Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine  

Dear Bob:

The Public Affairs Office newsletter for the week ending January 3:

**ENTER JIM LONGLEY**

Governor James Longley, January 2 delivered his inaugural address to the Legislature, highlighting his first week as chief executive.

Reflecting the concerns he voiced during his campaign, the nation's only independent governor called for a one-year moratorium on new programs that cost money. He said it is time state government stop planning on a crisis basis and take a long look at the future.

Legislative leaders took a "wait and see" attitude, pledging cooperation for now but also saying they want to see the specifics of the new administration's programs. Longley will spell them out in a budget message, due probably in mid-February.

The Lewiston insurance man reminded the Legislature and a statewide television audience that he comes from the ranks of business. He wrote into his inaugural message some words of advice and welcome for the businessmen of the state. Longley said he hopes businessmen will come to Augusta "more frequently" and support legislation when it is appropriate instead of devoting the bulk of their time to opposing new ideas. Businessmen, the Governor said, can make important contributions and he reminded all those listening to his speech that businessmen are "also human beings."

Longley said "the major challenge facing each of us is to find more and better jobs for the people of this state. A major thrust of my administration will be to attract to this state the types of industries and firms that will be as good citizens as the Maine people they employ. I have already started to seek industries that will provide quality jobs for Maine people. This search will not end during my four years in office."
Longley (continued)

During the week, the Governor also picked as his Commissioner of Commerce and Industry a veteran of the big time advertising field. Hadley Atlass of Orr's Island. H. Sawin Millett, Jr. of Dixmont will be the new Commissioner of Education & Cultural Services. Millett now heads the Maine School Management Association, representing school boards. He is credited with being one of the authors of L.D. 1994, the costly law equalizing school costs between the state and municipalities. Roger Mallar remains as commissioner of Transportation, the strong man who headed the big transportation agency for many years. Mallar took over as Commissioner two years ago. Longley also picked a new man to head the state lottery and said former DCI Chief Jim Keefe will be a special assistant to the governor. Still left to be named are men who will handle two major agencies -- Health & Welfare and Mental Health & Corrections.

The Governor's first cabinet meeting started at 7 a.m.

THE SPRUCE BUDWORM

For about two-thirds the cost of the spruce budworm spray program proposed for 1975, Maine could have a working methanol distilling plant, the state's chief energy planner said in an interview published January 1 in the Presque Isle Star-Herald. Robert Monks said it would cost about $10 million to set up a plant to produce methanol gas from waste wood, including trees killed by the budworm. He said the clean, no-carbon gas fetches its highest price when sold to produce plastics, synthetic fibers and other by-products of petroleum.

And while Monks clouded the budworm controversy with this proposal, the Northern Maine Regional Planning Commission stopped short of opposing a chemical spray effort but said "it is absolutely shocking to see how a program of this magnitude could be advocated when there is such a lack of true facts, hard-core scientific data and a well thought out strategy for future actions." In the Aroostook Republican, published in Caribou, a spokesman for Seven Islands Land Company was quoted as saying the land management firm "isn't pushing" the spray program as proposed by the State. Pete Sawyer, another major landowner, says he opposes spraying because it prolongs the budworm's natural cycle.

On the positive side of the debate, WGAN-TV News in Portland devoted three successive evening news reports to the subject with advocates interviewed --- Henry Magnuson of the Paper Industry Information Office, Director Fred Holt of the Bureau of Forestry and Executive Director Richard Anderson of the Maine Audobon Society. Another series of half-hour programs were planned over WAGM in Presque Isle at 7 p.m. for three successive Sunday nights (December 29, January 5 and 12). Magnuson also replied to Attorney Charles White's criticism of spraying in a telecast over WABI-TV in Bangor.
Budworm (continued)

Governor Longley hasn't taken a position on the state funds needed for the spray. Until he does, the availability of financing is up in the air. One quarter of the $12 million to be needed would come from the state and another 25 per cent from landowners to match federal funds (yet to be appropriated) under the formula now being proposed by Holt. The biggest problem on the Legislative front facing the forest industries may be acquainting Southern Maine legislators (the city folks) with the economic necessity for a spray program.

MEETING WITH LEGISLATORS

Eleven legislators met with Aroostook area managers of forest lands December 28 in Ashland. They discussed the programs of joint management in progress in the undivided townships, harvesting policies, erosion control, labor and educational programs, the new Pinkham mill and recreational programs as well as the spruce budworm infestation. In addition to Great Northern and Pinkham representatives, other companies involved were International Paper, Prentiss & Carlisle, Seven Islands, Dunn Timberlands, staff members of the Bureau of Forestry, and the department of Inland Fisheries & Game Department.

PUBLIC RELATIONS

A news release was prepared and a photograph taken to accompany the release concerning the Great Northern contribution to the Millinocket Community Hospital. It will be released Wednesday, January 8. (Copy of release is attached)

Information on the location of dams and camps in the West Branch were provided Peter Taber of the Bangor Daily News. He was considering a story as a follow up to a Natural Resources Council of Maine newsletter article. The NRC Rivers Committee, headed by William Stearns of Orono, Taber said, is urging against premature opposition to designation of the West Branch of the Penobscot as an addition to the National Wild & Scenic Rivers Act.

A radio announcement and a news release was prepared on awards made to winners in the December safety contest in the Millinocket and East Millinocket mills.

PUBLIC AFFAIRS

The Natural Resources Council and the Appalachian Mountain Club will sponsor a Conference on Forest Management in Maine - The Fourth Forest, January 18, at the University of Maine in Augusta. Senator Edmund S. Muskie will make the keynote address. The day-long meeting will cover trends in management but it appears to be the vehicle for focusing attention on a major NRC goal of the 1975 legislative session --- a forest practices act. The last time around the paper companies proposed such legislation. It went down to defeat because of the protests of small landowners. This time the Maine Forest Products Council is proposing a two-year moratorium
Public Affairs (continued)

on such legislation to permit time for a study of the need for such legislation. If the paper companies go along with the small landowners, they again will be on the defensive.

Associated Industries of Maine is sponsoring a seminar January 8 on Workmen's Compensation in Maine. A State Fund for Maine (a proposal likely to face the Legislature in the next few months) will be discussed.

Thomas J. Cieslinski of the Bureau of Parks & Recreation of the State Department of Conservation called with questions regarding the West Branch region. He is drafting a state position paper and expressed the personal opinion that the path to recreation management is best achieved by cooperative efforts of landowners and state agencies. He said the BOR is pushing ahead with a federal-level proposal.

We talked with C. Norman Manwell, supervisor of acquisition and development, in the Bureau of Parks & Recreation regarding the need for additional boat launching facilities in the Millinocket region.

Sincerely,

[Signature]

Paul K. McCann
Manager-Public Affairs

Enclosure

Distribution:

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P. F. Yacavone
PUBLIC AFFAIRS

Paul Johnson, a biologist of the State Department of Inland Fisheries & Game, visited the office to discuss the West Branch research he is undertaking.

With help from Legislative Finance Officer Bill Garside we compiled a comparison of state income under the old and new systems of forest land taxation.

A letter requested by the Bureau of Outdoor Recreation on GNP management of the Penobscot was redrafted.

A deed for 30 acres of land that is being given to the Abnaki Girl Scout Council for use by Camp Natarswi was delivered to the Brewer headquarters of the Council and a news release discussed.

Sincerely,

Paul K. McCann
Manager-Public Affairs

pmc/b
Enclosure
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine  

Dear Bob:  

The Public Affairs Office Newsletter for week ending January 10 follows:  

**Bob Monks Plugs for Methanol Plant**  

Bob Monks, the millionaire who took an unsuccessful fling at politics, is back in the headlines and appearing on television. He's now the director of the State Office of Energy Resources. Based on a report he and his staff have assembled, he is plugging for private business to get involved in the business of making methanol.  

On public television this week, Monks said he thinks the idea has the best investment potential for use of Maine wood since the days of the ironclads.  

Later in Portland in an interview, Monks said he feels he has a commitment from Dead River Company and Seven Islands Land Company to take part in such a project. No methanol (wood alcohol) plants exist in this country. Wood alcohol was used by the Germans and Japanese in World War II to fuel both vehicles and homes. But Monks said its greatest use is as natural gas and maintains it can be made for 40 cents a gallon and now brings as high as $4 per gallon from a glass plant in Detroit. In his meeting with editors of the Portland newspapers, he was quoted as saying he thinks wood infested by the spruce budworm in Maine would make excellent fuel for such a plant. That plant would use all parts of the tree --- roots, bark, needles and scraps. Monks plans to have a further report on the use of wood in this process in about two weeks.  

The wave of publicity Monks is generating about the use of wood is going to cloud the spruce budworm spray issue as well as challenge major landowners to explain why they are not jumping on the methanol bandwagon. On television, Monks said he expected those landowners with home offices in Maine such as Dead River, Seven Islands and Prentiss & Carlisle Company to react to the attempt to expand Maine's energy base.  

Columnist Bill Clark had some other ideas on the subject. His column is attached.  

A copy of the report was obtained for analysis by the Research Department.
THE LEGISLATURE

The early days of the session have been dominated by squabbles between the new Governor, the Executive Council and legislators. Governor Longley made two unprecedented apologies — one to the Council and one on the floor of the House of Representatives. Times have changed and the new Governor is changing the rules on the State House scene.

This week the resolve which calls for the Legislature to approve the GNP gift of public lots to the state was filed. It is being sponsored by House Speaker John Martin and Minority Leader Linwood Palmer. Observers see the joint sponsorship as reflecting legislative leadership's acceptance of the merits of the land exchange as a solution to the public lots issue.

Other bills which have been filed include proposals to...

Abolish the Land Use Regulation Commission;

Require Consideration of Economic Factors Under the Site Selection Law;

Appropriating funds to reimburse municipalites for business inventory taxes;

Providing two labor representatives on the board of environmental protection.

Next week the legislative committee which studied L.D. 1994, the costly new school financing formula is expected to report.

Officials of the State Department of Conservation's Bureau of Forestry are working on drafts of bills to 1) provide funds for spruce budworm spraying and 2) to collect funds from landowners involved. The levy is expected to apply to those owning over 500 acres within the unorganized territory of the Maine Forestry District. The draft called for landowners to pay 50 per cent of the state share. Even finding this amount of money is going to be an extremely difficult job for the legislators although an editorial in the Portland Evening Express on January 4 said "there are two problems, in the crisis category, which neither the governor nor the Legislature can duck" and said the spruce budworm infestation was one of them.

LURC

The zoning hearing covering the West Branch region as well as other towns in northwestern Maine owned by GNP was held January 6 in Bangor. After state departments had their say, and island residents had had time to complain over the staff plans, George Carlisle of Prentiss & Carlisle Company urged the Commission to abandon the concept of deer wintering areas. Protection districts covering the deer wintering areas and remote trout ponds constitute the major issues facing LURC. Carlisle contended that feed, not wintering habitat, is the key factor in deer management. His foresters, he said, also object to the putting the deer wintering areas in protection districts because of the fact that each harvesting operation planned in such areas will require LURC approval.
LURC (continued)

The hearing was recessed until February 3 in Augusta to allow people more time to study the zoning maps which, in some cases, were received only a few days before the hearing. It was a long and not very productive hearing. Next week foresters from companies representing owners in the 250 townships involved will meet with Inland Fisheries & Game biologists in Augusta to get the specifics on each deer yard. A GNP position paper is being developed by the Woodlands Department.

EXPLAINING L.D. 1994

The 107th Legislature's financial problems center on the funding of L.D. 1994 designed to provide equal educational opportunities for all pupils in all Maine schools regardless of where they live or the tax base of their city or town. In the January edition of Maine Insight, published by the Maine Department of Educational and Cultural Services, Asa Gordon made a progress report on the new school financing concept. Gordon is the deputy commissioner of the department, the man credited by many with being one of the authors of the law. His comments are attached to this newsletter.

THE WEST BRANCH

Bill Stearns, a leading figure on the canoe scene (he is president of a Bangor canoe club and a leading racer), generated a two-part series in the Bangor Daily News on the proposal to designate the West Branch as a part of the national Wild & Scenic Rivers System. He is concerned that the proposal is not going to get all the input needed on the Maine scene because of the wave of opposition which has developed. In talking with Stearns, he makes it clear he is not a critic of Great Northern's management --- and carefully stayed away from implying this in his statements to the press. He does want to keep the issue alive. And he doesn't want to see any hydroelectric development.

A letter requested by the Bureau of Outdoor Recreation covering GNP management policies and state and federal controls protecting the river corridor was sent to Jack Hauptman. We also sent copies to all members of the Maine Congressional Delegation, local legislators and state officials.

MAINE: A GROWTH AREA

The State of Maine has had a reversal both in its long standing pattern of net out-migration and its below average rate of population growth, the U.S. Bureau of Census reports. Maine's population in July was estimated at 1,047,000. Only three states north of the Mason-Dixon Line and east of the Rockies had population growth rates greater in the 1970-74 period than the U.S. average of 4.3 per cent --- New Hampshire (9.5), Vermont (5.7) and Maine (5.5). "We know relatively little about the recent development of net in-migration to Maine other than that the coast counties appear to be the major migration targets," L. A. Ploch of the University of Maine comments in a recent analysis. Penobscot County's 1970 population was 125,400... now it is estimated at 131,900. Aroostook is up from 94,100 to 95,200.
PUBLIC RELATIONS

A story and a picture covering the $400,000 in pledges by Great Northern to the Millinocket Community Hospital fund raising campaign appeared in the Bangor Daily News and the Katahdin Journal. Stories distributed by the Associated Press and the United Press International appeared in other Maine newspapers and was broadcast over radio and television stations throughout the state.

The January-February issue of Scouting magazine includes an illustrated story on the Seboomook High Adventure Base of the Boy Scouts of America which has been centered for four years at Pittston Farm, owned by Great Northern. We worked with the authors last summer. It points up the potential for multiple use of the commercial forests on a controlled basis by youth organizations.

We asked Ad-Media to come up with an advertisement for the Sales Department to be placed in Gravure Technical Association Bulletin.

PUBLIC AFFAIRS

Information was provided Senator Huber on the recent land exchange between the State and GNP. He had a neighbor who has a camp in the Chesuncook Village area and had asked him for information.

With assistance from the Office of Senator Muskie, we obtained a fact sheet on the Oregon wood waste power generation project from the Bureau of Maines as well as a promise of further details. It has been discussed in the Maine press in recent days.

At Bob Hellendale's request, we redrafted material for the next GNN quarterly report on the People of Great Northern.

Cathy Flynn, a free-lance reporter who lives in Buckfield, called with questions regarding the land exchange between GNP and the State. She is writing a magazine article.

Plans for the Seboomook High Adventure Base (Pittston Farm) were discussed by Bud Jeffrey at a meeting with Fred Morrison.

We started distributing the Federal Register to departments interested in its contents. The publication covers all proposed regulations by federal agencies and is published daily in Washington. A subscription was provided GNP by the Muskie office.

We visited the Oakfield wood yard and with Ken Hodsdon, the district superintendent, worked on plans for a community relations meeting with legislators, municipal officials and other opinion makers in the Southern Aroostook area. It'll be held late this month if plans work out.

Sincerely,
Paul

Paul K. McCann
Manager-Public Affairs
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine  

Dear Bob:  

The Public Affairs Office newsletter for the week ending January 18 follows:  

**THE MAINE ECONOMIC RESOURCES COUNCIL**  

"They say we are here because of selfish interests....if paying the rent, putting food on the table, paying for our fuel, paying our rent or our mortgages....if that's being selfish, we are all damn selfish..."

"We need jobs --- not lip service...." 

"We can protect our environment without discouraging the creation of jobs."

Speaker after speaker paraded to the microphone to make these points at the January 17 founding meeting of the Maine Economic Resources Council (that is the tentative choice of a name for the group which will work for more jobs and speedier development in Portland. More than 700 people from Madawaska to Kittery attended --- labor leaders, businessmen, legislators and others.

Paul E. Merrill, president of the Merrill Transport Company, was the man who chaired the session. Both he and Widgery Thomas, Jr., president of United Bancorp of Maine, told the group that their contacts out-of-state had shown them that Maine now has a reputation for not wanting new industry.

Kenneth Cianchette, another of the organizers and one of the owners of Cianboro, a construction firm, said that the organizers felt it was time to start speaking up on the issue of growth.

We had Ken Ramage and Eldon Hebert from the UPIU as guests at the Great Northern table along with a Biddeford newspaper reporter and executives of Associated Industries of Maine and the Paper Industry Information Office.
MERC (continued)

Where is MERC headed? The leadership is apparently determined to be heard. Augusta and Bangor meetings are on tap to rally support. The Portland law firm of Atwood, Scribner, Allen & McKusick has been retained to lobby for MERC. (They represent IP, GP and others already on the Augusta scene.) Beyond that, it looks like the group has the best potential yet to mould a workable partnership between labor and industry to speak up on the environmental battle scene.

The Natural Resources Council

The largest environmental organization in the state January 18 sponsored a conference on "The Fourth Forest" and attracted over 300 persons to the University of Maine in Augusta. The focus was on the management of the state's timberlands and the question of a forest practices act.

Except for an out-of-state speaker who really didn't command a lot of enthusiasm with an attack on corporate management of timberlands, the session was a quiet discussion of the state of the forests today and what the future holds. Charles H. Stoddard, Minong, Wisconsin, a former director of the U.S. Bureau of Land Management, said: "Corporate owners (of forest lands) have the advantages of holding large economic units, operating their own woodlands, maintaining continuous ownership, using tax and other incentives to advantage, and having the assurance of profitable market prices --- their own. But they have no conscience. The corporation is a legal instrument concerned with making a profit while the individual has both a heart and a conscience."

Other topics of the day included:

Contrary to popular beliefs, the paper industry is a more important source of jobs and economic advantages than other users of wood products --- David Field, a Yale University forest economist.

The Environmental Protection Administration didn't realize the "hornet's nest" they were stirring up with a model forest practices act. The states have time to act on their own to do the job because EPA is too busy fighting for its life in a time of recession and energy shortages to start a massive new program --- Richard Pardo, programs director, American Forestry Association, Washington, D.C.

This is a period of backlash against regulation but we can expect more and let's hope it makes sense. The one thing which is common in all discussion of forest practices is the question of erosion and sedimentation. I am not sure it is the state's business to tell people what to grow. We face an "extreme disaster" for this state in the spruce budworm epidemic and a major salvage operation. A lot of laws are going to have to be suspended as a result of this need --- Senator David Huber, chairman of the legislative committee on Appropriations.
The forests are not yielding what they ought to yield and that's why we need a forest practices act --- Assistant Attorney General Edward Lee Rogers.

Speakers included George Weiland of Dead River, Morris Wing of International Paper Company and Harold Klaiber of Scott Paper Company.

A photographic report on forest practices in Maine entitled "The Fourth Forest" was distributed. A copy is available in the Public Affairs Office.

**Paper Industry Information Office**

The companies agreed on a draft of a letter under which they would buy the chemical for the spruce budworm spray program --- turning it over to the state when state and federal funds become available. Great Northern would become the broker on behalf of all companies involved. The letters will go to corporate headquarters for approval by January 24.

Lawrence Abbiati, vice president and mill manager of the S. D. Warren Company, was re-elected president, Keith Ruff, Georgia-Pacific, vice president, and Robert Lamport, Pejepscot, treasurer, during the sessions January 16-17 in Portland.

There is a hard fight ahead if the Legislature is going to be convinced there is a need for state funding as part of the budworm spray program, Attorney Donald Perkins told directors. Directors feel, however, that the Legislature has a responsibility and must be challenged to act.

A copy of the latest PIIO month newsletter is attached.

**The Koons Uproar**

Governor Longley's nomination of Donaldson Koons for another term as Commissioner of Conservation has been tabled by the Executive Council. In the Maine Sunday Telegram, Bob Cummings summed it up this way: "Dr. Donaldson Koons, for nearly a decade this state's most articulate and respected spokesman for clean air and water and the wise use of Maine's lands, has suddenly found himself without environmental friends."

Observers in Augusta expect Koons to win Council approval if House Speaker John Martin (a Koons critic) doesn't get deeply involved in the controversy. At one point last week, Martin was reported ready to go before the Council and fight Koons. He did not. The opposition came from Attorney Clinton Townsend, a former president of the Natural Resources Council and a former member of LURC; Sherwood Libby of Limington, an incumbent LURC member; John Christie, president of the Saddleback Mountain ski resort in the Rangeley area; and John Fallon, a Waldoboro real estate dealer. They charged him with ignoring the LURC law. One of the agencies incorporated into the conservation department was the controversial Land Use Regulation Commission.
Koons (continued)

Koons fired outspoken James Haskell from the post of executive director. Haskell says he thinks it would be better to abolish LURC then have it continue on the course the Commission is now on under Koons' leadership.

While Koons is in trouble, the Commissioner of the Department of Environmental Protection, Bill Adams, was quickly approved by the Council.

It is also reported in Augusta that the Governor will post Harvey Johnson for membership on the Board of Environmental Protection. Governor Curtis tried this but couldn't make the nomination stick because Johnson was a member of the Executive Council. The Council has to approve such nominations and the Attorney General said it was illegal to name Johnson.

**ADVERTISING**

We talked with Roger Fontaine of the Lewiston Sun-Journal, Bob Nisbet of the Portland papers and answered a letter from Ken McManus of the Bangor Daily News regarding GNP community relations advertising. An advertisement for the spring special editions of the newspapers has been prepared by Ad-Media and is being circulated to Bob Hellendale and John Staples for comment as well as yourself. The agency also has provided a draft of a proposed advertisement for the Gravure Technical Association magazine and it is being sent to Bill Cozens for approval and coordination.

**LEGISLATURE**

This week the following bills were filed, proposing:

Increasing the allowable truck weight limits on the Interstate Highway System (L.D. 190).

Requiring see-through packaging of meat, poultry, and fish (L.D. 195).

Copies have been distributed to managers. A master file is available in the Public Affairs Office.

**PUBLIC AFFAIRS**

Information was provided Thomas Cieslinski of the Parks & Recreation Bureau on the West Branch river. The planner is drafting a state position paper on the federal proposal to designate the river as part of the National Wild & Scenic Rivers System.

