineering in 1955. He was promoted to the position of Manager of Engineering and Research in July 1956 and retires as Assistant to Vice President - Operations, a position he has held since May 1963.

Lionel A. Theriault, Paper Mill Foreman in Millinocket Mill, will retire on March 1 after 45 years of service. Lionel came to Great Northern in 1921 and worked his way up from 5th hand to Foreman.

Fred H. Arnold, Superintendent of Scheduling, retired on February 1 after 36 years of service. Fred came to Great Northern in April 1930 as Billing Clerk. He became Assistant Foreman - Finishing in 1942 and then Superintendent - Finishing in 1958. He was promoted to Superintendent of Scheduling in 1964.

Best wishes for a long and happy retirement are extended to Warren, Lionel and Fred from all their associates at Great Northern.
Robert A. Haak, former Vice President - Sales, has been elected President of Great Northern Paper Company, in a series of top executive changes announced by the Board of Directors.

Peter S. Paine, former President, has been named Chairman of the Board and continues as chief executive officer. John H. Staples, General Sales Manager, succeeds Mr. Haak as Vice President - Sales. Joseph V. Carena, Export Sales Manager, succeeds Mr. Staples as General Sales Manager.

Richard G. Croft, former Chairman, having reached the age of 65, has retired from that position, but will continue as a member of the Board of Directors and chairman of the Finance Committee.

Mr. Haak brings to the presidency of the Company more than 30 years' experience in the paper industry, all with Great Northern. Born in Bayside, Queens, New York, in 1913, he attended Hamilton College, from which he was graduated in 1933 with the Bachelor of Science degree. Following his graduation he joined Great Northern in an office position in the Sales Dept., and subsequently moved up through the ranks as salesman, assistant manager of sales for specialty papers, manager of sales, and manager of product development. He became Vice President - Sales in August 1958 and in 1961 was elected a member of the Board of Directors.

Mr. Staples has been with Great Northern for more than 18 years, having joined the Company as an apprentice forester. He subsequently served in the Woodlands Dept. as a cruiser and aerial photo interpreter, and for two years was assistant district superintendent of pulpwood operations and river drives. In 1954 he joined the Sales Dept. as a salesman for the upper New York State area. Two years later the southern New England territory was also assigned to him. He subsequently became assistant manager of sales for newsprint, and in 1960 was given full responsibility for newsprint sales. He was made General Sales Manager in 1963.

Mr. Carena joined Great Northern in August 1961 to head the Company's program for expanding overseas sales. Before joining Great Northern he was president of Van Reekum Paper, Inc. of New York. He is a native New Yorker and brings to his new responsibilities more than 25 years of experience in paper sales.

Mr. Paine has served as President and chief executive officer of Great Northern since January 1, 1962, after a year as Senior Vice President and several years as a member of the Board of Directors. Before joining Great Northern he was president of the New York and Pennsylvania Company. He is a director of the Irving Trust Company, the Delaware & Hudson Corporation and the Continental Insurance Company.
Net sales of Great Northern Paper Company for the 12 weeks ended December 26, 1965, were $27,348,549, an increase of 5.1% over the $26,024,212 reported for the same period in 1964.

In making this announcement before the Company's annual meeting in Millinocket, Maine, January 18, Peter S. Paine, President and Chief Executive Officer, told stockholders that Great Northern's net income for the first quarter of the 1966 fiscal year amounted to $2,720,252, or 96¢ a Common share, after providing for dividends on the Preferred stock.

"This compares with income of $2,055,207, or 71¢ a Common share in the first quarter of the 1965 fiscal year, after providing for pro forma dividends on the Preferred stock. Earnings per Common share in the current fiscal year thus exceeded those of the first quarter of fiscal 1965 by 35 percent."

Mr. Paine reported that all three of the Company's mills ran at capacity during the quarter, and that demand for the Company's products was at a high level. He also reported that the expansion of the Company's linerboard mill at Cedar Springs was on schedule, and that he expected the new linerboard facilities to be completed during the first part of 1967.

All of the incumbent directors were reelected.