We asked Dale Gary of Congressman Cohen's office for OSHA information for Central Personnel and also for a rundown on what the U.S. Bureau of Outdoor Recreation has told Bill Cohen on the progress of the West Branch study.
Public Affairs (continued)

We provided Paul Firlotte with general statistical information on GNP to incorporate into his talk he was planning for January 20 in front of Senator Muskie's subcommittee hearing in Portland on the energy situation.

Richard Barringer, director of the Bureau of Public Lands, plans to brief the new committee during the week of January 20 on the GNP-State of Maine land exchange. Senate Majority Leader Jerold Speers of Winthrop is the new Committee chairman with House Majority Leader Neil Rolde replacing Larry Simpson as House chairman. He is enthusiastic about legislative approval. We also asked him to provide GNP with a copy of the Machias River study report. It is being cited as a model for protecting wild rivers. The report is just about now being put in final form for publication.

Sincerely,

Paul K. McCann
Manager-Public Affairs

pmc/b
Enclosure
Mr. R. J. Shinners
Vice President-Operations
Great Northern Paper Company
Millinocket, Maine

Dear Bob:

The Public Affairs Office newsletter for the week ending January 25:

**Koons Rebounds**

After his nomination as Commissioner of the State Department of Conservation had run into opposition and been tabled by the Executive Council, Donaldson Koons was described in the Maine Sunday Telegram as a man who "has suddenly found himself without environmental friends." The article by Bob Cummings, the newspaper’s environmental writer, was accompanied by a picture of Koons, his head bowed, captioned "Dr. Koons: Everyone’s target." The next day Governor Longley spoke out against the "organized testimony" against Koons which he said was designed to "embarrass a fellow human being." Others apparently agreed with the Governor.

On January 24, the Governor presided over another round in the hearings by the Council on the nomination of Koons. While describing himself as an "environmentalist" in opening remarks, the Governor also was critical of the Natural Resources Council which had not supported Koons. Except for one man from Cape Elizabeth who rambled on and on in a confused manner, the people who spoke up were all supporters of Koons. They included Richard Anderson, executive director of the Maine Audubon Society and member of the Board of Environmental Protection... Orlando Delogu, a former member of the BEP... Lance Tapley, leader of the campaign to make Bigelow a state park... Charles Wyman, a member of BEP... David O’Brien, a former NRC official and active in the environmental circles... Curtis Hutchins, Morris Wing, Stu Cooper, Charles Skinner and others from the business world... Harry Richardson, former Chairman of the Public Lands Committee of the Legislature.

When the testimony had been heard, the Council voted 6 to 1 to confirm Koons. Only Councilor John Clement from Cumberland County held out. Governor Longley swore Koons in.
THE SPRUCE BUDWORM

The Bangor Daily News published a story during the week indicating Governor Longley would not support state financing for 25 per cent of the cost of a 1975 spray program. It was not confirmed. The Governor has met, however, with Conservation Commissioner Koons and Forestry Director Holt to discuss the budworm problem.

It is expected that legislation will be filed next week calling for the Legislature to match federal funds for the project with 25 per cent from the general fund and 25 per cent raised by a special tax on private timberlands. Some of the details are being worked out. The legislation will apparently have bipartisan sponsorship. Still, it faces rocky going in the weeks ahead. Money is scarce. There are many legislators who questions using general fund revenues for spraying privately owned timberlands.

In the meanwhile, the special committee of the 106th Legislature which studied the budworm problem was drafting a report which recommended that the forestry department no longer attempt to protect and preserve foliage of all seriously infected acreage. The aim of spraying in the future, the committee said, should be to space out mortality to reduce salvage operations to manageable proportions. The committee also will urge "the conversion of wood into electric energy to relieve Maine's reliance on imported petroleum and nuclear fuels." Minority opinions were also expressed by former Representative Briggs and Representative Peterson.

THE LEGISLATURE

During the week, bills were filed proposing:

Exempting trucks purchased by non-residents from the sales tax (L.D. 250).

Changing weight provisions for commercial vehicles (L.D. 265).

Providing for additional local expenditures under the School Subsidy Law (L.D. 280).

Copies of bills are distributed to managers as soon as they are received from Augusta. A file is maintained in the Public Affairs office.

ADVERTISING

After soliciting comments from those involved, a 1975 communities relations advertisement was approved based on a proposal by Ad-Media, the Augusta agency retained for the project. The theme will be "In the woods many things come naturally; but not forest management." So far it has been scheduled for the Lewiston, Bangor and Portland newspapers.
PUBLIC RELATIONS

Paul Reynolds, editorial writer for the Bangor Daily News, called with questions regarding the state's proposed method of collecting the funds to be used for the budworm spray program. He couldn't get Fred Holt to return his call and was trying to understand a Bureau of Forestry release which could have been interpreted as proposing that 50 per cent of the funds come from the federal government and the other 50 from the general fund. While editorials have appeared in the News questioning if any state funds should be used, Reynolds indicated this wasn't a unanimous position or a flat policy. He said he was leaning in the direction of supporting state funding because the budworm epidemic is in the category of a "disaster."

Anne Erickson of the Bangor News called asking if 1) Great Northern had expressed to the Baxter State Park Authority an interest in salvaging the wood in the blowdown in the park. Our answer was "no"; 2) She asked if we would bid on the project if invited. Our answer was that this decision would be made after bids had been invited by the Baxter State Park Authority. She quoted Chairman Maynard Marsh as saying the Commission voted January 17 to ask bids on the salvage of the wood and indicating that several companies had expressed an informal interest.

Earlier in the week we provided the News with information on which to base a story on the gift of land for the Girl Scout camp at Togue Pond. We had held off making the announcement at the request of the area Scout council but the News insisted on an "exclusive."

Jim Byrnes of the News called regarding a "big safety" contest he understood was in progress at the mills. It turned out that the local correspondents had provided the newspapers with the story several days ago --- and it hadn't been used, or lost.

The Merrill Bank was provided several color pictures of the Pinkham Lumber Company expansion project which they requested for consideration for the Bank's annual report which will focus on industrial growth in northeastern Maine.

We provided the story on GNN 1974 earnings to the Bangor Daily News, Portland Press Herald, WMKR and weekly newspapers in the area.

A picture and story on the safety contests in the mill was prepared and distributed.
PUBLIC AFFAIRS

In Aroostook County, we attended a Northern Maine Forest Forum, visited Fort Fairfield Town Manager Louis Ayoob and Newspaper Publisher John Bishop. Great Northern's efforts to attract young people into the woods as workers were explained (and praised) during the Forum in Presque Isle. One of the three speakers was a graduate of the GNP training program for woods harvesters who is now teaching at Island Falls, another was Dana Saucier of the Woodlands Personnel Department.

At Oakfield, we went over plans with District Superintendent Ken Hodsdon for a January 27 open house for legislators and community leaders.

In Bangor, we visited with Norm Drew of Senator Hathaway's office and at Orono toured the facilities of the Maine Public Broadcasting network. The network is seeking financial support from the business community.

Sincerely,

[Signature]

Paul K. McCann
Manager-Public Affairs

 PMC/b
Enclosure
February 8, 1975

Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462

Dear Bob:

The Public Affairs Office newsletter for the week ending February 7 follows:

**GOVERNOR LONGLEY AND THE BUDWORM**

Governor Longley on February 6 presented his budget message to the Legislature. The man who last fall ran on essentially a one-plank platform, that of getting the cost of government under control, lived up to expectations. The balanced budget he presented will require no tax increases.

The forest industries were awaiting his recommendations on financing of a chemical control program for the spruce budworm epidemic. As he read the last sentence of a paragraph devoted to the subject, the Governor departed from his text to emphasize apparently his leaving the funding question up to the Legislature:

"In addition to L.D. 1994 which I mentioned earlier, there are other problems facing the Governor and this Legislature. One of these is the Control Program for the Spruce Budworm. I urge the Legislature to consider this problem area carefully. I will work closely with the Legislature to come up with a funding program that is fair to all concerned, particularly the taxpayers of this State. I feel personally that the timber companies who are the primary owners and beneficiaries have the obligation to implement and fund this Control Program if it should be undertaken. The State should be only expected to pay what its fair share should be whether it be 10 per cent, or 20 per cent, or whatever the Legislature thinks is fair." (Underlining added to show ad lib change from printed text.)

The administration bill for spruce budworm control calls for $6.2 million to be appropriated and does not at this time provide a formula for appropriating the funding. It was filed by Senator Trotzky, R-Bangor. Rep. James McBrearty, R-Perham, has filed the industry bill with co-sponsors Rep. Powell, D-Wallagrass, and Rep. Garsoe, R-Cumberland. The 50 per cent federal, 25 per cent state and 25 per cent landowner concept is incorporated into this bill. Neither has been printed. Both will have to be refined in committee.
Governor (continued)

(In Washington this week we were told by International Paper Company's lobbyist that he anticipates a Congressional Committee on February 19 will quietly take the first step in providing the federal financing. But he and others see the potential for a rough road ahead. One ranking official in the administration has asked why not a formula providing one-third federal funds to be matched by one-third state money and one-third funds provided from landowners involved.)

In general, the Governor hammered away at the need for efficiency in government. He stressed this when he concluded:

"This may be the most important budget ever considered by a Maine Legislature. How we deal with it may well determine whether we start down the path of sound fiscal management or whether we continue to have management by crisis in State Government. For the good of the people of Maine, we have to acknowledge that there is no such thing as a free lunch or a free education. There is no free ride for very long and eventually the piper has to be paid."

The governor received no applause during the speech.

State employees were quick to voice anger after the Governor said he couldn't find funds for pay raises.

The University of Maine got no additional funds and officials speculated that services would have to be reduced.

Now the tempo will pick up in Augusta.

THE CONGRESS

We attended the February 5 meeting of the Public Affairs Committee of the American Paper Institute in Washington. Hank Van der Eb, chairman of the board, Container Corporation, is chairman of the committee. Representatives from Union Camp, Owens-Illinois, St. Regis, The Mead Corporation, Alton Box, Boise Cascade, Westvaco, IP, Georgia-Pacific, Champion International, Weyerhaeuser, Potlatch, and staff members from API attended the session. The meeting included a dinner honoring James W. McSwiney, chairman of The Mead Corporation, who was Van der Eb's predecessor as chairman of the committee.

Industry's opposition to wage and price controls and the complications of the energy situation were the two major items on the agenda.

There also were these comments:
Despite the turmoil, it was also reported that government action can be expected (probably in the form of an advance payment from Amtrac) which will permit continued operation of the Penn Central.

The industry must face the threat of new water and air pollution bills in this session.

Paper companies and other industries must be cautious in reporting energy conservation steps to the FEO and EPA (McSwiney reminded all that the companies are going to need increasing amounts of energy to grow).

Reports were submitted on congressional legislation in several areas of importance to the industries. (These will be circulated to managers involved in a separate memorandum.)

WASHINGTON VISIT

In Washington, we visited the offices of all members of the Maine Congressional Delegation... talking spruce budworm with Al Gamage in the office of Senator Hathaway... getting caught up on the West Branch study with Mike Hastings, chatting about methanol with Tom Heyrdahl and also renewing acquaintances with Tom Daffron and Ed Simoneau in Congressman Cohen's office.... we lunched with Bob Rose of Senator Muskie's staff and with Gail Corey and others planned a visit to Millinocket, February 10, by the Senator. In addition, Rick Bayard of Muskie's staff provided copies of H.R. 483, a proposal by Rep. Hechler of West Virginia, calling for paper containing not less than 50 per cent recycled paper to be used in the Congressional Record. (A separate memorandum is being prepared on this subject for those involved. We filled John Staples and Bill Cozens in on this matter February 6 in Stamford.)

It was discouraging, in a sense, to find more people interested in Bob Monks' methanol project than in the spruce budworm problem.

MAINE PUBLICITY BUREAU AWARD

Bob Hellendale accepted on behalf of Great Northern the President's Award of the Maine Publicity Bureau at the organization's annual meeting in Augusta, February 3.

Larry Simpson, former majority leader of the House of Representatives and president of the Bureau, made the award in recognition of the Company's "outstanding service to, and accomplishments within, the State of Maine." Both he and Bob Hellendale reviewed the Public Lands issue. Simpson was formerly House chairman of the Public Lands Committee and praised Great Northern for taking a lead in seeking a solution to the controversy.
Prior to the Publicity Bureau's dinner, we entertained a group of legislative leaders, state officials and Augusta area businessmen at a cocktail party.

**FOREST PRACTICES**

The Natural Resources Council and the Paper Industry Information Office are close together in their thinking that a redraft of a bill rejected during last year's special session might be the best approach to legislating forest practices. No commitments have been made but attorneys for the two groups have been working on drafts of a bill. In addition, the Public Lands Committee will report out a bill calling for improved erosion controls. The Maine Forest Products Council, the organization representing smaller companies in the forest products industries, have filed a bill urging an advisory approach to forest practices. Still a fourth idea is that of the MFPC urging a two-year moratorium on all such legislation pending a study of the State's forest resources. None of the bills have been printed.

**THE LEGISLATURE**

Bills of interest have been filed proposing:

- Allowing municipalities to issue routine wetlands permits (L.D. 395);
- Changing the state formula for state subsidy of education (L.D. 431);
- Changes in the qualification of executive director of the Maine Land Use Regulation Commission (L.D. 509).

A file of all printed bills is maintained in the Public Affairs Office in Millinocket.

**LURC ZONING HEARING**

Maine's deer population has increased 25 per cent in the last five years but biologists of the State Department of Inland Fisheries & Game continued last week to defend their recommendations for zoning vast areas of forest lands as protection districts because the lands involved are deer wintering areas.

Robert Bartlett, assistant manager of woodlands for GNP, presented the Company's position. He questioned the need for placing deer yards in protection districts. He further urged that LURC put off zoning other areas for protection as remote trout ponds.
LURC (continued)

He said that the category (P-11 subdistricts) used to cover the remote trout ponds was designed to cover areas on a "very special basis" ought not to be used in a broad-bush approach over thousands of acres at one time. The deer wintering areas covered 26,000 acres of land in which GNP has an interest; the remote trout ponds 58,000 acres.

More than five million acres was considered for zoning during the hearing.

PUBLIC RELATIONS

The Merrill Bank asked for approval to use a photograph of the Pinkham expansion in the Company's annual report which is focusing on industrial growth in northern Maine.

We provided information on the Great Northern-State of Maine public lands transaction to Bob Jones of WAGM-TV News in Presque Isle.

A release on GNN 1974 earnings was distributed to the Portland Press Herald, Bangor Daily News and weekly newspapers.

We told Ken Spaulding of Friends of Bigelow that GNP would not support circulation in the paper mills of a petition asking a statewide vote on putting the mountain in a state park.

In cooperation with Waldo Preble, Pat Welch, Vic Mattson and Fred Morrison, we mapped plans to acquaint local and statewide environmental groups with the kraft mill study. We will start with local officials and employees in two weeks.

We provided Lester DeCoster with the name of Charles Pray, the local State Senator, as a possible participant in a film the American Forest Institute is preparing on the spruce budworm problem.

Pictures of the winners in Millinocket and East Millinocket safety rhyme contests were released to the local newspaper.

Questions regarding an oil spill at East Millinocket were answered with guidance from Vic Mattson.

Sincerely,

Paul K. McCann
Manager-Public Affairs
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine  

Dear Bob:  

The Public Affairs newsletter for the week ending January 31 follows:  

**THE SPRUCE BUDWORM**  

In Washington, the Senate Forestry subcommittee announced plans to hold a February 19 hearing on a bill co-sponsored by Senators Muskie and Hathaway of Maine which will provide federal financing for fighting the spruce budworm epidemic. The subcommittee is headed by Senator James Eastland, who reportedly favors a greater federal effort to control forest pests. The outlook, according to Washington observers, is favorable for Congressional approval of steps to fund 50 per cent of $13.1 million project.  

In Augusta, legislation was filed which will provide the other half of the project's cost. Although the bill hasn't been printed, the financing formula proposed calls for half to come from a special tax on all owners of forest lands in the state, the rest from the general fund. There had been talk of taxing landowners of over 500 acres in the unorganized territory of the state but this approach was ruled out by the Attorney General's office. It would have been discriminatory. There could be another approach --- depending on what Governor Longley wants to do about the problem. It became evident last week that the new Governor, despite earlier reports to the contrary, is leaning toward recommending state financing of a portion of the expense. How much is the question. Longley's answer may come in his budget message Thursday, February 6. If it is less that 25 per cent, another bill would be filed to carry his recommendation to the Legislature.  

Meanwhile in Orono at a symposium jointly sponsored by the Natural Resources Council of Maine and the University's Department of Entomology, a Canadian research center director made these points:  

...Spraying tends to prolong an epidemic by keeping alive the food source.  

...If left to nature entirely, spruce and fir forests would be destroyed by the budworm and society would have to wait for a new forest to reach maturity.
THE ECONOMY

Pejepscot Paper Company, a division of the Hearst Corporation, was the latest firm with a Maine mill to halt production because of a lack of orders. The Topsham mill will go down this week, joining a lengthening list of Maine plants where production has been cut back -- Fraser, S. D. Warren, Oxford, Eastern, Kennebec, Georgia-Pacific, Keyes Fibre and IP.

GREAT NORTHERN TO GET AWARD

Great Northern Paper Company was selected by the Maine Publicity Bureau to receive the annual "President's Award" at the organization's annual meeting in Augusta, February 3. Bob Hellendale planned to accept the award on behalf of GNP. Larry Simpson, the organization's president and former majority leader of the Legislature, said GNP was selected because of the leadership role it took in seeking a solution to the public lots controversy.

THE LEGISLATURE

Bills of interest filed during the week would:

Remove Medway from the Maine Forestry District (L.D. 284);

Concern municipal refund claims against the state under the forestry tax statutes (L.D. 306);

Protect the rights of persons seeking benefits under the Maine Workmen's Compensation Law (L.D. 325);

Increase the maximum weekly benefit under the Employment Security Law (L.D. 368);

Amend the wastewater treatment plant operation statute (L.D. 376);

Amend the act relating to the registration and practice of professional engineering (L.D. 377).

Copies of these and other bills will be distributed for comments as they are received. A file is maintained in the Public Affairs Office.

THE WEST BRANCH

Great Northern was asked to study and comment on a draft of a state position paper on the federal study of the West Branch of the Penobscot River. While taking a position against federal designation of the watershed as a Wild & Scenic river, the paper proposes considerable state involvement in recreational management of the region.
February 21, 1975

Mr. Robert J. Shinners
Vice President-Operations
Great Northern Paper Company
Millinocket, Maine 04462

Dear Bob:

The Public Affairs Office Newsletter for the week ending February 21 follows:

THE SPRUCE BUDWORM

The Senate Agriculture Committee February 19 was supposedly planning to consider a deficiency appropriation bill which would free federal funds for the spruce budworm control program.

It did not take place.

The Committee did report out another bill, according to a member of Senator Hathaway's staff, which would prevent funds appropriated for pest control from lapsing and remain available for this and other purposes. This step may, or may not, help in 1975. If there's money available, it could help.

The deficiency appropriations bill was held up because there "seems to be a problem in the administration." A letter of endorsement from the Department of Agriculture which has to be routed through the Office of Management and Budget did not reach the Committee in time to permit action on the bill February 19. It appears that it will be two weeks or more before the letter reaches the Committee and the approach (authorizing the expenditure of funds before the money is actually appropriated) may also be creating problems.

Meanwhile on the state scene, the legislative Appropriations Committee will hold hearings on two bills proposing the expenditure of state funds at 9 a.m., Friday, February 28, in Room 228 of the State House. The bills are L.D. 620 filed by Senator Trotzky and L.D. 689 filed by Representatives Garcoe, McBreairty and Powell. The second includes the financing formula preferred by the forest industries: 50 per cent federal, 25 per cent state, and 25 per cent from landowners.
The Legislature

So far, 700 bills have been printed and distributed to legislators on the Augusta scene. It looks like the 107th session will consider over 2,000.

While it was a generally uneventful week, the newsletter from Associated Industries of Maine included these comments:

"The Governor has signed into law the emergency measure which eliminates the mandatory waiting period for unemployment benefits (estimated cost to the fund = $1.6 million per year). Awaiting his signature upon his return from Washington will be bills which return to the Employment Security Commission the authority to waive the job-referral requirement during periods of high unemployment and otherwise expedite the benefits registration program..."

"Imminent legislative concerns for industry which have surfaced in recent days are truck weights, changing the tax on industrial fuel oil from a percentage to a per-unit volume basis, elimination of the sales tax on the fuel adjustment clause in electrical bills and a State OSHA plan..."

Recent bills of interest include:

Relating to interest awards in workmen's compensation (L.D. 606); (Comments opposing this by Tom Flanagan has been passed along to Lynwood Hand.)

Appropriating funds for spruce budworm control program, research and assessment surveys (L.D. 620);

Repeal an act relating to property taxation which was enacted by the 106th Legislature (L.D. 655);

Changing the Sales tax basis on fuel oil from price to volume (L.D. 665);

Appropriating funds for the state share of the spruce budworm control program and imposing a tax on forest lands for spruce budworm control (L.D. 689).

West Branch Study

The U.S. Bureau of Outdoor Recreation this week mailed out copies of a "Penobscot Update --- Progress Report on a Wild and Scenic River Study." The report said the BOR staff is "beginning an agency and task force technical review of the data we have compiled thus far...following that, probably by summer, we will prepare a draft report including tentative recommendations regarding designation, protection and management." The progress report defined one issue, that of hydroelectric power development: "Designation would not affect existing hydropower facilities, but the construction of future facilities might be precluded."
West Branch Study (continued)

On another key point, the timber economy, the report said: "Regulations would have to be designed so that they do not significantly deter landowners from obtaining the value of annual timber growth, while at the same time guaranteeing the continuation of the river's scenic qualities." The report, while still being evaluated, does not give any space to ways of reducing public use of the region --- the justification for the public interest in seeing the natural beauty of the West Branch protected by some branch of government.

From other channels, there were indications that a state proposal for a recreational study of the forest lands of northwestern Maine, including the upper Penobscot watershed, is winning acceptance as a logical first step before any federal or state action takes place.

The BOR this week also asked GNP for pictures to help with illustrating the final report. Staff members want to include pictures of old-time logging operations.

**METHANOL**

The Paper Industry Information Office will hold a special meeting Tuesday, February 28, in Augusta to permit directors to be brought up to date on available information on the subject of methanol. Governor Longley, some members of the Maine Congressional Delegation and State Energy Resources Director Bob Monks are pushing the concept as one solution to the state's energy problems.

**MERC COMES TO BANGOR**

The Maine Economic Resources Council, the business-labor group organized in Portland, January 17, and covered in the Public Affairs Newsletter of January 20, will hold a second public meeting Thursday, February 27, in Bangor. Similar sessions will follow in Presque Isle and Augusta. MERC has adopted bylaws, hired a law firm to lobby on behalf of the organization, and retained Clark Neilly (an executive with the Greater Portland Chamber of Commerce) as a part-time executive secretary.

**Pollution Abatement Funds**

Millinocket was among seven communities which the State Department of Environmental Protection designated to share in $38.7 million in wastewater treatment grant funds released by the President. Millinocket will get $4.2 million. Portland, Wells, York, Madawaska, Ellsworth and Westbrook were the other communities allocated funds on the basis of the state priorities list. There are 26 other cities and towns on the list including East Millinocket and Medway. There are 64 others also in need of money for similar projects but these rank lower in terms of priority. (Later in the week, the news came from Washington that an additional $41,000,000 has been released.)
THE PUBLIC LANDS PROPOSAL

The Committee on Public Lands of the Legislature will hold a public hearing at 1:30 p.m., Wednesday, February 26, in Augusta on L.D. 177, the bill covering the Great Northern-State of Maine public lands agreement. The legislation is sponsored by House Speaker John Martin of Eagle Lake and House Majority Leader Linwood Palmer of Nobleboro.

KRAFT MILL PROGRESS REPORT

Waldo Preble, the project manager, and Pat Welch, environmental protection supervisor, brought town officials and legislators up to date February 17 on the GNP feasibility study for a kraft mill. A routine GNP press release on the meeting was page one news in the Bangor Daily News. (Attached)

The GNP release stressed that no decision has been made to go ahead with the project and no decision is expected in the year ahead.

Prior to meeting with the local officials, Preble and Welch briefed a group of union leaders and mill supervisors on the subject.

PUBLIC RELATIONS

We arranged for Bob Bartlett to meet with David Bright, a Bangor Daily News reporter. Bright was researching a series of articles on the problems facing small contractors in the dwindling wood market.

On advice from Fred Morrison, we declined on behalf of GNP to comment on questions from the Bangor Daily News regarding the Great Northern tax situation in East Millinocket.

Great Northern and Pinkham Lumber Company sponsored radio broadcasts of tournament basketball games involving Ashland High School.

Sincerely,

Paul K. McCann
Manager—Public Affairs

pmc/b
Enclosure
February 15, 1975

Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine

Dear Bob:

The Public Affairs Office newsletter for the week ending February 13 follows:

METHANOL

Directors of the Paper Industry Information Office voted February 14 to hold a special meeting during the week of February 24 in Augusta to evaluate available information on the subject of methanol. Professor Richard Hill of the University of Maine in Orono will be invited to bring directors up to date on the subject. In addition, the U.S. Forest Service Forest Products Laboratory in Madison, Wisconsin, will be contacted to see what if any research has been undertaken in the field. If a staff member has been involved in the methanol research work, he will also be sought as a speaker.

The idea, first proposed by Bob Monks, state director of energy resources, continues to snowball.

Governor Longley on February 12 wrote President Ford asking him to endorse the proposal to develop methanol (wood alcohol) as an alternate fuel source.

Congressman Dave Emery told a Biddeford conference he would like to see Maine get involved in the methanol project and pledged support in Washington.

Meantime the idea of using wood to generate a source of energy captured space in newspapers all across the country.

Directors of PIIO scheduled the special meeting to assemble facts for the industry which inevitability is going to be drawn into a discussion of the merits of Monks' proposal. In a sense, the paper companies already are involved. People are asking why spend money to save trees from the spruce budworm if the wood can be used to generate energy.
"There is no doubt it should be sprayed..."

"But what is the state's fair share?"

Morris Wing, regional manager of woodlands of International Paper Company, quoted Governor Longley as making those statements during a half-hour conference recently at the State House when Wing outlined the spruce budworm problem to the chief executive. Wing and others discussed the outlook during the February 14 meeting of the Paper Industry Information Office in Augusta.

The Governor, who left the question of the state's "fair share" up to the Legislature in his budget message, is pressing for a balanced budget without tax increases.

Legislative leaders, who met this week to discuss priorities put funding of L.D. 1994, the bill passed last session designed to equalize educational opportunities throughout the state, at the top of the list of priorities. According to reports, the budworm spray control program didn't make the top five. And the top five items will use up all available funds. Now the task facing the forest industries appears to be changing the minds of the legislature on what's important to the people of Maine.

Fred Holt, director of the Bureau of Forestry in the State Department of Conservation, met with a committee of woodlands managers February 14 and agreed to start work on a salvage plan. A group of attorneys will meet to draft a legislative proposal February 25.

Woodlands managers will meet February 18 in Augusta to scale down the proposed spray area because it does not appear that sufficient chemicals will be available to do the 3.5 million acres originally proposed by the Legislature.

Two bills have been filed, but not yet printed, to provide state funds for the project.

In addition, the long-range need for a pest and disaster control fund for Maine was discussed at the Augusta meeting. The problem of going back year after year to the Legislature for money for budworm spraying could be avoided if Maine had a disaster fund available such as already established in Idaho. A copy of the law creating the Idaho fund is being obtained.

Copies of the spruce budworm study report submitted by the Natural Resources Committee to the 107th Legislature were circulated in Augusta this week. Highlights were covered in our newsletter of January 24. Copies will be sent to managers involved.
THE LEGISLATURE

This week Governor Longley presented his program to the 107th Legislature. It was brief and requires no new financing for programs. Out of his speech came news coverage focusing on the Governor's request that Trustees of the University of Maine resign. There was further evidence that the Governor and the state's utilities are on a collision-course on issues involving rate-making.

This session is going to have to deal with 2,000 or more bills.

Additional bills of interest involve:

Appeals from redetermination of unemployment compensation claims (L.D. 543);

Changing the state income tax rate on all taxable corporations to read 6 per cent with an additional four per cent surtax on all corporate earnings over $25,000;

Authorizing the Board of Environmental Protection to issue licenses, permits and approvals for projects involving submerged lands (L.D. 567);

Suspending certain requirements of the Employment Security Law during periods of emergency (L.D. 571);

Eliminating the state tax on inventories and restoring the original law (L.D. 574);

Occupational Safety and Health (L.D. 576);

Interest on awards in Workmen's Compensation Cases (L.D. 606).

A file on all printed bills is maintained in the Public Affairs Office in Millinocket.

SENATOR MUSKIE

U.S. Senator Edmund S. Muskie of Maine visited with GNP managers during a visit to Millinocket, February 10. He was guest at a cocktail hour involving a GNP group and local businessmen and joined a group from GNP for dinner. The spruce budworm problem, the West Branch study and other topics were discussed during the evening.

DIAMOND CONFIRMS EXPANSION PLANS

Diamond International this week released to the press plans to spend over $20 million on expansion of its kraft mill at Old Town. Diamond now has a 550 ton per day bleached hardwood kraft mill and a 200 ton a day softwood sulfite mill at Old Town. When the expansion is completed early in 1977, Diamond says the expanded kraft mill will maintain the plant's current pulp mill production capacity after the sulfite mill is phased out. Diamond now has 12 processing, manufacturing and sales outlets in Maine.
PUBLIC AFFAIRS

In Augusta we had breakfast with Representatives Walter Birt of East Millinocket and Rod Farnham of Hampden.

We arranged for a GNP reception for legislators from Aroostook, Penobscot and Piscataquis counties, March 5 at the Holiday Inn in Augusta.

In coordination with the Townsite Department, we issued invitations to area legislators and town officials from Medway, East Millinocket and Millinocket to a February 17 meeting in Millinocket when they will be brought up to date on the kraft mill study. Union leaders and mill management people will be briefed earlier in the day at a meeting. Follow-up meetings are planned with Chambers of Commerce in Millinocket and East Millinocket. Later we will visit with leaders of environmental groups.

In Augusta, we visited Conservation Commissioner Donaldson Koons. He has been advised by the Bureau of Outdoor Recreation's northeast regional director that the Bureau will ask Congress to delay action on the Penobscot study if a state study of recreation in the forests of northwestern Maine is started. This will mean no immediate action on a draft of a proposal for state involvement in the recreation management of the East and West Branches.

Sincerely,

[Signature]

Paul K. McCann
Manager-Public Affairs

Enclosures
OAKFIELD MEETING

A group of local businessmen, legislators, reporters and others were guests at a community relations meeting in Oakfield. Members of the staff of the Oakfield District of the Woodlands Department outlined Great Northern's involvement in the region. The spruce budworm epidemic was outlined, using a 35 mm color slide presentation. A story appeared in the Bangor Daily News on the subject.

HEARING ON PUBLIC LANDS EXCHANGE

The Public Lands Committee of the Legislature has tentatively scheduled a public hearing at 1:30 p.m. Wednesday, February 26, in Augusta on L.D. 177, the act authorizing the land transaction between Great Northern and the State of Maine. Speaking in Millinocket last week, Bob Cummings, the Portland reporter who is credited with first focusing public attention on the issue, told members of the Fin & Feather Club that he expected the agreement to be approved by the Legislature. Cummings reportedly has been nominated for a Pulitzer Prize for his crusade.

Sincerely,

Paul K. McCann
Manager-Public Affairs

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March 1, 1975

Mr. R. J. Shinners
Vice President-Operations
Great Northern Paper Company
Millinocket, Maine

Dear Bob:

The Public Affairs Office newsletter for the week ending February 28 follows:

A MATTER OF MONEY

Tom Peterson from Windham took his bar exams this week. Dick Spencer, a former Nader Raider, is a Portland lawyer who lives in Sebago Lake village. Bruce Reeves from Pittston is a Common Cause enthusiast who worries about lobbyists and their influence. Judy Kany is a hosewife from Waterville who likes the way Scott Paper Company officials answer hard questions. Harland Doak is a plumbing and heating contractor from Rangeley. Phil Ingegneri, a Bangor tax consultant, had a copy of the "Paper Plantation" among his notes. Only Peterson has prior service in the Maine Legislature.

This week all six told the Legislative Appropriations Committee that the State should not be spending public money to spray trees on privately owned lands. The Committee hearing calling for state funding of a spruce budworm control program on two bills (L.D. 620 and L.D. 689) lasted for over four hours on February 28. The proposed formula is for 50 per cent federal funding, 25 per cent state funding with the remaining 25 per cent to come from a state tax on forest lands.

Peterson, chairman of the House Committee on Natural Resources and a member of the Committee which studied the spruce budworm problem during the last session, came down the hardest on the proposal. He said it is "intolerable" to subsidize the paper industry. "Industry isn't going to let this resource go down the drain," Peterson said in telling the Committee he thinks the big companies will spray on their own if state funds are not made available. In answer to questions, the Windham Democrat said he wasn't opposed to spraying or paying the cost of spraying state-owned lands. He didn't have an answer when asked about spraying the lands owned by small landowners but said these trees should be protected, too, possibly by establishing a special fund financed with a new tax on wood.
Conservation Commissioner Koons told the Committee he had concluded that the spray program "is the only route we can follow today." Forestry Director Holt presented a state program, the cost of which was reduced from $6.6 million to $3.7 million because sufficient chemicals are available to spray only two million acres instead of the 3.5 million which require protection at this time.

Peterson, Koons, Cliff Goodall of the Natural Resources Council of Maine (a proponent of the spray program and of state financing), Dick Anderson of the Maine Audubon Society (also a proponent of spraying and state financing) and others agreed that more research must be undertaken. Peterson was critical of the state, the federal government and industry for having spent millions on spraying and little on research.

Senator Howard Trotzky of Bangor, a sponsor of one of the bills, was among many who said a budworm disaster wood salvage plan must be completed quickly. He said "losses should be shared...and price stability maintained."

It's evident that both more research and a salvage plan must be a part of any over-all budworm financing package.

Tom Pinkham was among the speakers endorsing state support. He outlined the expansion underway at the Ashland mill and of the Company's dependency on the spruce-fir forests for raw material. Truck drivers, union leaders, railroad executives, economic developers, Christmas tree growers, paper company woodland managers, Chamber of Commerce officials, landowners, legislators and others were on hand to advocate state appropriations of funds.

The bill which will come out of the Appropriations Committee will be an emergency measure and require two-thirds approval in the House and Senate. It faces rough sledding. The opposition is vocal. Money is tight and Governor Longley has left it up to the Legislature to find the funds.

**METHANOL**

"It is sheer folly to say Maine could attain fuel independence by making methanol from wood," Professor Richard Hill of the University of Maine told a special meeting of the Paper Industry Information Office February 25 in Augusta. If all available wood were converted into methanol, Hill said it would make enough fuel to equal about 10 per cent of the state's current fuel usage (about 50-million barrels per year).
Methanol (continued)

The professor, who also is head of the University's Department of Industrial Cooperation, said methanol has never been manufactured from wood in the manner now being discussed at the state and federal level. He explained that there is no question but what it could be done from the point of theoretical chemistry and that laboratory experiments back up the theory. He expects the Federal Energy Research and Development Agency (ERDA) to build a pilot plant at an estimated cost of $15 million in the Pacific Northwest, the Southeastern United States or in New England for proximity to wood supply. But that first plant will be strictly experimental --- a small scale operation capable of turning out 100 tons per day of methanol. Markets for methanol are primarily in the Midwest. Industries such as glass-making and wire-drawing will need it as a substitute for natural gas. It also has great potential as a "stretcher" for gasoline. By adding methanol to gasoline, the efficiency of the fuel is greatly increased.

Hill said he would not recommend any company taking a leadership role in methanol production until a pilot plant is built and the bugs worked out. He suggested, however, that the paper industry create a committee to work with the University on a moderate research program to find the answers to such things as wood harvesting methods, delivery of raw materials, use and marketing of energy to be derived from wood and the practicability of synthesis gas reaction and methanol conversion. He says synthesis gas has the greatest promise for the paper industry. It is a high btu gas developed in the first stages of making methanol.

(A complete report on this meeting is being distributed to departments involved.)

Visit by Governor Longley

Jim Longley, who stumped for votes three times in the area during the fall, came back to Millinocket, February 26-27 as Governor. He shook hands and chatted with workers from 11 p.m. until after midnight at Millinocket. He was back again in the morning when the shift changes. After visiting local schools, the Governor went to East Millinocket where he toured the mill. We brought him up to date in the mill manager's office on the impact of the business slump on GNP before he started the tour. Everywhere he went, he thanked people for their support. He got a warm welcome. Many expressed support for Longley's efforts to cut the cost of government, particularly his attempt to reduce the University of Maine's spending.

From Millinocket, the Governor headed north to fill speaking engagements and visit other areas. He is the first Governor in memory who has been going back to the mill gates following his election to thank people for their support.
The Public Lands Committee unanimously approved L.D. 177 a half hour after concluding a public hearing February 26. Friday the bill received initial approval in the House. This is the legislation granting approval of the Great Northern-State of Maine agreement on the exchange of 60,000 acres of public lands.

There was no opposition during the hearing.

Richard Barringer, director of the Bureau of Public Lands, told Representative Lynch in answer to a question that the Bureau is planning to implement new timber harvesting standards on state lands. Operators will be required to post bonds and there will be provisions for penalties in contracts.

The attached story from the Portland newspaper sums up the hearing.

MAINE ECONOMIC RESEARCH COUNCIL

Over 400 people attended the second meeting of the newly formed Economic Resources Council of Maine, a coalition of industry, labor and others concerned with economic progress for the state. The meeting was held in Bangor. Another is planned with legislators in Augusta on March 26. The Council is planning to file a dozen pieces of legislation seeking to "balance" Maine's environmental laws. State Senator Minette Cummings got the biggest hand of the night when she spoke: "The pendulum has swung too far in one direction but is now swinging back. We have been so busy in Augusta correcting our old mistakes that we have not had time to make new ones."

PUBLIC AFFAIRS

Lynwood Hand joined Arthur Michaud and Henry Deabay in attending the Human Rights Commission hearing February 28. A statement on behalf of Maine companies was presented by Irv Faunce of Associated Industries of Maine.

A contribution to the Maine Lung Association was approved.

Attached is a folder explaining the workings of the Maine Legislature.

PUBLIC RELATIONS

We attended a February 24 organizational meeting of the Portland Relations Council of Maine in Portland.

The Bangor News printed February 24-25 a story on the impact of the small operator of the business downturn. The results of an interview with GNP's Bob Bartlett by a Bangor News reporter were disappointing insofar as the accuracy and the tone of the story were concerned.
Public Relations (continued)

On February 28, we released in response to questions news of the Company's plans to close down the Millinocket and East Millinocket mills for three days because of deteriorating business conditions.

A news release on a promotion was sent to the local newspaper.

A congratulatory advertisement for the Stearns Class D ski championship team was approved for the local newspaper.

We agreed to co-sponsor Stearns tournament basketball games over WABI-TV in Bangor and WMKR in Millinocket.

Sincerely,

Paul K. McCann
Manager-Public Affairs

pmc/b
Enclosures

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W. A. Saucier
O. K. Tripp
P. H. Welch
March 7, 1975

Mr. Robert J. Shinners
Vice President-Operations
Great Northern Paper Company
Millinocket, Maine

Dear Bob:

The Public Affairs Office newsletter for the week ending March 7 follows:

**SPRUCE BUDWORM**

The Legislative Committee on Appropriations is expected to report out a bill in a week or 10 days which will call for some state financial support for the spruce budworm spray program this year. How much? The bill supported by industry (L.D. 689) called for 25 per cent of the scaled-down $7.5 million appropriation to come from the general fund. The committee is likely to recommend less...somewhere between 12.5 per cent and the hoped-for amount. Even after the Committee report is made, the question remains where the money will be found. The competition now includes municipalities seeking funds for snow plowing --- an item deleted from the budget by Governor Longley.

**PUBLIC LANDS**

Barring unexpected delays, the legislation (L.D. 177) covering the Great Northern-State of Maine agreement on public lands, should be on Governor Longley's desk awaiting his signature in a week or 10 days. That's the forecast of Lynwood Hand, GNP's legislative agent. It was held up for a day in the Senate this week while Bureau of Public Lands Director Richard Barringer answered a question raised by Senator Reeves, D-Pittston.

**THE LEGISLATURE**

Bills filed propose:

Allowing the Board of Environmental Protection to grant variances to statutory time schedules (L.D. 702);

Including the right to use submerged lands as part of environmental licensing (L.D. 703);

Providing a central service bureau to advise applicants of project and environmental requirements under state laws (L.D. 711);
Legislature (continued)

Providing for prompt determinations under the Site Location of Development Act (L.D. 719);

Changing weights and related provisions for commercial vehicles (L.D. 725);

Changes in weekly compensation paid under the Workmen's Compensation Law (L.D. 758);

Amending the site location of development statute (L.D. 765);

Providing deadlines within which the Board of Environmental Protection must act on certain permits and licenses (L.D. 779);

Providing opportunity for reasonable correction of applications before the Board of Environmental Protection (L.D. 794);

Revising the scope of reports required by municipalities regarding shoreland development (L.D. 821);

Creating the Maine Pesticide Control Act (L.D. 826);

Requiring consideration of economic factors under the site location law (L.D. 828); (This matter is one of the most popular issues of the session. Several bills have been filed. They will be heard at one time and consolidated into a single piece of legislation, Senator Trotzky says.);

Reorganizing the state's energy programs (L.D. 834);

Allowing municipalities to approve routine Great Ponds Permits (L.D. 836);

Eliminating set back standards for seasonal homes in the unorganized territory (L.D. 851);

Amendments to the state air pollution laws (L.D. 881);

Proposing replacement of eye glasses and certain other prosthetic devices under the Workmen's Compensation Laws (L.D. 887);

Copies of bills of interest to particular departments are distributed as they are received from Augusta. A complete file is maintained in the Public Affairs Office in Millinocket.

FEDERAL LAND USE LEGISLATION

Secretary of the Interior Morton will recommend that President Ford support a federal land use planning bill. Morton's department is drafting a bill which would limit the federal role to funding state efforts and providing technical assistance.
Federal Land Use (continued)

A new Senate bill is being drafted, reducing the federal decision-making role...and Senate enthusiasm for land use controls isn't seen as high as it was during the last session.

A new House bill will be introduced in three weeks. If a bill is reported out of Committee, the votes are there for passage.

The Forest Industries Council Land Use Task Force is gearing up to provide industry spokesmen with tools to argue on a three-level position: "(a) not seek federal land use legislation affecting private forest lands; (b) coordination and balance in existing federal laws and programs dealing with land use; and (c) work with legislative committees to insure that any legislation contains principles that will advance the objectives of the industry." It is a negative position. While energy and the economy are uppermost in the minds of members of Congress, observers expect to see land use legislation passed this year --- regardless of the industry opposition. During the last session, the Senate passed a bill and 61 of the Congressmen who joined in killing similar legislation in the House went down to defeat in fall elections.

One other Washington development: Clean Air Act hearings will be held March 13 by the House Commerce Subcommittee on Health and Environment.

Forest Management

In the February issue of the newsletter of the Natural Resources of Maine, editor Mary Minor Smith writes "This session there will be a major attempt to have forest practices legislation passed, and it is anticipated that the bill will deal largely with soil erosion." The lead article in the issue is composed of excerpts from a speech at a recent Augusta conference by Charles Stoddard of Minong, Wisconsin, in which he is quoted as saying:

"...the individual owner is a live person with a heart, mind and hopefully a conscience. The corporate is a legal instrument created solely for the purpose of making a profit. To my knowledge little evidence exists indicative of corporate decisions being influenced by an ecological conscience!

"Clearly then with so widely different objectives, motives and situations, forest policy formulation must be different for individual owners from those designed for corporate entities. The latter cannot be appealed to for ecological, patriotic, humanitarian or aesthetic reasons --- but by reason of their favored economic position, society can expect --- and should require --- the highest form of forest management. By their combination of market power (hampered but little by anti-trust laws) capital gains and depletion tax breaks as well as their charters in perpetuity; society has bestowed many benefits to the corporation for which society can and should expect --- by legal requirement --- certain high standards of performance in managing timberlands. Many companies do adhere to such standards --- those which do not would be expected to upgrade their performance."
COURT RULING

This week the Maine Supreme Court ruled against Statler Tissue in a case in which the firm challenged the refusal of the Board of Environmental Protection to approve a tax exemption for equipment which Statler said was purchased to reduce pollution. It sent the issue back to a lower court where the matter will be resolved on this basis:

"...there is a vital question unresolved, namely, what segment, if any, of the equipment will be used secondarily to the manufacturing process and primarily for pollution abatement."