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**Statements of Consolidated Income and Surplus**

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<th>For the Twelve Weeks Ended</th>
<th>December 26, 1965</th>
<th>December 27, 1964</th>
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<tbody>
<tr>
<td>Net sales</td>
<td>$27,348,549</td>
<td>$26,024,212</td>
</tr>
<tr>
<td>Cost of sales (including depreciation of $1,954,364 this year and $1,797,616 last year)</td>
<td>21,767,764</td>
<td>21,090,916</td>
</tr>
<tr>
<td>Gross profit</td>
<td>$5,580,785</td>
<td>$4,933,296</td>
</tr>
<tr>
<td>Selling, administrative and general expenses</td>
<td>1,198,020</td>
<td>1,076,180</td>
</tr>
<tr>
<td>Profit from operations</td>
<td>$4,382,765</td>
<td>$3,857,116</td>
</tr>
<tr>
<td>Other income:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stumpage sales</td>
<td>407,929</td>
<td>448,736</td>
</tr>
<tr>
<td>Interest, dividends, etc.</td>
<td>265,471</td>
<td>91,318</td>
</tr>
<tr>
<td></td>
<td>$5,056,165</td>
<td>$4,397,170</td>
</tr>
<tr>
<td>Other charges:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on notes</td>
<td>$837,981</td>
<td>$891,200</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>47,932</td>
<td>59,763</td>
</tr>
<tr>
<td></td>
<td>$885,913</td>
<td>$950,963</td>
</tr>
<tr>
<td>Income before provision for taxes on income</td>
<td>$4,170,252</td>
<td>$3,446,207</td>
</tr>
<tr>
<td>Provision for taxes on income</td>
<td>1,450,000</td>
<td>1,391,000</td>
</tr>
<tr>
<td>Net Income for the period</td>
<td>$2,720,252</td>
<td>$2,055,207</td>
</tr>
<tr>
<td>Earned surplus, beginning of period</td>
<td>53,040,377</td>
<td>46,128,984</td>
</tr>
<tr>
<td></td>
<td>$55,760,629</td>
<td>$48,184,191</td>
</tr>
<tr>
<td>Deduct:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash dividends paid—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common—25¢ a share this year, 14¢ a share last year</td>
<td>$661,564</td>
<td>$364,491</td>
</tr>
<tr>
<td>Preferred—10¢ payable January 3, 1966</td>
<td>196,337</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>$857,901</td>
<td>$364,491</td>
</tr>
<tr>
<td>Earned surplus, end of period</td>
<td>$54,902,728</td>
<td>$47,819,700</td>
</tr>
</tbody>
</table>

Subject to adjustment and audit at end of fiscal year.
RECENT DEVELOPMENTS IN MANUFACTURING

East Millinocket Mill...A Rice Barton #9 single screw extractor was installed in the Screen Room in place of a vibrating screen feeding secondary rejects to #4 refiner. After minor adjustments were made, the unit was put into continuous service resulting in a greatly improved operation. To further reduce river pollution and wood fiber waste, two Bauer Stocsavers were installed on the Screen Room secondary cleaners and initial results are very encouraging. Recent alterations in the vacuum device used on the Elwell-Parker electric truck have proved to be very helpful in operations thus far. The developments by Area Engineer Ray Blaisdell consist of several innovations to the Little Giant attachment.

Work is in progress on the winders in the #1-4 paper room to improve roll quality by adding weight to the rider rolls, resulting in a tighter wound roll. A trial shipment was made for the Boston Globe.

The old steam plant started up on January 6, to supply steam to the 2500 kw turbo-generator. Although this increases unit power costs, start-up of this equipment was considered essential during the low water period.

The airplane hangar with its heater system was completed in mid-December to provide proper housing at Millinocket for the Company plane.

Paper production for fifteen weeks ended 1/16/66...