Statler's challenge started when a hydro-pulper was purchased when the Company closed down its sulfite pulp mill and started using secondary fibers.

MEETING WITH LEGISLATORS

Questions regarding methanol, the state of the economy, the kraft mill study, the possibility of shipping salvaged wood to overseas markets, the St. John valley hydroelectric project, use of wood residues and other subjects were answered by Bob Hellendale, Tom Pinkham and you during a March 5 meeting in Augusta with legislators from Aroostook, Penobscot and Piscataquis counties. We invited 45 members of the House and Senate and 37 accepted, including House Speaker John Martin and Senate President Joe Sewall.

LURC AND THE LEGISLATURE

House Speaker Martin and Minority Leader Linwood Palmer recently attended a meeting of the Land Use Regulation Commission. Martin, a former LURC chairman, and Palmer told the Commission that LURC had become the "ugly monster of over-control." They said LURC should be helping applicants, "not self-righteously challenging them." If the Legislature doesn't feel LURC is doing what it should do, staff member Jim Conners suggested passing a resolve indicating legislative intent. Martin said this might be the route to follow. The issue of LURC flared in the halls of the Legislature this week when the State Government Committee heard a bill which would change the qualifications of the executive director. When former LURC Executive Director Jim Haskell wrote the law, he wrote in qualifications which required the administrative head of the agency to be a planner. Esther Lacognata, a LURC member, says the law should remain on the books. Miles Smith, another member, says it should be changed. Conservation Commissioner Koons says the agency needs an administrator, not just a planner. The bill also would remove Koons as chairman and create a new public member. After first agreeing to the idea, Koons now opposes it.
PUBLIC AFFAIRS

GNP paid its membership dues in the new Economic Resources Council of Maine.

Sincerely,

Paul K. McCann
Manager-Public Affairs

pmc/b

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P. F. Yacavone
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine  

Dear Bob:  

The Public Affairs Office newsletter for the week ending March 14 follows:  

**SPRUCE BUDWORM: CONFUSION**  

Lynwood Hand, the veteran legislative agent who represents Great Northern on the Augusta scene, said this week he really did not know how to sum up the situation. He was talking, of course, about developments surrounding legislation proposing state funds for a spruce budworm control program.  

This much was certain:  

The Appropriations Committee reported out unanimously a bill (L.D. 689) proposing that 12 1/2 per cent of the $8 million required come from the state's general fund.  

The bill was tabled in the House.  

The House and the Senate joined in asking the Supreme Judicial Court for an opinion on the constitutionality of the revenue producing (a 30-cent-per-acre excise tax on all Maine forest lands) formula incorporated into L.D. 689. While it is difficult to predict, observers hope the Justices will answer the questions sent them by the Legislature within a week or ten days. In the meantime, the bill will remain on the House table.  

Representative Peterson of South Windham is ready to throw up another roadblock. He has prepared and circulated a proposed amendment which would assess landowners within the area proposed for spraying (Great Northern has 600,000 acres of the two million now included in the spray project) for the bulk of the cost. The South Windham legislator says it isn't fair for owners of forest land in southern Maine to pick up the tab for the paper companies.
Budworm (continued)

In the meantime, Seven Islands Land Company President John Sinclair has written legislators putting the Company on record against L.D. 689. Seven Islands manages more land (1.75 million acres) in Maine than any other company except Great Northern. Sinclair isn't opposed to spraying, but he said the state and federal governments should pick up the entire cost.

"While we supported L.D. 620 under which the State of Maine met its responsibilities for forest protection, we oppose the spruce budworm spray program set forth in L.D. 689 (as amended by the Appropriations Committee, because it is financed by a taxation method totally foreign to that which we understood was adopted at the time the Tree Growth Tax Law was enacted. In the discussions leading to that assessment law we were led to believe that all services including protection would be handled by government if the landowners met their responsibilities in paying their taxes. The owners we represent have paid their insurance (taxes) and now expect the insurer (government) to provide service and protection.... This is a tough line, but as we consider the future, it may be more reasonable to take a loss from insects than from taxes."

With the state short of funds, observers in Augusta this week said the most advocates of spraying could hope for was approximately $1,000,000...or 12 1/2 per cent.

**THE DECLINING ECONOMY**

Maine sales tax revenue estimates for February were $9.2 million while the personal income tax was expected to bring in $3.1 million. Both were under estimates at $8.7 million and $2.4 million. While over-all revenues are running ahead of estimates for the 1974-75 budget year, continued declines in revenue could complicate the financial squeeze in which Governor Longley and the Legislature are caught.

**THE GRIM FACTS**

Bernie Estey of the S. D. Warren Company called for industry support of attempts to make economic sense out of proposals in the field of state labor legislation at a March 14 meeting of the Paper Industry Information Office in Augusta.

While admitting it may be impossible to accomplish, Estey said industry must try to make sure benefits go to those out of work through no fault of their own and who are able and ready to accept work.

Maine's unemployment compensation trust is at a $19 million level, but under tremendous pressure is expected to go bankrupt in the last few months of this year. When that happens, the state borrows from the federal government and employers pay back the funds with interest. This has already happened in three New England states.
Facts (continued)

Estey urged industry to send representatives to the Tuesday, March 19, hearings on several pieces of labor legislation before the Labor Committee at the State House. Up for hearing are L.D. 524, L.D. 791, L.D. 792, L.D. 793, L.D. 687 and L.D. 840 all relating to the Employment Security laws.

**The National Scene**

Reports heard during a March 12 meeting in New York of the Government Affairs Committee of the American Paper Institute included:

A Senate committee is ready to vote out a bill including standby wage and price controls despite vigorous and continuing industry opposition;

A House committee is ready to start hearings on amendments to the Clean Air Act and changes are going to be needed in the laws if many mills are to escape being in violation of ambient air quality standards in mid-summer.

Slimmed-down versions of land use laws proposed last session by Senator Jackson and Representative Udall have been refiled. A significant new section has been added to the Udall bill (H.R. 3510) to require that state plans include policies and procedures to promote the continued used and productivity of prime food and fiber producing land.

**The Legislature**

The legislation (L.D. 177) covering the Great Northern-State of Maine land agreement was moving smoothly through the Senate and House this week.

At the request of the Maine Forest Products Council, Rep. Smith of Dover-Foxcroft has introduced an order calling for a study of the state's forest resources. In opposing the redrafted spruce budworm financial package, John Sinclair urged support of this proposal because it would lead to a statewide forest policy. Some observers fear it could turn out to be a witch hunt and recall that a similar proposal by Rep. Smith during the last session came as a result of the Nader study of the pulp and paper industry.

New bills of interest:

- Regulations covering binding of logs, timber and lumber on trucks (L.D. 902);
- Redefining critical areas under the State Register of Critical Areas (L.D. 922);
- Improving the management of public lands (L.D. 930);
- Bringing Maine laws into conformity with the 14th Amendment to the U.S. Constitution in matters of human rights (L.D. 931);
- Enable the State to recover 100 per cent of the cost of extended benefits under certain conditions as provided by federal unemployment laws (L.D. 932);
Legislation (continued)

Exempting certain uses of gas and electricity from the sales and use tax law (L.D. 933);

Creating the Maine Human Rights Appeal Board (L.D. 936);

Creating the Maine Forestry District Fire Protection Fund (L.D. 949);

Allow the Board of Environmental Protection to grant time delays for uses and planned uses of municipal waste systems (L.D. 951);

Reduce the annual district tax on Maine Forestry District property due to increase valuation (L.D. 960);

PUBLIC AFFAIRS

Great Northern joined with St. Regis and others in co-hosting a luncheon in Bangor for 55 potential contributors to the Maine Council on Economic Education.

Sincerely,

Paul K. McCann
Manager-Public Affairs

pmc/b
Enclosure (PIIO Newsletter)

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P. F. Yacavone
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine  

Dear Bob:

The weekly Public Affairs Office newsletter follows:

**THE MAINE ECONOMY**

The State Department of Manpower Affairs has been paying out $1.8 million a week in unemployment checks for the last several weeks.

Latest figures released by the department put the unemployment rate at 11.7 per cent with 50,300 people out of work... up from 45,300 in January.

The statistics reflect the news we read and hear.

The increase in the number of persons filing for benefits in February came mostly as a result of layoffs in manufacturing fields --- leather, paper and textiles. Layoffs in the leather industry added 900 persons to the ranks of those eligible for claims, 700 from the paper industry and 400 from textiles.

Hardest hit areas, based on the state statistics, appear to be the rural counties --- Washington (17.1), Somerset (15.9), Piscataquis (15.5), as well as coastal Lincoln County (15.2). Cumberland County with an 8.6 unemployment rate was the best off.

Close to home, the statistics are revealing:

In Aroostook, in January, 490 people from the ranks of the lumber and wood products (including logging) field were drawing benefits compared with 70 in 1974... in Penobscot and Piscataquis counties, 303 people were eligible for assistance compared with 55 a year ago.

In the paper and allied products category, there was little change in Aroostook but in the Piscataquis-Penobscot the number of jobless people jumped from 65 to 148.
Maine Economy (continued)

As we have reported, the drain on the Unemployment Compensation Fund will result in its bankruptcy later this year — now we are told in September; earlier November or December were seen as the likely time. When that happens, the state will have to borrow for the first time from the federal government and pay the money back with interest at the expense of Maine employers. The only things that could hold this off would be a sudden drop in the unemployment rate or a boost in the tax on employers to generate new money. Talks between industry and the MESC are in progress seeking to evaluate the options and the costs involved.

THE LEGISLATURE

In Augusta, it was a quiet week insofar as matters of interest to Great Northern Paper Company were concerned.

The Supreme Court is still considering the spruce budworm taxing formula.

Representatives of Great Northern joined with others from eleven Maine companies March 25 in opposing two bills which would liberalize Maine's already liberal Workmen’s Compensation Law.

In the week ahead, the controversial new truck weight legislation (L.D. 725) is headed for a crucial vote in the House. The forest industries are solidly behind the bill which also has the endorsement of the State Department of Transportation and State Police. Lined up in opposition, as usual, are the railroads and the Maine Automobile Association. Whatever happens, the issue is likely again to be sent to a statewide referendum.

The State Taxation Committee on April 2 will consider L.D. 564 which would revise the corporate income tax, placing a four per cent surcharge on all corporate earnings over $25,000.

Meanwhile, bills filed included:

Revamping the Board of Environmental Protection to make it consist of five full-time members. This is an outgrowth of Maine Central Railroad President Spencer Miller's idea. (L.D. 1128)

An act designed to improve property tax administration. (L.D. 1150)

An act to clarify the rights of intervenors before the Board of Environmental Protection....it looks like a product of the Economic Resources Council of Maine. (L.D. 1152)

An act defining child and student under the Workmen's Compensation Law. (L.D. 1153)

Exempting employers who employ three or less employees under the Workmen's Compensation Law. (L.D. 1157)

Creating a full-time board of environmental protection. This version eliminates all special interests. (L.D. 1175)

An act providing income tax credits for eligible business. (L.D. 1177)
PUBLIC RELATIONS

A news release was distributed on the fatality in the Millinocket mill.

A news release was distributed on plans for the inventory adjustment down time in the mills.

We recommended full page advertisements in the Biddeford-Saco Journal special edition on the opening of the newspaper's new plant and in the 150th anniversary edition of the Daily Kennebec Journal in Augusta.

Envelopes and letters were prepared to accompany copies of the GNN annual report to legislators, news media representatives and businessmen.

PUBLIC AFFAIRS

Senators and representatives from Millinocket, East Millinocket, Sangerville, Hampden, Nobleboro, Dover-Foxcroft, Blue Hill, Island Falls, Orono and Lincoln were guests of Great Northern at the Augusta meeting of the Economic Resources Council of Maine. Kenneth Ramage, an international representative of the United Paperworkers International Union, was nominated as one of the organization's directors. Over 60 attended the meeting.

Sincerely,

[Signature]

Paul K. McCann
Manager-Public Affairs
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462

March 21, 1975

Dear Bob:

The Public Affairs Office newsletter for the week ending March 21 follows:

THE LEGISLATURE

While the forest industries have been focusing most of their attention on the spruce budworm issue, some observers in Augusta are cautioning that the financial impact of proposed labor legislation must not be overlooked. Times are tough for the working man. Legislators are understandably finding efforts to help the unemployed an appealing cause.

In Augusta on March 18, members of the Unemployment Compensation Committee of Associated Industries of Maine spoke out on bills which would relax requirements for benefits. One of the five bills (L.D. 524) heard by the Labor Committee would cost employers an additional $5 million or more by removing disqualifications for voluntary leaving employment, according to an estimate by the State Chamber of Commerce.

Spokesmen for the industrial community hammered away at the need to be fair to both the working man and employers. They thought the Committee was improved by their arguments. Committee sources agree, saying that the more liberal legislators are now beginning to wonder how far they should go in relaxing laws. These legislators appreciate the fact that added financial burdens for business can jeopardize jobs and only add to the unemployment totals. Some still criticize business for overstating its case by repetitiously fighting all changes. All in all, it looks like some proposals designed to help the unemployed will be reported out of committee and the price tag will be substantial despite the moderating enthusiasm of the legislators.

Next Tuesday (March 25), the Committee will consider L.D. 758 which would boost payments under the Workmen's Compensation Law to 200 per cent of the state's average wage over a three-year period. The average wage at this time is $131.29.

Keeping watch on labor legislation is one which is going to require considerable effort as the number of bills and the complexities of the legislation increase.
Bills filed recently include proposals:

Amending the Employment Security Law to provide for warrant procedures for collecting delinquent taxes (L.D. 973);

Giving the State Department of Transportation authority to lease or acquire marginal rail lines and qualify for federal funds to preserve essential rail service (L.D. 982);

Conforming the state pesticide control laws to federal law (L.D. 985);

Clarifying procedures of the State Board of Arbitration and Conciliation (L.D. 1000);

Allowing payment of unemployment benefits during labor disputes caused by failure of the employer to correct hazardous working conditions (L.D. 1008);

Provides for a third 52-week extension for vocational rehabilitation under the workmen's compensation statutes (L.D. 1017).

**SPRUCE BUDWORM**

With some members of the Supreme Court on vacation, there was no immediate answer from the justices on questions from the Legislature regarding the spruce budworm legislation. The bill remained on the table in the House. There was talk it now may be April 1 or later before the Court's opinion is delivered to the Legislature, but there is really no way of knowing.

**PUBLIC LANDS**

Governor Longley, March 18 signed an act of the Legislature (L.D. 177) ratifying the public lands agreement between Great Northern and the State of Maine. The Governor told newsmen "I think this is an excellent example of the spirit of cooperation between private industry and state government. I hope the precedent set will lead to further negotiations to clarify the ownership of the public lots. I would like to thank all concerned -- Great Northern, all our state employees and members of the Legislature who have worked together to make possible enactment of this important legislation."

**UNIVERSITY OF MAINE CONFERENCE**

The second annual Governor's Economic Development Conference will be held April 2 on the Orono campus of the University of Maine at Orono. Speakers will include Governor Longley, Dr. Richard Kopcke, an economist with the Federal Reserve Bank of Boston, will discuss the present state of the Maine economy and the national economic picture. Panelists during the day will include Halsey Smith, director of the Center for Research and Advance Study of the University of Maine at Portland; Arthur Johnson, director of
UofM (continued)

the Project on Balanced Growth at the University's Orono campus; Hugh Saunders, president of Saunders Brothers of Westbrook; Benjamin Dorsky, president of the Maine AFL-CIO; Hadley Atlass, commissioner of the State Department of Commerce and Industry; and Congressman David F. Emery, the freshman Republican from Maine's First District.

Sincerely,

Paul K. McCann
Manager-Public Affairs

pmc/b

Distribution:

J. R. Adams  E. E. Allain
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R. W. Currier  S. A. Casey
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C. H. Reed
W. A. Saucier
O. K. Tripp
P. H. Welch
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine

Dear Bob:

The weekly Public Affairs Office newsletter follows:

**SPRUCE BUDWORM**

This week saw justices of the Supreme Court give the go-ahead to the Legislature to levy an excise tax on forest land owners to pay part of the cost of a spruce budworm control program.

The ruling came March 31...and two days later the House of Representatives gave initial approval to L.D. 689 by a vote of 106-26. This bill incorporates the tax formula given the court's blessing. Lynwood Hand, GNP's representative on the Augusta scene, was optimistic that the bill would receive final passage in both Houses and be sent to Governor Longley for his signature in a week or 10 days.

If all the pieces fall together as desired, this is how the proposed two million acre spray program would be financed:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>From the state general fund</td>
<td>$1,000,000</td>
<td>12.5%</td>
</tr>
<tr>
<td>From the 30-cent per acre excise tax on</td>
<td>$2,850,000</td>
<td>37.5%</td>
</tr>
<tr>
<td>landowners of over 500 acres</td>
<td></td>
<td></td>
</tr>
<tr>
<td>From the federal government</td>
<td>$3,750,000</td>
<td>50.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$7,600,000</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

The court said if the proposed tax were a property tax it would violate the constitution, but the bill establishing the formula concentrates "upon commercial forest activity combined with the express identification of the tax as an 'excise' tax." The court also added that applying the tax only to persons owning 500 acres or more of forest land does not violate the equal protection clause of the constitution.
Budworm (continued)

That cleared the way for the House debate April 3 followed by the vote, a surprising endorsement in the opinion of State House observers, more than the needed two-thirds majority.

Representative Peterson of Windham tried to replace the 30 cents per acre approach with a $1.75 per acre tax. Representative Farnham of Hampden called it a "bad, bad amendment which should be buried six feet deep." Representative Smith of Dover-Foxcroft, House chairman of the Appropriations Committee, led the opposition. He cited figures from Seven Islands Land Company in contending that the non-industrial landowners couldn't afford the tax. House Minority Leader Lynwood Palmer of Nobleboro joined Representatives Lynch of Livermore Falls, Laverty of Millinocket, Fraser of Mexico, and Garcoe of Cumberland in defending the bill. The sponsor, Representative McBreairty of Perham, told the House he had been assured by Governor Longley that the bill would be signed if passed.

The opposition developed from expected sources for the most part coming from first-term Democrats from southwestern Maine. The only members of the Aroostook, Penobscot or Piscataquis legislative delegations opposing passage were Representatives Davies of Orono and Henderson and Ingegneri of Bangor. Representative MacEachern of Lincoln was absent.

The bill was on the Senate docket for Friday. Approval was predicted....and that's what happened.

If the state financing is approved the result will be the lowest level of general fund support in history. In the past from one-quarter to one-third of the total cost has come from this source.

Meanwhile in Washington, the matter continues to drag despite solid support from the Maine Delegation. After telling the Director of the Office of Management and Budget that failure to support funding "would lead to unprecedented economic hardships", the delegation won James Lynn's support. He sent a letter to the White House supporting the March 24 decision of the U.S. Forest Service to seek supplemental funds for budworm spraying. If the White House follows Lynn's recommendation, the Delegation is optimistic that quick approval of the funding is possible. In addition, but probably in a separate piece of legislation, the Delegation is seeking to boost the budget for research on the spruce budworm problem.

The Washington Scene

Now that the Ways and Means Committee of the House has completed work on the tax bill, Chairman Al Ulmer plans to focus the busy committee's efforts on development of an energy package. The Democrats on the Committee are expected to be ready with their version by the middle of this month. This will be the third piece of legislation proposed. Others are products of the Ford Administration and the Democratic leadership in Congress. The following analysis was distributed at an April 2 meeting of the Government Affairs Committee of the American Paper Institute in Washington:
Washington (continued)

<table>
<thead>
<tr>
<th>Administration</th>
<th>Democratic Leadership</th>
<th>Ways &amp; Means Democrats</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reduction of 2 million barrels per day by 1977 of imported oil by means of a three-step $3 per barrel tariff by April 1 and other measures. The first $1 has been levied but the other two postponed by executive order.</strong></td>
<td><strong>Demand</strong></td>
<td>Reduce imports by 1 million barrels over 2-3 years with a goal of imports accounting for 25 per cent of domestic consumption by the 1980's.... The reduction would be accomplished by means of quotas.</td>
</tr>
<tr>
<td>Establish mandatory heating and cooling standards for all new homes and commercial establishments. Require energy efficiency ratings on appliances and automobiles. Standby authority is sought to impose mandatory energy conservation programs should voluntary measures fail to reach goals, gasoline rationing authority.</td>
<td><strong>Conservation</strong></td>
<td>Increased taxes on gasoline of 5¢ per gallon in 1975, increasing to 40¢ in 1979. Nine gallons per week would be free of new taxes. Excise taxes would be levied on inefficient vehicles and tax rewards for efficient ones.</td>
</tr>
<tr>
<td>Emphasis is on voluntary conservation by industry and development of mandatory standards for new home and commercial buildings. Encourage changes in state and local building codes.</td>
<td><strong>Industrial Conservation</strong></td>
<td>Tax incentives could be available for investments in energy conservation facilities which would result in &quot;major savings&quot; of energy. Incentives would be available for facilities not presently eligible for investment credit, including thermal-pane windows, heat exchangers and heating and air-conditioning equipment.</td>
</tr>
<tr>
<td>Environmental preservation standards would be relaxed to permit more burning of coal. The &quot;significant deterioration&quot; requirement the Clean Air Act would be deleted.</td>
<td><strong>Pollution Control</strong></td>
<td>Suggests possibility that some environmental standards may have to be relaxed or modified.</td>
</tr>
</tbody>
</table>
Wellhead prices for new natural gas sold in interstate commerce would be deregulated. Decontrol of crude oil prices effective April 1, 1975. (The President has postponed that date.)

Oil & Gas Price Controls

Natural gas prices would remain under control by the Federal Power Commission, but prices would be increased to levels that would encourage more exploration, development and sales in interstate commerce.

On other subjects:

Unemployment Compensation --- A subcommittee of the Ways and Means Committee will start a complete review of this program April 8. The program is in trouble. Funds in seven states are bankrupeted, surviving on federal loans, and there is a definite possibility that 15 to 20 more states will end up in the same shape before the year's end. Following the scheduled round of hearings, a second set is planned to consider changes in the program.

Land Use --- The consensus is that the tide has turned against Congressman Udall for this session but the "issue isn't going to go away."

Price Control --- The Proxmire proposal to revitalize standby controls appears dead. Several bills on this subject have been filed in the House but no hearings scheduled as yet. Proxmire's bill died when the sponsor was unable to rally effective labor support.

Taxes --- While the Ways & Means Committee is jammed with work, tax reform this year still looks like a good possibility. If this happens, the DISC program is likely to be eliminated. "It is increasingly being accepted as a thing of the past" according to Sid Hawkes of the Mead Corporation.

Forestry --- An attorney for the American Paper Institute said a court ruling has tossed a possible "administrative nightmare" at the Environmental Protection Agency. A District Court ruled in favor of the Natural Resources Defense Council contention that EPA does not have the authority to exempt any point sources of water pollution from the National Discharge Permit System. NRDC, in a suit, challenged EPA's exemption of silvicultural and agricultural point sources from the permit requirement. Now EPA is left with the task of determining which silvicultural activities result in point source pollution. It could mean EPA permits would be required for several million timber harvesting operations.
A White House Conference on Domestic and Economic Affairs is scheduled April 18 at Concord, N. H. Over 100 persons from Maine have been invited — representatives of both labor and industry. In addition to the president, Casper W. Weinberger, secretary of Health, Education and Welfare; Frank G. Zarb, administrator of the Federal Energy Administration; and other ranking administration figures will attend. Great Northern's suggestions have been sought on subject material for talks by representatives of Maine trade associations. We will urge the emphasis be placed on the region's energy needs, federal support for budworm control and research efforts and the assurance of dependable rail service.

The Legislature

The pace is picking up.

The House rejected April 2 by a 2-1 margin a bill to increase the maximum truck weights on Maine roads. It then went to the Senate where it has been tabled until Tuesday. Proponents, including pulp truckers and others involved in the forest products industry, now see the only hope of passage resting on their accepting an amendment which would require approval in a statewide referendum. Another bill was killed by a decisive margin in a similar manner within a year.

Speaking on behalf of Associated Industries of Maine, April 2, before the Taxation Committee, Arthur Stedman of Scott opposed a proposal to hike the corporate income tax from 7 to 10 per cent. If passed, he pointed out, the hike would place Maine second to Minnesota which has the highest corporate income tax in the country. Behind the proposal is the fact that the last Legislature didn't adequately fund a program to reimburse municipalities during a phase out period for the inventory tax. If something isn't done, the state faces a $10 million deficit in this area in a few short years. The best hope of opponents is to win time and leave the problem for future legislators to solve.

Next week, there are several hearings of interest. On Wednesday the Human Resources Committee will hear a proposal for a hearings board to consider appeals from rulings of the Human Rights Commission. On Tuesday and Thursday the Natural Resources Committee will hear bills revising the site selection law and creating a clearing house where the public can turn for information on environmental regulations. Two proposals to do away with the sales tax on fuel oil will be heard Wednesday by the Taxation Committee. One would substitute a 25 cents per gallon tax; the other an exemption from the tax to the extent the sale price exceeds $8.40 per barrel. The first would cost $4 million and the second $2.5 million. Chances of passage of either are slim.
The Legislature (continued)

Bills of interest filed since our last report include:

Delegation of authority to the Department of Environmental staff to issue permits for minimum lot size variances, alterations to great ponds, septic tank sites and other matters. (L.D. 1206)

Authorizing payments to chiropractors under the Workmen's Compensation Law. (L.D. 1210)

Truck weight legislation. (L.D. 1211) This bill was quickly turned down by House.

Increasing the amount of employee life insurance. (L.D. 1228)

**The Economy**

This week newspapers reported half of the paper machines in Maine mills would be down for all or part of the week ahead. The week saw Georgia-Pacific announce plans to shut down its groundwood mill and newsprint machine at Woodland for eight days. International Paper announced plans to cut back production of bond paper and carbonizing tissue on two machines in the Androscoggin mill.

**Public Affairs**

Enroute home from Washington, we traveled with Congressman Dave Emery. He's been pushing NASA on utilizing satellite photography in spruce budworm research. The committee on which he serves supervises the space agency. We also discussed the potential for methanol manufacture in Maine and invited his further questions. A staff member of the office of Senator Muskie provided a copy of a California legislative study of the potential for wood alcohol production from wood waste and a copy was provided research for review.

From the April issue of the Abnaki Girl Scout Council newsletter: "Girl Scouts in northeastern Maine received the New Year's gift of their dreams -- the deed for the 30 acres bordering Lower Togue Pond near Baxter State Park. Camp Natarswi is now ours! At its February meeting, the Abnaki Council Board of Directors accepted the generous donation made by the Great Northern Paper Company."

Waldo Preble, Pat Welch and Fred Morrison presented a progress report on the kraft mill study at a meeting of the Millinocket Chamber of Commerce.

Dues were paid to the Maine Forest Products Council.

A 1975 contribution was made to the Maine Council on Economic Education.

Sincerely,

Paul K. McCann
Manager-Public Affairs
April 12, 1975

Mr. Robert J. Shinners
Vice President-Operations
Great Northern Paper Company
Millinocket, Maine

Dear Bob:

The Public Affairs Office newsletter follows for the week ending April 11:

**The Spruce Budworm**

The spruce budworm legislation (L.D. 689) hit a snag in the State Senate April 7. Two days later the bill was approved without further debate. While further debate can be expected in both the House and Senate, the bill is expected to be approved within a week and sent to Governor Longley for his signature.

Questions raised over the 30-cent excise tax on landowners of over 500 acres resulted in the delay. The objections were from Christmas tree growers and others in the Hancock County area.

During the week, the Governor also told the press that there was the possibility that the spray application could be done by the Air Force. If this is possible, it will result in substantial savings to the State --- possibly as much as 50 per cent, he said. The chief executive also disclosed that revenue from the corporate income tax is running $6 million ahead of projections. This improves the financial picture in Augusta facing both Longley and the Legislature. Any improvement in the state's financial picture also improves the outlook for the spray control program's financing. Where to find the money has been a challenge for even advocates of the legislation.

In keeping tabs on this Legislation, the legislative process is being illustrated. After having been reported out unanimously ought to pass by the Appropriations Committee, the bill went to the House.

In the House, a bill is given a first and a second reading. Amendments are offered on the second reading. Then it is sent to the Senate for two readings. At this point, legislation goes to the engrossing department where it is put in final form (amendments are incorporated into the text). The bill then goes to the chamber of origin, in this case the House, for a vote at the enactment state. It is signed by the Speaker of the House and sent to the Senate for a vote of enactment. After being signed by the Senate president, it goes to the Governor for his approval.
Budworm (continued)

There were no new developments in Washington but both St. Regis and International paper companies, which have full-time men on the Congressional scene, expect the federal funding to be approved once the state acts. We are also keeping in touch with the offices of the Maine Congressional Delegation. Some of the delays in Washington apparently come from the fact that traditionally federal funding has been approved following appropriations of the state share.

THE LEGISLATURE

The legislators are pushing for a June windup of this session. They are meeting five days a week.

During the last week, two bills proposing a change in the method of taxing industrial fuel oil were heard by the Committee on Taxation. Members of the Committee were surprised to hear of the tax increases and sympathetic, but indicated there is little chance of passage of either L.D. 1074 or L.D. 665. The first would mean a revenue loss of $4 million, the second $2.5 million. There is talk of keeping the concept alive by having a legislative study.

The same problem, money, will probably kill the proposal to create a Maine Human Rights Appeal Board. This legislation (L.D. 936) would create a three-member impartial appeal board as an intermediary, fact-finding step between findings of the Human Rights Commission and appeals to the Superior Court.

Advocates of a new truck weight law are still plugging away. The bill has the unanimous support of all companies comprising the state's forest industries, although the degree of enthusiasm varies from firm to firm. If L.D. 1211 is going to be salvaged, it looks like only the Department of Transportation and the State Police can convince the legislators to act in the wake of a state-wide referendum which saw another law killed only a few months ago. Last week Commissioner Maller of the Department of Transportation went before an unusual special meeting of the State Senate to try to do just that. The suggestions he had included an amendment to the bill dropping the weight limit from 90,000 to 80,000 (it would go up to 88,000 for pulp trucks under a 10 per cent weight tolerance for special commodity vehicles). The basic law now calls for 72,350. The fine structure in the bill for overloads would be dropped from $1,000 to a maximum of $420. The top fine is now $220. The 15 per cent winter tolerance for special commodity vehicles would be eliminated. The bill is on the Senate table with action likely in midweek. Senate approval is predicted. It will then go back to the House for a crucial vote.

A scheduled April 14 hearing on a state OSHA plan was cancelled when the bill was withdrawn. It's the second time in as many years this has happened.
Legislature (continued)

On April 15 the Public Lands Committee is schedule to hear a sweeping proposal for management of public lands (L.D. 930). Some elements of the forest products industry consider it "empire building" by Director Richard Barringer and will likely speak out against the legislation.

Bills of interest:

Amendments to the Land Use Regulation Commission law to make a LURC goal promoting appropriate commercial growth...and imposing a moratorium on deer year zoning during the interim zoning procedures. (L.D. 1330)

Proposing a sales tax exemption for used and reconditioned machinery used in manufacturing. (L.D. 1373) It would cost the state $300,000 in direct revenue losses.

Proposing that the Conservation Commissioner be removed as the LURC chairman. (L.D. 1391)

Creating a commission to revise the eminent domain law. (L.D. 3192)

Providing for the registration of foresters and their licensing. (L.D. 1412) This is supported by the Maine Chapter, Society of American Foresters.

Requiring legislative approval of state property assessment districts, assessment standards and their implementation schedules. (L.D. 1454)

Allowing longer long log loads (65 feet vs. 56-1/2 feet) on public highways. (L.D. 1465)

Requirements for waste water treatment plants. (L.D. 1476)

Changes in property tax assessing laws. (L.D. 1478)

Revising the application forms required under the site selection law. (L.D. 1487)

We have covered the first 1,500 pieces of legislation at this stage. Another 150 have been printed....but not yet distributed statewide. A complete file is available in the Public Affairs Office in Millinocket.

The Bad News

Diamond International has closed down its old sulphite mill at Old Town and has furloughed over 90 employees. They will eventually be laid off under present plans. The Old Town mill now employs 700. Closing of the pulp mill will cut Diamond's wood requirements by 150,000 cords this year. This will pick up when the kraft mill expansion is completed. Fraser announced plans to lay off 70 men...bringing to 225 the approximate number out of work as a result of production cutbacks.
Meeting in Augusta, April 12, directors (including mill managers, woodland managers and public relations personnel), voted to support legislation calling for a statewide forest practices act but to avoid, insofar as possible, a conflict with small landowners. The consensus was that industry can, at this time, gain support for a reasonable approach. The opposition of the small landowners and the Maine Forest Products Council's preference for a study, however, may eventually kill the bill (which has not yet been printed). The Natural Resources Council will support the bill drafted by PIIO attorneys and foresters of member companies.

On other matters, the group also supported the truck weight increase and the bill permitting longer tree-length loads on Maine highways.

A proposal for expanded forestry research at the University of Maine in Orono got an enthusiastic reception. Dead River's timberland manager, Bud Weyland, outlined the concept which originated with Great Northern.

Peter Miller, Scott's corporate director of public affairs, presented a slide show and talk being used by the Company to urge management employees to participate in the political process.

**PUBLIC RELATIONS**

A news release (attached for the information of managers) and a series of radio announcements informing the public on the East Millinocket pollution bond issue was prepared for Maine newspapers and radio station WMKR in Millinocket. Daily questions and answer spots have been scheduled for the radio station.

A news release was distributed on the GNN acquisition in England of a paper and board mill sales agent company, F. A. Marsden Limited.

An ABC news reporter interested on doing a report on Canadian bonded labor in the Maine woods dropped her plans when she found most of them were home, out of work during the "mud season."

Sincerely,

Paul K. McCann
Manager-Public Affairs

pmc/b
Enclosure
April 18, 1975

Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine

Dear Bob:

The Public Affairs Office newsletter for the week ending April 17 follows:

**THE LEGISLATURE**

This week the controversial truck weight bill (L.D. 1211) was accepted by the Senate on first reading. This action on April 17 was expected to be followed on April 18 by proponents amending the bill to reduce the maximum allowable gross weight and eliminate the higher schedule for six-axle vehicles. Revisions in the fine structures as outlined in last week's newsletter are also in the works. Senate approval is expected. But the problem is the House where the original bill suffered a crushing setback. It'll be back in the House for a final effort next week.

Next week, on April 23, L.D. 1330 also will be heard. This bill would put a moratorium on deer yard zoning by LURC. The same day the "long log" hauling bill also will be considered.

The Forest Practices Act (L.D. 1804) has been printed. Copies are being circulated.

Bills of interest include:

- Adding the Chairman of the Land Use Regulation Commission to the State Board of Pesticides Control. (L.D. 1501)
- Extending the date for the closing of open burning dumps. (L.D. 1502)
- Amending the air pollution standards. (L.D. 1503) Provides desirable flexibility.
- Permitting the discharge of an equal or higher quality discharge than receiving waters. (L.D. 1506) Again...a good addition.
- Supplemental unemployment benefits. (L.D. 1537) $7 a week for each dependent.
Legislature (continued)

Expanding the authority of the Maine Guarantee Authority to finance costs of new businesses linked to the State's public lands. (L.D. 1569)

Giving municipalities the right to approve sub-divisions within the scope of the state site selection law. (L.D. 1597)

Exempting machinery and equipment used for manufacturing and research from the sales and use tax. (L.D. 1626) The cost will probably kill it again.

Spruce Budworm

Legislation providing financial support for a 1975 spruce budworm control program in the forests of Maine advanced during the week on both the state and federal levels.

In Augusta, the House of Representatives gave final approval to the state's half of the $8 million package by a 105-28 vote on April 15. Two days later the Senate gave final approval, 28-2. The bill was then sent to Governor Longley who, according to the sponsor, has said he will sign the bill which will require $1 million be made available from the state's general fund. The Governor will probably sign the bill within the week.

Meanwhile the Governor informed newsmen that hopes had been abandoned of getting the Air Force to do the spraying at a savings of hundreds of thousands of dollars.

In Washington, the House of Representatives approved a bill co-sponsored by Congressman Cohen of Maine which would provide the federal share of the project. The $3.9 million for the budworm spray is included in a special appropriations bill which also provides for insect control in southern timberlands and for fire control projects. Senator Hathaway's office reports the bill was expected to reach the Senate Appropriations Committee before the end of the week. It will be sent to different subcommittees for review. Final passage isn't expected to come in the Senate until the end of the month. The bill has White House support.

Public Relations

A release was distributed on plans to again cut back on production in the East Millinocket and Millinocket mills.

A release on the quarterly earnings of Great Northern Nekoosa Corporation was distributed.

Copies of the GNN annual report were distributed to the news media, government officials and businessmen. As a result of reading the report, Frank Sleeper of the Portland Press Herald called with questions regarding the fact that the spruce budworm infestation may cause damage that will force the Company to change our cutting plans.
PUBLIC AFFAIRS

Richard Anderson of Portland, executive secretary of the Maine Audubon Society and a member of the State Board of Environmental Protection, visited in Millinocket and also went to Telos to see the mechanical harvesting operation. He was briefed on the Kraft mill study, pollution abatement programs and energy-related projects.

We are attending a White House Conference on Domestic and Economic Affairs as this is being distributed and a report on the Concord, N.H. session involving business and labor leaders from northern New England will be distributed with next week's newsletter. President Ford was scheduled to attend.

Sincerely,

Paul K. McCann
Manager-Public Affairs

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P. F. Yacavone
Mr. Robert J. Shinners
Vice President-Operations
Great Northern Paper Company
Millinocket, Maine 04462

Dear Bob:

The Public Affairs Office newsletter for the week ending April 25 follows:

**SPRUCE BUDWORM**

Governor Longley "reluctantly" April 21 signed legislation authorizing a 1975 budworm control program. Despite the fact that the bill had overwhelming support from the Legislature, Longley told the press he considered the legislation another example of "management by crisis...." He said "I am not personally persuaded that I would approve this bill; however, because of the critical well-being of our people, I do not feel I have the right to risk the future loss of jobs for citizens of Maine."

But the long-drawn process of getting a program on the books was destined for yet another crisis.

The legislation (L.D. 689) contained a clause which read:

"The appropriation and tax levied herein shall be conditioned upon receipt of the commitment of the U.S. Government, on or before May 1, 1975 to contribute $3,750,000 to this program."

Once state approval had been approved, it was necessary to 1) quickly get the legislation appropriating this amount approved by Congress and signed by the President or 2) get a commitment from the U.S. Forest Service.

The legislation has been approved by the House. It is in the Senate Agricultural Committee and expected to be reported out and approved within a few days and sent to the White House. But both the offices of Senator Muskie and Senator Hathaway said there was no way of forecasting final approval by May 1.
Budworm (continued)

A letter of committment from the Forest Service has been sufficient in the past. So Senator Hathaway suggested it be done again. The Forest Service said such a letter would be sent Monday to Governor Longley. Meantime in Augusta people were asking the attorney general if a letter would be sufficient. If not, the Legislature may have to be asked to extend the deadline for receipt of federal funds.

There has got to be a better way of getting action on such a serious matter to the State of Maine. The Governor has a point.

THE LEGISLATURE

Every passing day brings new disclosures of shortages in the administration budget. The shortfall in the Governor's financial package is now estimated at $20 million. Most of the problems facing the Legislature center around the controversial school financing law, L.D. 1994.

The issue doesn't seem to be if a tax increase is needed.... but when to vote an increase. The Governor is standing pat on his campaign pledge of no new taxes. Democrats favor a tax increase at this time...the Republicans are walking the middle road and saying let's wait until fall. If and when the tax hikes come, the increases will probably develop in this order....first, boosts in the "sin" taxes on liquor and cigarettes (probably in the next few weeks)....and next a hike in the personal income tax from 5 to 7 per cent with emphasis on collecting more from those who are making more, persons in the higher income brackets and a hike from 7 to 10 per cent in the corporate income tax which now is assessed on those with over $25,000 in profits. (In Maine, there are now approximately 1,300 firms which file corporate income tax returns but 100 of those pay over 90 per cent of the tax.)

On other matters:

Last week a state OSHA plan was withdrawn. First the Legislature didn't even plan to have a hearing on the matter. The Labor Committee did when people showed up to testify because they had not heard of the cancellation. Officials of the Department of Manpower favored the bill....labor spokesmen opposed it. But the bill is dead for this session.

Next week the Labor Committee schedule includes hearings on two of the top items on the AFL-CIO legislative program. L.D. 1537 proposes supplemental benefits for those with dependents. L.D. 1368 proposes to increase weekly benefits under the Unemployment Compensation Law from $68 to $90.
Legislature (continued)

Next week the House will reconsider the amended truck weight legislation (L.D. 1211) which has been approved by the Senate, 23-5. In the Senate on April 24, all Senators from northern Maine supported the bill. In the House, backers of the bill believed the amended version has a chance despite the fact the original was rejected, 95-44. A House caucus is planned to permit spokesmen for the Department of Transportation and State Police to explain why they are supporting the bill.

Great Northern supported L.D. 1330 heard April 22 by the Natural Resources Committee which calls for an amendment to the Land Use Regulation Commission requiring on the ground substantiation by the Inland Fisheries & Game Department of proposals for placing deer wintering areas in protection districts.

The Natural Resources Council of Maine has voted to support L.D. 1804, an act creating Maine Forest Practices for the state. Most paper companies favor the proposal but small landowners vigorously reject the idea. No date has been set for a hearing on the bill.

Bills of interest filed since our last letter include:

Providing tax incentives to encourage new business. (L.D. 1666)

Changing the Workmen's Compensation Law coverage for men using own chain saw. (L.D. 1694)

Expanding the Workmen's Compensation Law to finance coverage for workers whose employers go out of business or can't meet the payments for the insurance. (L.D. 1729)

The President's Visit

President Ford and a team of his top aides met April 18 in Concord, N.H., with 500 men and women from northern New England --- many of them representatives of labor and industry. (The labor delegation included Ben Barr of the Millinocket mill labor force and Arthur Owens from the East Millinocket mill.)

The administration spokesmen took a tough line on the need to reduce the nation's dependency on foreign oil. They stuck to their guns in the face of criticism and questions from those most vulnerable. Frank Zarb, the administrator of the Federal Energy Administration, told the New Englanders the nation has no choice. When suggestions were voiced on ways to conserve on the use of gasoline, Zarb said that while all such steps will help a bit, the heart of the matter is industry's consumption of imported oil. Industrial use has got to be cut back, he said, if the United States is going to be able to stand on its own in the world community.
President's Visit (continued)

Zarb did concede the White House will consider New England's needs in the implementation of the proposed surtax on imported oil.... but the energy czar left no doubt about where the administration stands.

A spokesman for the paper industry cited the spruce budworm problem, transportation (rail service) and the energy situation as major concerns of the biggest industry in the State of Maine.

In addition, there were these thoughts from Michael Raoul-Duval, associate director of the Domestic Council:

Air pollution devices on automobiles designed for Los Angeles are not required in rural New England; and

More answers are needed before a final evaluation can be made on making methanol from wood.


Both the President and his chief economic advisor, William Seidman, had hopes for a solid economic recovery in the third period of 1975. The President also delighted businessmen when he termed "outdated" the view that business is a monster which must be regulated. They cheered him when he said the overregulation stifles competition and thus innovation, prices and choice for consumers. Ford said the average family is being billed $2,000 a year for regulation of business. His half hour talk climaxed the day....a successful White House road show, the ninth so far staged in different regions of the country.

**THE FEDERAL WATER POLLUTION LAW**

"In some respects, the law sought to redesign the world to meet water quality objectives....

"And while there is a growing awareness that more flexibility is needed, there is still the temptation, apparently based upon years of preconditioning, to turn to Washington for the resolution of thorny, real-world questions. Strangely, this seems to occur even when there is good reason to suspect the EPA's involvement might create more confusion than clarity....