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cedar Springs</td>
<td>95,909</td>
<td>969</td>
<td>86,961</td>
<td>897</td>
</tr>
<tr>
<td>East Millinocket</td>
<td>106,919</td>
<td>1,045</td>
<td>104,108</td>
<td>1,031</td>
</tr>
<tr>
<td>Millinocket</td>
<td>85,953</td>
<td>842</td>
<td>84,794</td>
<td>840</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>288,781</strong></td>
<td><strong>2,856</strong></td>
<td><strong>275,863</strong></td>
<td><strong>2,768</strong></td>
</tr>
</tbody>
</table>

New daily saleable production records at both Northern Division Mills...The following exhibits the three new records and the previous highs:

<table>
<thead>
<tr>
<th></th>
<th>New Record</th>
<th>Old Record</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millinocket Mill</td>
<td>1,062.9 tons - 1/9/66</td>
<td>1,009.6 tons - 12/14/65</td>
</tr>
<tr>
<td>East Millinocket Mill</td>
<td>1,178.0 &quot; - 12/30/65</td>
<td>1,150.1 &quot; - 12/10/63</td>
</tr>
<tr>
<td>Total Both Mills</td>
<td>2,180.2 &quot; - 1/9/66</td>
<td>2,091.1 &quot; - 12/21/65</td>
</tr>
</tbody>
</table>

WOODLANDS NOTES

All cutting in our Pittston camps has ended. Hauling was due to start January 3, but because of lack of good ice on Big Bog, it could not get under way until the tenth. The heavy early snows insulated ground and water so that the ground is not too well frozen and ice on ponds and lakes is thin. In Aroostook, cutting continues at the Bartlett and Milliard camps only. Hauling is progressing normally. Snowfall has been light lately and the rain in late December settled what was on the ground. Dan Garrity’s Johnston Pond operation is moving along on schedule. Anyone desiring a thrill should visit the operation and come down the mountain in a truck loaded with wood.

Total West Branch storage is now at 11.2 billion cubic feet. This is 19.6% of full storage and 15.5 billion cubic feet below rule curve.
Peter S. Paine's opening remarks at a Planning meeting held on January 17, in the E&R Building were as follows:

"The subject of this meeting today is corporate planning, and let me say at once that I strongly believe the future belongs to those who plan it. Now, planning is not new at Great Northern. The people who founded this Company were planners - courageous, venturous planners. They put together these woodlands and water power, explored for a mill site, and decided to make a product - newsprint. Ever since then, of course, there has been continuous planning by the chief officers of the Company, but in many cases, decisions have been made by events, and there has been no formal long-range corporate planning function as such.

Today, as industry and our Company become more complicated, and competitive factors more intense, corporate planning can no longer be the sole province of a few corporate officers. It must have the combined experience, knowledge, and participation of every department of the Company: Sales, Woodlands, Operations, Engineering and Research, and Finance.

About a year ago, therefore, we decided to establish planning as a recognized Company-wide function, and recently Les Kewer was appointed Vice President - Planning for Great Northern with Adam Gniazdowski as his direct assistant in this function. Many of you have already been involved as we have felt our way toward a more formalized approach to Company planning. To others, this may be the first exposure. In any case, the subject will be thoroughly covered by speakers who follow me on this program.

Planning, of course, suggests a goal, and our goal is to steadily increase the return on capital investment. As a standard, we are saying that on all new capital expenditures a return of 10% after taxes should be minimum. Some capital expenditures are defensive, so others must return considerably more in order to average a 10% return after taxes."

At this point Mr. Paine further defined the results expected from Corporate Planning and concluded his remarks with:

"Nothing stands still. We move either forward or, by doing nothing, drift backward, and I would like to say now unequivocally that Great Northern, once described as 'a sleeping giant,' is moving ahead."

Mr. Paine was followed by Dr. Ernest Dale, Management Consultant, who outlined how other companies plan and how Great Northern should approach the Corporate Planning function.

Adam Gniazdowski, Asst. to the Vice President - Planning, reviewed the Company's accomplishments in planning so far, particularly in the area of sales forecasts and their implications for other departments.

R. A. Haak spoke on the impact of planning on the Sales Dept. saying in summary:

"We have found in Sales that as a result of this planning discipline we are more aware of our customers' needs; we had to find out which grades and orders are the profitable ones (and use the information). We have been able to set at least short term goals so far and plan to meet them. I think this is a long step toward better profitability."
"In these times, when conditions change so rapidly in a very competitive marketplace, any company must have the organization to supply the raw material for decision making. It is our experience in Sales that the Planning function so far has, first, made decision making possible and, second, it has not slowed up the process but speeded it up. It is making our jobs easier to do more effectively, and has immeasurably helped communication."