"The staff is convinced that another reason the national program has faltered and experienced a credibility problem is the existence in the 1972 law of target dates and deadlines that informed persons recognize as impossible to achieve. They are sprinkled throughout the Act....

"At the same time, there should be no compromise with the 'national interest' in PL 92-500, for example, protecting downstream communities from out-of-state pollution or preventing states or metropolitan areas from becoming 'havens' for industries seeking to avoid pollution controls."
Pollution Law (continued)

These interesting comments are included in a draft report of a study of the Federal Water Pollution Control Act Amendments of 1972 by the staff of the Committee on Public Works and Transportation of the U.S. House of Representatives. (A copy is being distributed to managers involved.)

ENERGY LEGISLATION

It's the hottest topic in Washington circles these days.

The American Paper Institute has submitted a position paper to the House Ways and Means Committee on the subject. It calls for both rapid amortization and investment tax credits for solid waste burning equipment — including forest residues, bark, chips, sawdust, sludge, etc. The API opposed the imposition of quantitative restrictions through an import quota system.

In the meantime, Congressman Dingle of Michigan, chairman of the Energy and Power Subcommittee of the House Interstate and Foreign Commerce Committee, has got into the act. His draft of proposed legislation is described by Tom Holley of Boise Cascade as "totally unsatisfactory as far as our industry is concerned... it is a brute!" The Federal Energy Administration would get broad powers to prevent waste by all companies using more than 3,450 barrels per year of oil or the equivalent in other forms of energy. It would let FEA tell industry what kind of equipment could be installed.

Copies of the API position paper as well as the Dingle draft are being circulated to departments involved.

PUBLIC AFFAIRS

In Bangor, we met with Richard L. Kelso, executive marketing director of the Action Committee of 500 Inc. The former deputy commissioner of the State Department of Economic Development is promoting industrial growth in the region, including additional facilities for the Port of Searsport.

The U.S. International Trade Commission has scheduled a public hearing on proposed tariff reductions in Augusta, May 9 and 10.

A donation was made to the East Millinocket Chamber of Commerce to help support construction of a new information center in Medway.

A donation was made to the Millinocket Community Hospital charity ball fund.

A contact was made with the State Planning Office to find sources of guidance for the Town of East Millinocket which is in the process of adopting a zoning ordinance. Such action is needed to free up land for a Great Northern project.
PUBLIC RELATIONS

We prepared an advertisement thanking voters for their support of bond issue for GNP pollution abatement projects.

Attached to this newsletter is a copy of the latest Paper Industry Information Office newsletter.

Sincerely,

Paul K. McCann
Manager-Public Affairs

pmc/b
Enclosures

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O. K. Tripp          C. H. Reed
P. H. Welch
May 2, 1975

Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine, 04462  

Dear Bob:

The Public Affairs newsletter for the week ending May 2 follows:

THE $$$ QUESTION

Jim Longley wants to keep "the store open" in Augusta without increasing taxes.

Democrats continue to vocally complain that the Governor's approach means shifting burdens onto the community property tax. They are against cutting back in social services. In fact, the liberals in the party see the necessity for new services in these times of economic hardship for many people.

Republicans are trying to walk the middle line in the road. Most seem to prefer putting off any tax boost until a special session of the Legislature in the fall. This would let the Governor live up to his campaign promises.

The Education Committee of the Legislature has not yet come up with a report on how to solve some of the problems created by L.D. 1944, the controversial product of the last session which increased the state share of local education costs from 33 to 50 per cent. They have been struggling for months with the complicated issue. Unless the law (which is designed to provide equal education opportunities for all children) is repealed, almost all new money available is going to be drained off for this single purpose.

So what does the rhetoric mean for the businessman?

In the short range, it means that legislation (still not drafted) will be filed proposing quarterly collection of the state corporate income tax. The idea came from the Longley administration and has been getting a favorable reception from Legislators. It will improve the state's cash flow in the critical 1975-76 budget year. The federal tax is collected on this basis. Attention has been focused on this money source by reports that revenues were running $6.1 million ahead of estimates at the end of March when $12.5 million had been collected.
The $$$ Question (Continued)

In the short range, the money squeeze also means that the damper has been put on almost all new ideas for new programs... a blessing for the taxpayer. The Legislature also has been able to justify any tax relief for worthwhile proposals. For example, the concept of reducing the tax on oil used by industry is apparently dead for this session. As the cost of oil dramatically jumped in the last year, so has the revenue under the 5 per cent sales and use tax.

In the short-range, too, any bills which can generate revenue without being considered a "new tax" gain more than normal appeal to the legislators. If the sales tax is broadened (L.D. 1751) to cover the consumer cost of taxes on rental motor vehicles, the state will collect an extra $1 million in taxes during the next two years.

In the long range, it looks like the Legislature may take a look at all business taxes in a summer study. Hollis Wyman, the veteran Senator from Washington County and chairman of the Taxation Committee, is reported ready to propose such a study when L.D. 1074 is reported out of committee. This was one of two bills which would have cut the tax on industrial oil at a cost of $4 million in revenues to the state. The Committee will report the bill "ought not to pass" but will urge a study of the problem and other business taxes.

The idea may also have appeal to key Democrats who are indicating that the time really isn't ripe for a major boost in taxes. Time is needed, they say, to acquaint the public with the problems facing the legislature.

There is also talk of studying the Unemployment Compensation Law. It has been amended repeatedly to benefit the eligible workers without being looked at in its entirety.

But unless the Governor finds ways to reduce the cost of government as he had hoped would be possible, the businessman faces the prospect of an increase in the corporate income tax this year or next. The only hope for the larger companies is that the base of the tax may be broadened to generate more income from smaller businesses now exempt. (As we pointed out in the April 25 newsletter, there are 1,300 firms which file returns but 100 of those pay over 90 per cent of the total tax revenue.)

The Legislature

These are crucial days. Key areas are covered in the following summary:

Energy - The Public Utilities Committee May 6 will consider a dam safety bill (L.D. 1396). The sponsor, according to Lynwood Hand, is agreeable to an amendment which will exempt those already regulated by the Federal Power Commission. The Natural Resources Committee on May 7 will hear L.D. 1675, the electric facility siting act. Again, Mr. Hand reports the attorney who drafted the bill is willing to file an amendment exempting the
The Legislature (Continued)

Company from tax provisions aimed at utilities generating power for sale.

Transportation - This week the House agreed with the Senate on truck weights. Reversing itself, the lower house sent to enactment a bill which would raise legal truck weight limits from 72,350 to 80,000 pounds --- 88,000 for pulp trucks. Final approval is expected. Stronger fines for overloads are appealing to opponents who think the enforcement aspects of the present law are inadequate. An earlier proposal which would hike the load limits to 90,000 was rejected 2-1 in the House. The Transportation Committee will on May 7 hear L.D. 1465 allowing long logs to be 8-1/2 feet longer on trucks. The bill has the unanimous support of the forest industries.

Natural Resources - The Natural Resources Council will be the leading advocate of L.D. 1804, an Act Creating the Maine Forest Practices Act. While the bill has the quiet support of most paper companies who see it as a way to ward off federal intervention, the small landowners dislike the proposal. The two-year price tag is $400,000. It is one of the major goals of the environmentalists in this session. The hearing will be May 8 before the Natural Resources Committee.

Labor - Several businessmen on April 29 spoke in opposition to bills which would (L.D. 1537) boost the maximum weekly benefits under Unemployment Compensation from $68 to $90 and also opposed (L.D. 368) which would provide supplemental benefits for those jobless with dependents. But a lot of people are out of work and the Labor Committee is expected to favor both bills although there will be a sharp split in the ranks. When the bills get to the House, the proposal to provide $7 a week extra for each dependent up to a total of $90 is likely to be approved. Maybe both bills will be in this climate.

Bills of interest printed since the last newsletter:

Putting the 5 per cent sales tax on the cost of renting motor vehicles. (L.D. 1751)

Allowing citizens to cut firewood on state-owned lands. (L.D. 1754) (A substitute will permit Community Action Programs to buy wood from the Bureau of Public Lands and resell it to low income families. But the wood will be cut by professionals under the supervision of state foresters.)

Establishing state controls over dams and reservoirs not supervised by federal agencies. (L.D. 1762)

Establishing an office of environmental ombudsman as a clearing house for information on regulatory agencies. (L.D. 1782)

Creating a Workmen's Compensation Insurance Fund as the sole source of such insurance in the state. Only self-insurers would be exempt. (L.D. 1788)
The Legislature (Continued)

Giving the State Soil & Water Conservation Commission authority to fix water levels except on lakes which are not a part of a hydro-electric generating system. (L.D. 1797)

Put the State of Maine in the energy generating, marketing and planning business. (L.D. 1803)

Allowing the Board of Environmental Protection to consider testimony on the economic impact of a development plan. (L.D. 1823)

A complete file of bills is maintained in the Public Affairs Office in Millinocket.

ENERGY

While Congressional committees continue to work on drafting legislation in this field, the Federal Energy Administration wants information from major consumers of energy on conservation programs and progress reports. Details are covered in the American Paper Institute summaries being included with this newsletter for departments involved in this activity.

BUDWORM

Questions regarding the legality of the spray program have been raised because it hasn't been approved by the Board of Environmental Protection and the Land Use Regulation Commission. The Attorney General's Department is handling the objections and no serious problems seem to have been created so far.

PUBLIC AFFAIRS

With others from the Company, the zoning of East Millinocket was discussed with staff members of the State Planning Office in Augusta. Until the community is zoned, no developments can take place within 250 feet of water ways in the town. In order to permit a rail siding, town officials will propose a zoning ordinance. The state officials were sympathetic. The zoning will also reflect the need for rail and road access to the potential site for a kraft mill. State Department of Transportation Officials were also briefed on this aspect of the kraft mill study.

A donation was made to the East Millinocket Chamber of Commerce for construction of a new information center in Medway.

A donation of materials was made to the Millinocket Lodge of Elks to help with plans for the upcoming state convention.
PUBLIC RELATIONS

Information was provided in response to questions from the Bangor News, WMKR and the Katahdin Journal on fire damage to the North Twin Bunk house and a pickup truck involved in a wave of weekend arson in the area.

Furniture was loaned to the radio station for its temporary offices while the fire-damaged building is being renovated.

Sincerely,

Paul K. McCann
Manager-Public Affairs

PMC/geg

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P. H. Welch
May 10, 1975

Mr. Robert J. Shinners
Vice President-Operations
Great Northern Paper Company
Millinocket, Maine 04462

Dear Bob:

The newsletter from the Public Affairs Office for the week ending May 9:

The Augusta Scene

The days are getting longer and warmer. Tempers are getting shorter. Solutions to the state's financial problems are still evading the administration and the Governor. As the session drags out, the Legislators have pretty well concluded that earlier talk of coming back in November to face some of the problems is no longer a feasible idea. So they are focusing on a June adjournment date. A special session, as usual, will be held in January.

This week we saw these developments:

Energy -- Lynwood Hand reports that the dam safety bill (L.D. 1396) has been withdrawn by the sponsor. An amendment exempting Great Northern and other companies from a tax on electrical power generated for internal use was filed with the Public Utilities Commission when L.D. 1675, an electric facility siting act, was heard. Committee sources predict the bill will go down the drain.

Natural Resources -- This week the Natural Resources Committee heard L.D. 1804, the Forest Practices Act. Bob Cummings of the Portland newspapers summed up the hearing:

"The paper industry and environmental forces joined ranks Thursday to support state regulation of forest cutting practices. But the measure, sponsored by State Rep. Arthur D. Lynch ran into lopsided opposition anyway, mostly from small land owners and wood lot operators. They feared state control and red tape would force them out of business."

Georgia Pacific Corporation supported the bill. John Sinclair of Seven Islands Land Company opposed the bill as premature. The outlook: the price tag will kill the measure.
Augusta
Natural Resources (continued)

There also is growing feeling that the Legislature may abolish the Land Use Regulation Commission and transfer its responsibilities to the State Department of Environmental Protection. The Governor had LURC members in for a talk this week, reportedly urging them to quit feuding among themselves and get on with the work of the Commission.

Labor -- Representative Smith of Dover-Foxcroft is telling colleagues he will withdraw his bill to create a monopolistic Workmen's Compensation Insurance Fund (L.D. 1788). Maine is likely to become the second state in the nation to mandate paying 200 per cent of the state's average wage under the workmen's compensation law by 1979. The average wage is now $131.29. The sponsor, Senate Majority Leader Speers, is pushing hard for passage as is AFL-CIO President Ben Dorsky. A favorable committee report is expected next week.

Transportation -- Governor Longley signed into law the new truck weight legislation (L.D. 1211). This week the forest industries asked the Transportation Committee to approve L.D. 1465 which will allow an 8 1/2 foot overhang on tree-length trucks. (The present legal limit on length would not be changed.) The economic and resource advantage (better utilization) to the industry was stressed by several speakers.

The Budworm Issue: Into the Courts?

People who complained that the State Bureau of Forestry has not obtained permission from the Board of Environmental Protection for the spray program have been told by the Attorney General that such permits are not necessary at this time. This aspect of the spruce budworm issue can now be expected to go to the courts with Charles Fitzgerald of Portland asking for an injunction to block the spray. Directors of the Paper Industry Information Office have authorized Attorney Donald Perkins to represent the companies in this matter.

"Hundreds of Free Vacation Areas"

That's what it said on the front cover of the May issue of Popular Science magazine. And on page 80, the guide to "free vacation areas" listed among six locations in Maine:

North Twin Lake, Penobscot River, Millinocket, sponsored by Great Northern Paper Company, and included the following facilities: boating, camping, canoeing, cross-country skiing, fishing, and hunting.

And the mail has picked up....with letters requesting details on the North Twin Lake area. We are seeking to determine the source of the information but it would appear it is based on information provided the Federal Power Commission. Most of the "free" areas are linked to lands owned by utilities.
West Branch Study

There were reports in Augusta this week that staff members of the Bureau of Outdoor Recreation of the U.S. Department of the Interior late in June will brief Governor Longley on their study of the upper Penobscot under the Wild & Scenic Rivers Act.

Public Affairs

In Rockland, we attended with Arthur Reynolds (Pinkham Lumber Company) a meeting of the public relations committee of the Northeast Lumber Manufacturers Association. The NELMA group is planning an advertising program to promote the value of the association's grading program for manufacturers and wholesalers.

Public Relations

News releases on the following subjects were distributed to Maine media:

The African trip of Henry Deabay and Dana Saucier when the two helped the Ivory Coast and Senegal launch industrial safety and health programs. (Appeared in the Katahdin Journal)

The Great Northern Nekoosa annual meeting. (Story appeared in the Portland Press Herald, combined with comments from the quarterly report and was broadcast on WMKR in Millinocket.)

The planned four-day shutdown of the pulp and paper mills. (Story appeared in the Bangor Daily News and Portland Press Herald.)

Great Northern's sponsorship of three students in the logging training program of Washington County Vocational-Technical Institute.

New GNP folders for paper samples and other uses were provided the Inspection & Certification Department.

Sincerely,

Paul K. McCann
Manager-Public Affairs

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P. I. Firlotte  W. E. Lloyd  T. S. Pinkham
May 17, 1975

Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine

Dear Bob:

The newsletter of the Public Affairs Office for the week ending May 16 follows:

**ENERGY - WASHINGTON'S PRIME TOPIC**

In Washington, the paper industry is focusing most of its attention on the energy picture. Proposals before Congress and actions of the Federal Energy Administration were the major topic at a May 13 meeting of the Government Affairs Committee of the American Paper Institute.

Chairman Al Ulmer of the House Ways and Means Committee is pushing H.R. 5005. It will be on the House floor soon for debate. From the industry's point of view, the most significant feature of the bill is the provision that both a five year amortization and an investment tax credit are proposed for new electrical generating facilities using coal or wastes.

Meanwhile the Federal Energy Administration is preparing to ask companies in energy intensive industries for (1) conservation goals in terms of percentage reduction in energy use per unit of output between 1972 and 1980; (2) an indication of the scope and direction of company-specific energy conservation programs; and (3) periodic energy-use data which would be obtained through trade associations.

Where are we headed?

Everybody wants to get something done --- the Administration, the Congress and the bureaucrats. But staff members in offices of members of the Maine Congressional Delegation do not think the Congress is ready yet to get tough. There is widespread disagreement on how to get the energy conservation program moving. If the Ulmer bill ever passes the House, it will, they say, be on a close vote.
Energy (continued)

On behalf of Great Northern, we asked House members to consider the merits of making hydroelectric generating facilities eligible for the same incentives as coal and waste. This subject was also pursued with members of the API staff. If it isn't possible in the course of the House action on H.R. 5005, such consideration could come up in the Senate where parallel bills are being discussed in the Senate Interior Committee.

**Community Relations**

Two dozen Bangor businessmen, members of the Action Committee of 50, were guests at a May 16 seminar in Millinocket. They were joined by a group of commercial bankers from out of state.

Topics of the day were woodlands, energy, the pulp and paper mills, marketing, lumber manufacturing, economic impact of GNP on the region and other matters. Some of the group toured the Millinocket mill at the end of the day.

The objective of the project was to acquaint Bangor area businessmen with GNP.

**The Politics of the Spruce Budworm**

Although the Attorney General says the Bureau of Forestry doesn't need permits from the Pesticides Control Board and the Land Use Regulation Commission, the Bureau of Forestry Program may still face a court challenge. Charles Fitzgerald, a Portland businessman who owns several pieces of land which are scheduled to be sprayed, told newspapermen that he expects to file a court suit designed to block the spray. In Washington, the bill providing federal funds for the spray finally was reported out of Committee in the Senate. Because the Senate and House versions of the bill containing the budworm appropriation differ slightly, a conference committee is going to have to meet. This means final action isn't expected until the end of the month despite the best efforts of the Maine Congressional Delegation to speed up action.

**The Legislature**

This week the Legislature solved temporarily the problems created by L.D. 1994, the school financing formula passed two years ago. The legislators approved L.D. 1452. But unless further changes are made before next spring, towns and cities are going to have to hike property taxes. The Governor is expected to name a study commission to go to work on the broad subject of education financing....and the Legislature is also likely to do the same. The objective will be to come up with changes to be considered during a special session early in 1976.
Legislature (continued)

Otherwise the legislators were pushing for adjournment, reconciled to the fact that new programs were impossible because new money just isn't available at this time.

Sent to the tax department for review was L.D. 1874, the expected proposal calling for quarterly collection of the corporate income tax. A hearing on the bill is scheduled next week. It is expected to pass.

PUBLIC AFFAIRS

Employees in the Millinocket area complained that the Allagash Wilderness Waterway's administrators were going to ban camping in a parking lot at Round Pond during the spring. After talking with Tom Dickens, director of the Bureau of Parks and Recreation, the policy was changed. Camping in self-contained vehicles will be allowed through mid-June. The fishermen are happy.

PUBLIC RELATIONS

News releases on promotions in the woodlands, personnel and accounting departments were prepared for distribution.

Sincerely,

Paul K. McCann
Manager-Public Affairs

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J. R. Adams       T. H. Flanagan     O. J. Lombard          C. H. Reed
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P. I. Firlotte    W. E. Lloyd       T. S. Pinkham

pmc/b

May 23, 1975

Mr. Robert J. Shinners
Vice President-Operations
Great Northern Paper Company
Millinocket, Maine

Dear Bob:

The newsletter for the Public Affairs Office for the week ending May 23 follows:

THE LEGISLATURE

It was envitable. Unemployment is running at a rate of 12 per cent in Maine. Great Northern and other companies and independent operators have requested and obtained permission to use bonded Canadian laborers in harvesting wood. The legislative Joint Select Committee on Jobs was told that if a serious attempt was made, woodcutters could be found in Southern Maine and other areas and there would be no need to import Canadians. The State Department of Manpower said 68 operators have obtained permission to hire 1,600 aliens for wood cutting. A spokesman for the Department told reporters that the primary reason that companies can't hire Maine people is that wood cutters have to stay in isolated camps during the week and the locations along the Canadian border prevent commuting. There was some talk the Legislature voting to send a memorial to Congress asking the federal program be suspended.

Time is running against any such move. The Legislature is expected to wind up the current session late in June.

Developments last week in Augusta include:

The proposed forest practices act, L.D. 1804, was withdrawn in the face of opposition from small landowners and because of the price tag on the regulatory measure.

A hearing was held May 21 on L.D. 1874, a bill designed to accelerate the payment of the Maine Corporate Income Tax.
THE SPRUCE BUDWORM

In Washington, the appropriations bill including the spruce budworm funding hit a snag May 22 and members of Congress went home for the Memorial Day Recess which extends into June. Today Senator Muskie's office was seeking ways to provide the federal matching money from available Department of Agriculture funds. The Senate held up the bill, insisting funds for refurbishing railroad beds be left in a conference committee report. By the time the compromise went back to the House a second time, it was impossible to muster a quorum.

In Maine, the attorney general and attorneys representing the forest industries were expecting an attempt to block the spray. Charles Fitzgerald, a Portland businessman who owns several pieces of property scheduled to be sprayed, told a reporter, that attorneys representing him would seek a temporary restraining order. Fitzgerald contends that Bureau of Forestry should have got permits for the spray from the Pesticides Control Board and the Land Use Regulation Commission. The State plans to start spraying Monday.

In addition, the Natural Resources Council of Maine, has protested plans to spray in Baxter State Park. The NRC, the state's largest conservation group, has not opposed the spraying of commercial timberlands.

ENERGY

Great Northern representatives discussed energy legislation with the staffs of Senator Muskie and Congressman Cohen. The Cohen office supplied copies of the report of the House Committee on Ways and Means on legislation which will be considered by the House of Representatives following the Memorial Day recess. The betting in Washington continues to be against a strong bill emerging from the Congress in the session although President Ford may attempt to force such action. (Copies of the Energy Conservation and Conversion Act of 1975 were distributed to interested departments.)

THE MAINE SCENE

A federal court decision is expected soon on whether log drives on the Kennebec River violated the 1899 Federal Refuse Act. State law will ban such drives after October 1, 1976. But federal attorneys were quoted by the Portland Press Herald as saying they also are seeking an order calling on Scott Paper Company to clean up debris from the river bottom which has accumulated as a result of the many years of driving wood....The Bangor Daily News reported temporary cutbacks in the Bangor and Aroostook Railroad labor force as a result of the slow down in the paper industry....Plans for a new Ethan Allen Company saw mill in the Lincoln area have been put off....The Kennebec River Pulp and Paper Company and unions agreed to put off negotiations until November because of economic conditions.
The Maine Scene (continued)

The New England Energy Company has withdrawn its application to build an oil refinery in the Sanford area. Pittston, which has an okay to build a refinery at Eastport, completed two years of hearings before the BEP May 19. Pittston is seeking approval to bring oil into Eastport in 100,000 ton tankers....The BEP May 20 changed its rules to allow S. D. Warren, Central Maine Power, Bath Iron Works and other industries in southern Maine to use fuel oil with a sulfur content of up to 2.5 per cent. More stringent regulations will continue to govern downtown Portland industries.

GNP --- THE COMPANY'S ECONOMIC IMPACT

In 1974 Great Northern had sales of over $200 million, shipped over 800,000 tons of paper and 35 million board feet of lumber and had over 3,700 employees --- all but 60 of whom live in Maine.

The Company's Maine assets include over 2.1 million acres of timberlands valued at approximately $210 million with manufacturing facilities valued at over $520 million --- a total investment of over $730 million in the State.

Of the employees, 2,800 live in Penobscot County, 740 in Aroostook and 100 in Piscataquis. Using an industry formula, it is estimated over 25,000 jobs are directly related to the Company's 17 paper machines.

Great Northern spent $70 million for purchased wood, mill repair parts, transportation of materials and other services --- $64 million of this was spent north of Waterville. The Company did business in 50 cities and towns with over 300 suppliers.

The Great Northern payroll was $44 million.

The Company paid another $9 million to the state and communities in which we operate for taxes.

Add up the purchases, the payroll and the taxes and in 1974 Great Northern directly put $123 million into the Maine's economy.

These facts and figures came from Al Tozier's presentation in Millinocket, May 16 when Great Northern had a group of Bangor businessmen as guests.

TELEVISION REPORT

Television station WABI-TV of Bangor sent a reporter-photographer team to Millinocket, May 20 to do a story on the shutdown of the pulp and paper mills and the economic impact on the community. The reporter found the mood "far from grim in downtown Millinocket... most can rely on GNP fringe benefits to get them through the difficult period....and it seems as though mill workers have confidence that Great Northern will bounce back when the national economy does." Acting as spokesman in response to questions, we told the reporter "I would think we would go down a couple of times in the next couple of months unless there is a dramatic turnaround in the market."
PUBLIC RELATIONS

On behalf of Jim Adams, we contacted Bill Clark regarding the newspaper columnist appearing at the annual GNP retirees banquet June 5. He accepted the invitation.

Contributions were approved to send ten Millinocket youngsters to the state conservation camp at Bryant Pond, for the Caribou Hospital expansion fund, and for the Curtis Foundation for handicapped children.

PUBLIC AFFAIRS

With Manager of Transportation Philip Paul, we discussed in Augusta the future of the port of Searsport with Representative Mel Shute. Representative Birt of East Millinocket also joined the group. Shute plans to ask the State Department of Transportation to invite all parties involved to a meeting to discuss Searsport’s future. Unless the port is modernized and warehousing facilities provided, the outlook for additional business is dim.

We attended a meeting at the University of Maine's School of Forest Resources concerning development of a program of forest history for Maine schools. A pilot project has just been completed at Patten.

Sincerely,

Paul K. McCann
Manager-Public Affairs

Distribution:

J. R. Adams  T. H. Flanagan  O. J. Lombard  C. H. Reed
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R. K. Elston  D. J. Krohn  I. P. Phelps  P. F. Yacavone
P. I. Firlotte  W. E. Lloyd  T. S. Pinkham
May 30, 1975

Mr. Robert J. Shinners
Vice President-Operations
Great Northern Paper Company
Millinocket, Maine

Dear Bob:

The Public Affairs Office newsletter for the week ending May 30:

THE LEGISLATURE

Legislators continued to aim for adjournment before the end of June. The biggest headlines of the week which came out of Augusta focused on developments which have resulted (1) in the apparent killing of a proposed ban on non-returnable beverage containers and (2) on another veto by Governor Longley being overridden by a big majority in both houses. The Governor had sent back to the Legislature a bill exempting electric power used in manufacturing by Sobin Chemical from the sales tax bill. The veto was quickly overturned.

On other matters:

Labor - The House has approved L.D. 758, a proposal to boost benefits under Workmen's Compensation by 1980 to 166 2/3 per cent of the average weekly wage in the State of Maine. The bill originally called for payment of 200 per cent of the average weekly wage by 1979. Senator Speers, the Republican floor leader in the Senate and sponsor of the AFL-CIO supported package, is apparently willing to accept an amendment which would delay by a year implementation of the law. The 166 2/3 per cent level would be reached in three stages. Associated Industries of Maine estimates the first step will result in a 10 per cent boost in premiums, the second in a six per cent increase and the third one of four per cent. The average weekly wage is now $141 and workers covered by the insurance get two-thirds of this amount as a maximum benefit. Still in the Labor Committee are L.D. 1537 which would increase unemployment compensation benefits and L.D. 368 to provide supplemental benefits for dependents.
Legislature (continued)

Environment - The Natural Resources Committee is considering amending L.D. 1175 to eliminate the designations for appointees (conservation, industry, municipalities, the public, etc.) for members of the Board of Environmental Protection.

Transportation - The House has given initial approval to L.D. 1465 which would permit an 8 1/2 foot overhang on tree-length trucks.

Natural Resources - One issue which may heat up before the session ends is the future of the Land Use Regulation Commission. The role of Dr. Koons, the qualifications for the executive director, the method of zoning for protection of wildlife and even the outright repeal of the law establishing LURC may well produce substantial debate.

THE SPRUCE BUDWORM

The anticipated request for a temporary restraining order to block the spruce budworm control program was finally sought Thursday. There were no further developments on the issue early Friday. It came several days after the start of spraying.

The Bureau of Forestry was planning a press tour for Maine newsmen to acquaint them with the budworm control program. The American Forest Institute was planning a tour for the out of state press. (The group will stop at the Pinkham mill while traveling.) We had a call from CBS-TV news in New York. A television news writer was trying to dig up the facts for an issue centered report on the budworm problem.

Senator Muskie also wrote supporting Great Northern's request that the budworm got full U.S. Department of Agriculture consideration for research funds.

PUBLIC RELATIONS

A news release was distributed on plans to again offer summer tours to the public of the Millinocket and East Millinocket mills.

Enclosed is a copy of the 1975 North Maine Woods Council recreation map.

A series of safety messages was scheduled on WMKR as advertisements.

An advertisement was placed at the request of the sales department in a special edition of the New Bedford (Mass.) Standard-Times.
**PUBLIC AFFAIRS**

Worth reading: *Fragile Structures, A Story of Oil Refineries, National Security, and the Coast of Maine.* The book was authored by Peter Bradford, former aide to Governor Curtis and now chairman of the Maine Public Utilities Commission.

Worth keeping in the office: *State O'Maine Facts,* the annual Handbook of Maine, published by the Rockland Courier-Gazette. It contains a GNP advertisement.

Sincerely,

Paul K. McCann
Manager-Public Affairs

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Enclosures
June 6, 1975

Mr. Robert J. Shinners
Vice President-Operations
Great Northern Paper Company
Millinocket, Maine 04462

Dear Bob:

The weekly Public Affairs Office newsletter follows:

THE LEGISLATURE

The session continues with adjournment likely in three or four weeks although "they could wind up in a couple" according to Lynwood Hand, GNP's legislative representative.

On bills of interest, there were these developments:

Transportation - L.D. 1465 which would permit an 8-1/2 foot overhang on tree-length trucks was being engrossed, short of final passage.

Labor - L.D. 758, boosted benefits under Workmen's Compensation Insurance to 166-2/3 per cent of the state's average weekly wage by 1980, has been enacted and sent to the Governor. L.D. 368, providing higher benefits for dependents under the Unemployment Compensation program, has been withdrawn. It was a major setback for the AFL-CIO to see the legislation go down the drain.

Environment - The Senate killed (30-0) a sleeper, L.D. 1605, which would have done away with all environmental laws on the books which are more stringent than federal statutes. The bill got a surprisingly strong endorsement from the Natural Resources Committee and gave the press something to write about.

Financial - Business interests on the Augusta scene are plugging L.D. 1177 which would provide tax credits for businesses (new or old) producing new products. It was tabled in the House at this writing.

BONDED LABOR

"I am a native American and Great Northern Paper Company wants no native help." --- letter to the editor, Bangor Daily News.

"They (Great Northern in its advertisements) speak of fringe benefits but leave that to your imagination." --- letter to the editor, Bangor Daily News.
Bonded Labor (continued)

"We talked about organizing a state wide association. Possibly if we showed up a few times on the steps of the Capitol sounding off our chainsaws, the employment office may wake up and realize there are still some cutters in Maine." --- letter incorporated into a story in the St. John Valley Times, Madawaska.

The issue of bonded Canadian woodsmen employed by Maine companies and contractors harvesting timber continued to simmer.

In Augusta, the legislative Joint Select Committee on Jobs was drafting a report which will call for a public hearing on the issue. In the draft, this was the proposal:

"The Committee remains concerned that the importation of Canadian labor into Maine at a time when unemployment is intolerably high is something that neither Maine nor the United States as a whole can afford. The Committee intends to inquire further into the reason for importation of such labor and why the Federal government has allowed it to occur. Unless it can be shown to the full satisfaction of the Committee that Maine workers could not fill jobs for which Canadian labor has been imported, the Committee intends to take whatever action is necessary to ensure that this situation is corrected."

Senator Reeves of Pittston heads the committee. The Maine Times included him in the ranks of the most ineffective legislators, a manpower affairs specialist who came to Augusta with the goal of exposing special interests and who is quoted as saying that's why he run for office. "Lobbyists are terrible," Reeves says. The Legislature has asked the Attorney General to investigate the creditability of one of his charges. The House chairman is another controversial ultra-liberal, Representative Connolly of Portland. (Senator Hayes Gahagan of Caribou is the only man on the 10-member committee who lives north of Orono.) With such leadership, the Committee's proposals face an uphill battle in Augusta even if its cause is a popular one at this time. Instead of letting the Committee continue, some legislators favor doing away with it entirely.

Workmen's Compensation

In response to a personal request from the Governor, we summed up the impact of the rising costs of this type of insurance on Great Northern in Maine and compared the burden with premiums in other states where GNN operates. It's far more expensive in Maine. Tom Flanagan of the Insurance Department provided statistical data and Al Ayre, a Portland attorney who is specializing in labor legislation in Augusta, contributed material on the national trends.

Spruce Budworm

In Maine, the spraying continued and John Godfrey was interviewed by a CBS-TV newsman covering the story.
Spruce Budworm (continued)

In Washington, Senator Muskie's office reported no quick action on the appropriations bill containing the still-to-be approved federal share of the budworm spray program.

In the courts, members of the staff of the Attorney General and lawyers representing paper companies prepared to go to court today to fight suits asking for an injunction to block the spray. The hearing was scheduled in Augusta. Mr. Hand planned to monitor the proceedings on behalf of GNP.

**API Meeting**

In New York, we attended a public affairs seminar conducted by members of the Government Affairs Committee of the American Paper Institute. Speakers covered programs of International Paper, Mead, Scott and Boise Cascade. Chief executives of several companies attended the meeting.

Ralph Kittle, IP's vice president for corporate affairs, summed up the aims of the program in his corporation in this way:

"The social and economic consequences of political and government action vitally affect us as individuals and as a corporation. They influence the way we conduct the Company's business and the results achieved. Because the Company is forest based and ecologically visible, its operations, raw material supply and products---more than with most other companies and industries---are under increasing scrutiny and government regulation. The Company's size, diversification and geographic spread subject it to laws and regulations from hundreds of governments. Therefore, we consider the participation by employees of International Paper Company in the Company's Corporate Affairs activities to be a function of critical importance."

And he said the Corporate Affairs function is part of the job description of all managers who are also expected to encourage the participation of other employees.

**Public Affairs**

A contribution was approved for the American Heart Association.

The use of a truck by the Katahdin School was approved.

**Public Relations**

Broadcasts of the Stearns tournament baseball games over WMKR were co-sponsored with other area businesses.

Sincerely,

Paul K. McCann
Manager-Public Affairs
June 13, 1975

Mr. Robert J. Shinners
Vice President-Operations
Great Northern Paper Company
Millinocket, Maine

Dear Bob:

The Public Affairs Office newsletter for the week ending June 13:

THE LEGISLATURE

The end of the legislative session is in sight in Augusta. Most observers expect adjournment by June 21 -- if no major issues bog down the legislators. In the final days of the session, these were developments:

Labor - Governor Longley vetoed L.D. 758, a top priority AFL-CIO proposal to double weekly compensation under the Workmen's Compensation Law by 1981. The Governor said the increasing costs of such insurance is posing a hardship for Maine businesses who have to compete in national markets. (The cost of such insurance is three times as much in Maine, for example, as it is in Wisconsin.) The Senate quickly and overwhelmingly overrode the veto. The Select Committee on Jobs got a new lease on life after the Senate voted to abolish the panel. Both labor and industry view the Committee with apprehension. But if the Committee on Jobs is retained, we can expect a public hearing in mid-summer on the issue of bonded Canadian labor. (The number of such Canadians employed by GNP and by the Pinkham Lumber Company has dropped approximately 50 per cent since 1974.)

Transportation - L.D. 1465, the tree-length hauling bill, was approved by the Legislature and signed by Longley.

Environment - L.D. 1152, a bill which limits the participation in Board of Environmental Protection hearings to those directly affected, was surviving although there was vigorous opposition from environmentalists. Former Attorney General Jon Lund was leading the opposition in a new role as a lobbyist.

Financial - L.D. 1874, requiring corporations to file quarterly income tax returns, was passed and signed by the Governor.
The Legislature (continued)

Natural Resources - Three bills pertaining to LURC continue to win support. L.D. 1330 would require the Legislature to approve zoning standards and change the way agreements are reached on deer yard protection. L.D. 509 and 1330 will revamp the administrative structure - removing the Commissioner of Conservation as chairman and changing the qualifications for Executive Director.

Forestry - There was renewed talk of a study of pulpwood scaling. If this doesn't happen, legislation can be expected in the special session. Members of the Democratic leadership are pushing such action. L.D. 1754, designed to permit citizens to cut wood on public lands, was still being pushed by some legislators but is opposed by Bureau of Public Lands Director Barringer.

Now: Timetables for Energy Programs?

From Congressional Action, a publication of the U.S. Chamber of Commerce:

"Any time three Committee Chairmen co-sponsor the same legislation and announce hearings will start, the bill must be taken seriously. Its number is S. 1777, its name is "National Petroleum and Natural Gas Conservation and Coal Substitution Act of 1975," and its sponsors are Senators Randolph, Chairman of the Public Works Committee, Jackson, Chairman of the Interior Committee, and Magnuson, Chairman of the Commerce Committee. The bill was referred jointly to the Interior and Public Works Committees, with the Public Works Committee scheduled to start hearings on June 5.

"Essentially, the bill sets up a schedule for conversion to coal of powerplants and major industrial installations using fossil fuels as an energy source:

"---After January 1, 1979, new plants and installations must be capable of using coal as their primary energy source 'in a manner consistent with applicable environmental requirements.'

"---After January 1, 1980, all powerplants and major installations---if not scheduled for retirement before 1985---must be capable of using coal as their primary source 'in a manner consistent with applicable environmental requirements.'

"---After January 1, 1985, they must use coal as their primary energy source 'to the maximum extent practicable.'"

Court Victory

Superior Court Justice Edward Stern June 10 denied motions for a preliminary injunction which would have blocked the last few days of the spraying of the spruce budworm infested forests of northern Maine. In his ruling Justice Stern noted that the Bureau of Forestry had agreed not to spray land in Ashland belonging to Charles Fitzgerald of Portland who instigated the suits. Stern did not rule on the suit challenging the right of the Baxter State Park Authority to permit spraying in the park.
Court Victory (continued)

Meanwhile in Washington, Congress still was split over the supplemental appropriations bill containing the federal share of the financing for the spray control program.

New NRC Director

Christian A. Herter, the grandson of the former Secretary of State and governor of Massachusetts, will leave a post with the U.S. Fish & Wildlife Service in Wisconsin to become executive director of the state's largest environmental organization. The Natural Resources Council has been without an administrator since Cliff Goodall resigned to enter law practice.

Public Relations

GNP co-sponsored broadcasts of Stearns games in the state baseball tournament and also the annual WMKR program on which top graduates of area schools spoke.

An advertisement was placed on behalf of the sales department in the year book of the Allied Printing Trades Council of New York state.

An advertisement was placed on behalf of the sales department in the summer issue of the Gravure Technical Association spring bulletin.

A photograph was released to the Katahdin Journal on the annual GNP banquet for retirees.

A news release was drafted on plans for the 4th of July curtailment of GNP operations because of poor business conditions.

An advertisement was prepared on behalf of the Pinkham Company for the mid-year lumber review issue of the Commercial Bulletin.

Following up on a request from Phil Mendola, we asked Dick Sprague of the Bangor & Aroostook Railroad to generate some publicity on the Lash Barge shipments soon to go out of Searsport. Sprague agreed to do so.

Public Affairs

At Phil Paul's suggestion, we contacted Associated Industries of Maine and urged a shipper's representative be their choice for the Associated Industries of Maine nomination for a Department of Transportation advisory committee. The committee will participate in DOT planning for the national rail organization. Paul will represent the State Chamber of Commerce on the committee.

Senator Charles Pray called saying that he had a rash of complaints over the North Maine Woods Council charging a fee (1) for canoeing down the St. John and (2) for flights into remote ponds. The attorney general's office will be asked to check the legality of such fees. We urged Pray to talk with Al Leighton of Seven Islands Land Company and he said he would do so.
"...to conduct activities aimed at influencing public officials and esp. members of a legislative body on legislation...to promote or secure passage of (as legislation) by influencing public officials...to attempt to influence or sway public officials toward a desired action."---Webster's definitions of the word lobby.

The role of the lobbyist, particularly the role of the corporate lobbyist, is being scrutinized. The Press enjoys making a whipping boy out of the representatives of Big Business. Both in Washington and in Augusta stringent rules have been proposed to keep track of how much money is being spent, and how it is being spent, on influencing issues. There have been flagrant examples of excesses on the federal level. In Augusta, some people were critical when one of the "pros" reported he was paid with "legal tender" and took advantage of a loophole in the law, instead of reporting his earnings in dollars and cents.

State Senator Bruce Reeves is the most outspoken foe of lobbying on the Augusta scene. He was quoted in the June 8 issue of the Maine Sunday Telegram as saying the fact that 354 registered lobbyists outnumber the 151 members of the House of Representatives and 33 Senators is "just incredible; they outnumber us something fierce." The Senator also was quoted as saying the paper companies had "32 lobbyists which must have cost them $100,000 working on the spruce budworm spraying bill."

It is unfortunate that critics of the lobby can't at least get their facts straight. So 354 men and women have registered. So that total is higher than in the past. The reason is primarily the desire of many to be ethical and take the broadest possible interpretation of the law. On most days, only a few lobbyists are on the Augusta scene. Some of those who have registered only go to Augusta on a few days during the session. Insofar as the paper companies are concerned, the figure quoted by Reeves includes representatives of companies as well as paid attorneys. Many of the full-time employees spent only a few days in Augusta. The $100,000 figure reflects the fees for a dozen or more attorneys spread over the entire six-month session.

While the practice of lobbying is frequently critized, none of the critics have come up with a better way of doing business in a period when government and the business community must communicate on many issues.

In Augusta, for example, the legislators will have considered 2,000 different proposals during the last several months. Who is going to review them on behalf of a Company such as Great Northern if there isn't a man on the scene? Lynwood Hand, a Houlton attorney, represents GNP as well as other clients. He is a former legislator and one of the most respected men in Capitol circl...
Lobbying (continued)

During this session, the Company has aggressively sought the passage of only two pieces of legislation (although supporting others and opposing a few): the budworm control program and the public lots exchange.

One man's "public interest" is another's "lobby" as Senator Gerald Speers of Winthrop has pointed out. The Senate majority leader says the biggest lobbying effort to date this session has been from those "in favor of the bottle bill, including the Committee for Returnable Containers....not those against it who got the publicity."

Sincerely,

Paul K. McCann
Manager-Public Affairs

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P. I. Firlotte  W. E. Lloyd
Mr. Robert J. Shinnners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine

Dear Bob:

The Public Affairs Office newsletter for the week ending June 20:

**THE WEST BRANCH STUDY**

Maurice (Red) Arnold, regional director of the U.S. Bureau of Outdoor Recreation, was back in Maine this week for an inspection tour of the Allagash Wilderness Waterway. Arnold brought us up to date on the federal study of the Penobscot River under the Wild & Scenic Rivers Act.

A draft which will be circulated in August for comments will say....

The BOR finds the West Branch from Ambajejus Falls north and the East Branch both qualify for the national system.

The Secretary of the Interior will invite the Governor of Maine to request such designation....no Congressional action will be requested. By asking for State action, the Secretary will continue the moratorium on new impoundments through October 2, 1978.

There are adequate controls now on the books under state law to protect the river although certain significant areas should be acquired outright by the State.

The BOR had conducted some research on the adverse impact of publicity resulting from designation and doesn't find this matter a long-range problem. The BOR finds road access to such rivers is the major problem resulting in over-use.

This approach by the BOR is not unlike the approach the Department of Interior took in pushing for state controls over the Allagash which is today a Wilderness Waterway included in the federal system.
THE LEGISLATURE

As this was being written, Lynwood Hand predicts final adjournment of the legislative session will come next week. Leaders had earlier hoped to get done this week.

Topics of interest:

Labor - L.D. 1537 which will incorporate a dependency allowance into unemployment compensation benefits was approved and sent to the Governor. Eleven other states have provisions for such benefits. The question of a veto was raised but even if the Governor took such action, the chances were good that it would be overridden. The life of the Select Committee on Jobs was extended. The Committee is expected to hold a public hearing on the Canadian bonded labor issue.