L. G. Kewer, Vice President - Planning, explained that a formal long-range planning function was organized planning on a continuing basis and was a Company-wide affair and, as such, the responsibility of all employees. As to implementation, he stated that a procedure is now being drafted for management's consideration and approval to set up Planning meetings in each department of the Company. At these meetings ideas can be expressed, studied, screened and passed along to the department head for further action. Mr. Kewer also presented an outline of what is expected from each department in order to assure the success of long-range corporate planning.

The meeting was attended by department heads and other key Company employees.

New Computer Applications . . . Our computers have been successfully applied in new ways in two completely different areas recently. One was related to process control and the other to the mathematical analysis of experiments.

In the first case, the TR48 analog computer was used to simulate a consistency control problem that was giving difficulties in the mill. A number of control schemes were proposed and tried in the laboratory. After a number of promising solutions to the problem were found, the analog computer was taken into the mill to try the control schemes there. One of the less conventional control methods proved to be far superior to all others and gave very good performance. Suppliers are now being approached for quotations on commercial control instruments to do the job permanently.

The other case is one in which a program was written for the IBM 1440 computer which takes an equation and plots it in the form of contours like on a map showing the mountains and valleys. It helps to take the mystery out of numerical test results. From these plots you can literally 'see' what conditions lead to higher yields or better quality.

This computer program is also interesting in that it is not stored on the usual IBM cards. Instead it is available on a magnetic disk from which the computer can call it nearly instantly and can start calculations and plotting immediately.

New information center at Millinocket Mill . . . In mid-October 1965, the Control Dept. embarked on an experimental program of keeping the entire mill posted on current process trends. Along with the usual test data on pulps and paper, this section functions as an information agency directed at following process and customer situations and keeping the mill supervision alerted of these facts.

At their disposal are current files on all customers, historical data on past production and running data on the major mill production equipment. This section is being developed to serve as the control center of the Millinocket Mill with up-to-date information on all phases of the mill's operation.
Personnel Changes . . . Effective January 1, at Millinocket Mill, Coleman R. Larlee was promoted to Day Foreman from Tour Foreman - Paper; and at East Millinocket Mill, Vaughn A. Peters was promoted to Tour Foreman - Paper Machines #1-4.

At Cedar Springs, effective January 1, Charles A. Arnold was promoted to Area Superintendent from Assistant Area Superintendent - Woodlands. . . . Ellis E. Starkie was promoted to Paper Mill Foreman from Paper Mill Floor Man.

John P. Bishop, Junior Research Technologist, returned to Great Northern on October 1, after six months of service with the U. S. Army.

New Employee . . . Hoyt S. Grissom was employed as Woodlands Forester at Cedar Springs, effective December 27, 1965.

Retirements . . . Adelard Gilbert and Alfred Nadeau, both Pulpwood Contractor Foremen in the Pittston area, retired on January 1. They started their careers with the Company as pulpwood cutters 50 years ago. They recall that in 1915-16, due to heavy snowfall, all the logs were not landed and when they returned the next summer they sawed the logs with crosscut saws into four-foot bolts. They also recall when some of the hauling in the winter was done with oxen. It is reasonably safe to say that each of these men has supervised the cutting of half a million cords of wood.

Best wishes for a long and happy retirement are extended to both men from all their associates in Great Northern.


Congratulations . . . John T. Maines was presented with a plaque at the American Forest Products Industries meeting held in Bangor January 10. This was in recognition of his accomplishments while serving as Maine chairman for two years.

Speaking Engagement . . . Paul D. Hubbe, Pioneering Research Supervisor, will speak on Large Process Control Computer Systems and Their Special Considerations at the 10th Annual Pulp and Paper Conference on Jan. 20-21. This is being sponsored by Western Michigan University, Michigan Division of PIMA, and the Kalamazoo Valley Section of TAPPI.