Environment - The Governor vetoed L.D. 1152, limited participation in Board of Environmental Protection hearings to those directly involved. The Senate went along with the veto. The Board is acting on its own to speed up the hearing process.

Forestry - The Senate killed the proposal, L.D. 1754, to permit citizens to cut wood on public lands.

Energy - An order was introduced to authorize a study of the hydroelectric power potential in abandoned dams scattered throughout the state. It also asks that "the potential in Maine for the production of electrical energy by hydroelectric means" be examined.

PUBLIC RELATIONS

In response to questions from a WGAN-TV reporter, we provided statistics from Jerry Perkins on the financial impact of President Ford's energy program on Great Northern. (So far as a result we have had $.60 a barrel in additional costs. If the President's proposals stick, it will mean a total of $1.80 per barrel or approximately $11,000 a day in additional operating costs.)

The safety departments in the mills will coordinate the construction of a float for the 4th of July parade in Millinocket. It will have a safety theme. We will also enter it later in the summer in a Medway festival parade.

Paul Reynolds of the Bangor News called with a request for background information. He had heard that GNP was forced to hire women and as a result many men were disgruntled because of the lack of summer employment for teenagers. With guidance from Joe Farmer, we explained the GNP policy supporting the EEOC law and reminded him that current economic conditions contributed to the fact that fewer teenagers were being hired.

We co-sponsored an advertisement in the Katahdin Journal saluting the Pink Panthers, a musical unit.

A brochure and map on the Harrington Lake camps was sent to the sales department for final approval.
THE WOODCUTTERS

Some two dozen woodcutters showed up in Augusta, June 19, demanding that the legislative leadership act on a bill which would establish uniform statewide scaling standards for wood.

The sound of the chain saws in the halls of government apparently produced results. Today the leadership decided to admit the bill and scheduled a hearing Wednesday, June 25.

Great Northern and other companies will have a chance to explain their positions at the hearing. The Woodlands Department has had under study a draft of the proposed bill.

The march on the Legislature was another sign in the growing militancy of the cutters. It comes at a time when the recession has created a climate when their message has appeal for the public and the politicians. They want something done about the fact that bonded Canadian laborers are cutting wood in Maine. They want a change in the practice of mills cutting off purchases without notice.

Sincerely,

Paul K. McCann
Manager-Public Affairs

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R. K. Elston  D. J. Krohn  T. S. Pinkham  P. F. Yacavone
P. I. Firlotte  W. E. Lloyd
June 27, 1975

Mr. Robert J. Shinners
Vice President-Operations
Great Northern Paper Company
Millinocket, Maine

Dear Bob:

The Public Affairs Office newsletter for the week ending June 27:

**VICTORY FOR THE CUTTERS**

The Maine Woodsmen's Association won another round this week. Passage of a law covering the scaling of wood was expected in the final hours of the Legislature session.

Wayne Birmingham of Patten was the spokesman for a big delegation of cutters who showed up in Augusta, June 25, to push for passage of L.D. 1944. The Patten man said that the cutters had never spoken out before because of the fear of retaliation from wood buyers. The Committee on Agriculture completely revised the bill and sent it to the Legislature with an unanimous ought to pass recommendation.

The revised version still permits the buyer and seller to agree on any scaling method, but provides that whenever weight is converted to volume as a method of determining payment, the moisture content of the wood must be a factor in that determination. The moisture content standards are to be established by the State Sealer of Weights and Measures and will take effect 60 days after being filed with the Secretary of State, probably around the first of the year.

The new association is clearly gaining strength and has other objectives in mind.

There is no doubt the cutters are going to fight to get bonded Canadian laborers out of the Maine woods.

One of the sponsors of L.D. 1944, Rep. Donald Hall of Sangerville, says the group also is determined to iron out the fluctuations in the wood market. They want reasonable notice before being shut off by buyers.
THE LEGISLATURE

Sending a piece of legislation to study usually means sending it to oblivion, veterans on the Augusta scene will tell you.

But that opinion may be changing.

The Legislature has acquired a full-time staff. It has put committees on a year-around basis if panels are assigned studies. The most recent example of the time and work which can be involved for a Company was the public lots study of the Public Lands Committee.

Now it looks like another busy period in between sessions of the Legislature.

Studies already voted include:

The power potential in abandoned dams and considering the potential for further hydroelectric development;

The eligibility limitations for collecting unemployment compensation, the level of statutory benefits provided for those eligible and the rates paid by employers to support the program;

Maine's forest ownership patterns, harvesting practice and future outlook for the timber resources.

As this was being written, the legislators were still in session in Augusta but adjournment was near.

In the session's final days, the Governor signed L.D. 1537 which will provide a $5 supplemental unemployment compensation benefit for each dependent --- up to one-half his weekly benefit amount.

A complete round up of legislation of interest to Great Northern (and copies of bills) will be distributed by this Office as soon as possible. Most bills will not become effective until 90 days following the end of the session.

BUDWORM TOUR

Four members of the House of Representatives toured the West Branch region June 22-23. They saw an area hard hit by the budworm epidemic and they also visited the Telos camp and the site of harvesting operations. Bart Harvey of Woodlands also demonstrated the use of the mechanical harvesting equipment. It was the first in a series of such trips in which we will offer legislators a chance to get a first hand look at the timberlands.
Public Relations

Steven H. Parker, the information writer with the Paper Industry Information Office in Augusta visited the paper mills and the timber harvesting operations at Telos and Coffeelos.

Great Northern agreed to co-sponsor an advertisement in the Katahdin Journal saluting alumni of Stearns High School.

Questionnaires for the Lockwood Directory were completed.

A safety announcement was prepared for use on WMRK urging driver caution on the "Golden Road" in the area of Millinocket.

A Harrington Lake guide was approved by the Sales department and sent to the advertising agency for final artwork.

A Woodlot Management folder was sent to the printers. It was prepared for the Woodlands department and coordinated with J. R. Goody.

A story on the LASH shipments of newsprint from Searsport was generated in the Bangor Daily News with cooperation from the Bangor & Aroostook Railroad. Phil Mendola of the Export department of GNN answered questions from the Bangor Daily News.

For Your Information

No newsletter will be published next week when the Office in Millinocket will be closed.

Sincerely,

Paul K. McCann
Manager-Public Affairs

Distribution:

J. R. Adams   T. H. Flanagan   O. J. Lombard   C. H. Reed
E. E. Allain   J. R. Goody     V. F. Mattson   W. A. Saucier
R. L. Anderson  L. E. Hand    F. C. Morrison  E. M. Schwerin
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R. K. Elston   D. J. Krohn    T. S. Pinkham  P. F. Yacavone
P. I. Firlotte  W. E. Lloyd
July 15, 1975

Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket Maine

Dear Bob:

The Public Affairs Newsletter follows. This edition covers developments from June 30 through July 13:

THE EMERY VISIT

First District Congressman Dave Emery came north July 12-13 to discuss energy and tour the budworm infested forests of the West Branch region.

Energy is the prime concern of the 26-year-old first term member of the House. He is on the Committee on Science and Technology which allocates funding for research in the energy field (although he candidly concedes there are over two dozen subcommittees and committees with a piece of the action). Emery wants to see some of the research take place in Maine. He has talked with other companies and asked for the meeting with a Great Northern group.

Vic Mattson, Paul Hubbe, Paul Firlotte and Bob Bartlett joined in the energy discussions with the Congressman. In addition to outlining the possibilities of using wood wastes including bark for power generation, the GNP team briefed Emery on the hydroelectric potential of the West Branch. After touring the Millinocket power plant, Paul Firlotte showed Emery two possible dam sites on West Branch. Sunday the Congressman flew over the forests of the West Branch in a helicopter with Bart Harvey. He saw the impact of the spruce budworm and also some of the area which is being considered for designation as a national Wild and Scenic River.

Emery left saying he was impressed by Great Northern's energy studies. He asked assistance in exploring cooperative pilot projects involving government and industry aimed at developing alternatives to oil in the northeast. The Congressman favors public funding and support for budworm control projects.
THE WASHINGTON SCENE

Energy legislation again dominated discussions during a July 8 meeting in Washington of the Public Affairs Committee of the American Paper Institute.

Specifics of four bills were outlined by Jeff Duke of API. Committee members chipped in with additional background.

Some of the more interesting discussion centered around S. 1908, the Industrial Energy Conservation Act of 1975 proposed by Senator Tunney of California. Chief executive officers would be required to report annually on energy conservation. Failure to comply would result in fines against the executives. Why this provision? A staff member was quoted as saying it was necessary to "put report forms on the backs of chief executives to wake them up...." Companies using less than $500,000 worth of energy would be exempt. A staff member was quoted as saying this provision might discourage companies from growing.

It had been suggested that industry support S. 1908 with modifications. After listening to industry people report these comments, the initial enthusiasm for the bill as an alternative to H.R. 7014 diminished. (H. R. 7014 was approved June 24 by the House Commerce Committee and was expected to go to the floor for debate soon after Congress got back to work following the July 4 recess. Even if passed, H. R. 7014's price control features would probably result in a veto by President Ford. It is sponsored by Rep. Dingell and includes provisions for energy efficiency targets for the 2,000 largest energy consuming manufacturers as well as company-by-company progress reports.) The Tunney bill would put the authority for energy conservation under the Commerce Department, instead of the Federal Energy Administration. Energy reports would cover a large number of companies. The base reporting year would be 1974, instead of 1972 as in the Dingell bill. Tunney proposes financial assistance for companies to increase the efficiency of their energy facilities.

The Ullman bill, H. R 6860, passed by the House in June, was scheduled for hearings in the Senate starting July 10. Senator Long, chairman of the Finance Committee, is saying he and his colleagues will take a whole new approach. Great Northern hopes the whole new approach will include incentives for hydroelectric development as a substitute for oil in energy generation.

API has also filed a statement offering alternatives to S. 1777, sponsored by Senator Randolph. The bill would essentially require industry to convert its oil and gas burning boilers to coal capability by 1980.

Despite all the talk and the rash of legislation, Congress doesn't yet appear ready to pass a meaningful energy program. The danger is that something will be passed which will do more harm than good.
A NEW PROBLEM?

The office of Senator Muskie last week had a new complaint. A Millinocket resident wrote the Senator complaining that Great Northern is hiring too many women.

THE LURC PICTURE

As previously reported, the membership of the Land Use Regulation Commission is scheduled again to be reshuffled. One thing the Legislature did was to remove the Commissioner of Conservation as chairman. Dr. Donaldson Koons will be replaced by another public member. Resignations and the expiration of terms of members not wishing reappointment to the seven-member commission will create openings for at least four new members. Henry Saunders of Westbrook, Ralph Clifford of Bangor, Charles Blood of North New Portland, Earl Bessey of Waterville and Lawrence Robbins of Searsmont are among those who are being suggested as members by different segments of the State's forest industries.

PUBLIC RELATIONS

Questions from the Bangor Daily News, WAGM-TV (Presque Isle), the Associated Press and United Press International were answered regarding the July 1 fire which swept the GNP chip plant at Portage.

A Great Northern advertisement focusing on the company's progress in the pollution abatement field appeared in July special editions of the Daily Kennebec Journal (Augusta) and the State of Maine Edition of the Portland newspapers. It was also published in the Katahdin Journal.

Questions from Jim Smith of the Associated Press regarding GNP policies covering woodlands and timber harvesting were answered.

The Bangor Daily News and ABI-TV called with questions regarding the GNP policy on dealing with the Maine Woodsmen's Association.

An advertisement was prepared for the Katahdin Journal featuring the winner of the "Vacation for Two" safety contest in the Millinocket and East Millinocket mills.

NEWSLETTER AND RADIO PROGRAM

Attached is the latest edition of the Paper Industry Information Office newsletter. The material in the newsletter is now being adapted monthly for use as a five-minute radio program. The first program was broadcast four times July 15 over WMKR in Millinocket and in the future will be sponsored on WAGM in Presque Isle, WHOU in Houlton, WDME in Dover-Foxcroft and WLVC in Fort Kent by GNP.
Other companies associated with the Industry Information Office will sponsor the program in other areas.

Sincerely,

Paul K. McCann
Manager-Public Affairs

pmc/d

Distribution:

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P. I. Firlotte      W. E. Lloyd         T. S. Pinkham
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine  

Dear Bob:

The Public Affairs Office newsletter for the period from July 13 to July 27 follows:

THE KONNS RESIGNATION

Dr. Donaldson Koons is going back to Colby College where he teaches geology. His resignation as the first commissioner of the State Department of Conservation did not come as a surprise. Koons has made no secret of the fact he found it difficult to work with Governor Longley. The parting of the ways between the Governor and Koons was polite and a contrast with how Longley and other department heads have swapped angry words. Longley praised Koons' accomplishments, including the Bureau of Public Lands' negotiation of the agreement on public lots with Great Northern Paper Company.

The Conservation Department includes three other bureaus besides Public Lands --- Forestry, Parks and Geology. The department also blankets the Land Use Regulation Commission. It has been LURC which has led to the problems which finally saw Koons decide to leave state government. Former LURC executive director Jim Haskell quit after vicious words for Koons. Haskell and his friends have continued to harass Koons. When LURC completed a comprehensive land use plan for the unorganized territory, the Governor rejected it as too general. The Flagstaff Corporation is bitter over LURC's rejection of plans for a resort on Bigelow Mountain, blaming Koons for blocking the project with a no-development zoning strategy. During the legislative session, House Speaker John Martin and Minority Leader Linwood Palmer joined to brand LURC "an ugly monster of government overcontrol."

Now the question of Koons' successor is being raised. Dick Barringer, the able young director of the Public Lands bureau, is deputy commissioner. But Barringer has also had his difficulties with Longley. The other bureau heads are veteran bureaucrats and probably wouldn't consider the controversial post. The new commissioner is likely to be the product of the Longley talent search now in progress for people to fill a raft of key state jobs.
THE PENOBSCOT STUDY

Copies of the "informal draft" report on the Penobscot Wild and Scenic River Study were received July 26 from the U.S. Bureau of Outdoor Recreation. A quick review yielded no surprises. As one would expect, the facts are weighed against further hydro-electric development on the West Branch. Comments on the report are requested by August 30.

Maurice "Red" Arnold, the regional BOR director, says "This report and its preliminary recommendations are now undergoing a policy review by federal agencies. Following that review, a final draft will be prepared and made available to the public for their comments and suggestions."

PRESS TOUR

Six Maine newspapermen visited the West Branch timberlands and the East Millinocket mill on a July 16-18 tour. The guests were Ray Gross and Wayne Nelson of the Rockland Courier-Gazette, George Patterson and Steve Curtis of the Belfast Republican-Journal, Jack Faulkner of the Aroostook Publishing Company (Presque Isle) and Wendell Guy of the Houlton Pioneer-Times. They saw the mechanical harvesting operation, lunched at the Telos camp and observed the impact of the budworm epidemic from the helicopter. En route home they visited the East Millinocket mill as guests of Art Dentremont. All are customers and Bud Greig of the Boston sales office issued the invitations. Another trip is planned in August for weekly newspaper representatives.

MAINE WOODSMEN'S ASSOCIATION

"We feel the paper companies of Maine have completely dominated our lives ever since they've been in existence. They dominated us. Crushed us and stepped on us. They've done anything they wanted to do...."

"We found out in Augusta we can have what we want by a show of force.... the new state law covering scaling...."

"The paper companies must feel they are guilty....they have never had anything to say...."

Wayne Birmingham of Patten made those statements during a half hour television broadcast on WABI-TV in Bangor, July 27.

While conceding the president of Maine Woodsmen's Association had glossed over the facts, a seasoned Bangor observer who works for a Maine Congressman said the public reaction to Birmingham and his association is sympathetic. It is, the observer cautioned, an "emotional packed cause." This observer is aware of the considerable progress made by Great Northern in reducing Canadian bonded labor in the work force.

Birmingham called for a ban on Canadian labor in the Maine woods.
He made two references to Great Northern (although most of the time he just harped on "paper companies" in general). In one case, he complained about wood being imported from Canada while Maine men are out of work. In another, without naming the company, he referred to the "complete refusal" of GNP to talk with him. Birmingham said "when we get to collective bargaining, they will talk to you."

The Maine press has picked up the story. The Associated Press is expected to publish a story or two soon on the subject. Birmingham's statements on television appeared in all Maine newspapers. The association obviously wants to get the pot boiling and most of the media welcomes every chance to take up the cause for the little guy.

**THE LAND USE REGULATION COMMISSION**

LURC has been in turmoil since it was created.

Now there is a new and discouraging chapter in the works unless Governor Longley acts swiftly to fill seats on the Commission.

The Commission requires four votes to approve permits and other policy matters.

Donaldson Koons is leaving the scene. The Legislature had replaced the Commissioner on the board with another public member, effective October 1. But the Legislature had also made the executive director, administrative head of the agency, solely responsible to the Commissioner. If Koons had remained on the scene this probably would have meant the retention of Dick Billings who couldn't meet the qualifications under the old law.

Myles Smith of Dover-Foxcroft has resigned. The term of Esther Lacognata of Portland expires July 30 and she did not seek reappointment. She was discouraged. That leaves George (Pete) Sawyer of Ashland, whose term expires August 31, Kenneth Cianchette of Pittsfield, Malcolm Coulter of Orono and Sherwood Libby of Steep Falls. There is the possibility of four new faces.

Billings, the executive director, hopes that some of the appointments will be those of persons with background in the forestry field. "The Commission has developed skill in issuing building permits but with Myles having left and Pete's term expiring, we are going to be lacking vitally needed talent."

The new round of chaos comes when some feel the Commission was finally getting on the track.
LEGISLATIVE TOUR

State Senator Charles Pray and Representatives Walter Birt and Dot Laverty were guests July 23 for lunch at the Harrington Lake camp. Later they visited the Telos mechanical harvesting operation, inspected the facilities at the camp and discussed the budworm epidemic with Bart Harvey and John Godfrey of the woodlands department. It was the first time since prior to the session in January that we have got together with the three area legislators. Birt and Mrs. Laverty had not had a previous opportunity to see a harvesting operation or visit a woods camp.

PUBLIC RELATIONS

A new folder and map on the Harrington Lake camp was sent to the printer.

News releases on two promotions were distributed.

A folder designed by Ad-Media for the woodlands department to promote the small woodlot assistance program was received from the printer.

Questions regarding woodcutters from Jean Huber of the Community Observer were answered in coordination with woodlands. She's an environmentalist and the weekly newspaper's Aroostook correspondent.

Contributions were made for the 4-H Horse Show in Millinocket and to defray part of the cost of sending children from the Katahdin School in East Millinocket to the national olympics for exceptional children.

PUBLIC AFFAIRS

A copy of the complete text of Governor Longley's new energy policy was requested.

With Ralph Currier, we attended a planning meeting in Augusta for the visit to Maine of the chief of the U.S. Forest Service, John McGuire. We asked and got help from the office of Senator Muskie in obtaining an EPA representative from Washington to join Mr. McGuire. We also helped with plans for a press conference in Presque Isle.

As a result of overcrowding and fees, groups are requesting that Great Northern make available campsites. After talking with the Woodlands and Townsite departments, we have agreed that such groups (we had six in a row) will be asked to camp at existing state or privately operated sites where water and sanitary facilities are available and clean up is assured.

Sincerely,

Paul K. McCann
Manager-Public Affairs
August 8, 1975

Mr. Robert J. Shinners
Vice President-Operations
Great Northern Paper Company
Millinocket, Maine 04462

Dear Bob:

The following newsletter covers activities of the Public Affairs Office from July 29 to August 8:

THE LEGISLATURE

Looking back: an improvement....

Looking ahead: The budworm headache....

With Bob Bartlett, Bob Hellendale, Vic Mattson, Bob Shinners and Al Tozier joining in the discussion, the regular session of the Legislature was reviewed at a July 30 meeting in Millinocket. Future problems the Company may face also were anticipated. Lynwood Hand, the Company's legislative agent, and Irving Faunce, assistant to the executive director of Associated Industries of Maine, reported on the regular session of the Legislature which ended in early July. Faunce devoted himself to labor matters.

Hand feels the attitude of the Legislature has changed. Members were more concerned with the economy and less concerned with extreme environmentalists. The two bills of major concern to Great Northern (ratification of the public lands agreement and the appropriation for spruce budworm funding) were both overwhelmingly approved. (This backed up the view of House Speaker John Martin. At an Eagle Lake meeting July 16, Martin complimented GNP for its work in acquainting legislators with the impact of the budworm problem. Martin also applauded company's new approach of getting professionals involved in Legislative matters. During the regular session, four GNP foresters spent a few days each in Augusta helping answer questions on the budworm situation and other land use issues.)

Faunce had little good news. The state Unemployment Compensation Fund is running out of money. It will be necessary soon to borrow from the federal government. When this happens, industry is going to have to pay back the money, with interest. This year $29 million will be paid out. Next year it is expected $60 million will be paid out as a result of expanded benefits and the recession.
The Legislature (continued)

"There has got to be a more equitable way of getting money to the unemployed....this is no longer an insurance program but rather a welfare program," Faunce said. The major Unemployment Compensation bill of the session introduces a dependency allotment to the benefits formula. The cost of Workmen's Compensation Insurance will be going up again also. A three-step hike in weekly benefits was approved. By 1981, the weekly benefits will be two-thirds of a person's average gross weekly wage, but not more than 200 percent of the state's average weekly wage. (It is now 100 per cent.) "This is not getting people back to work.... it is making it more attractive for people to stay out of work," Faunce concluded.

Looking to the future, the major problem continues to be the financing of the spruce budworm control program. It has got to be done in a more business-like manner. We agreed that Great Northern will explore the ways it can be done and draft a bill as a starting point for industry reaction.

Earlier in the day, Faunce met with members of the Personnel and Insurance departments. He spent an hour reporting on labor legislation.

THE BUDWORM TOUR

Governor Longley took a flying look at the budworm infested forests of Aroostook County, July 31.

The Governor, who has been critical of the crisis management approach to this problem, joined the chief of the U.S. Forest Service in Presque Isle for a tour arranged by the Bureau of Forestry and representatives of four companies involved in the forest products industry.

From Presque Isle, the Governor traveled by Great Northern helicopter to two small woodlots in the Caribou area and from there into the big woods to the west. He was on crutches. But Longley didn't miss a bet. On the back lawn of Representative Jim McBreacherty's farmstand outside of Caribou, he heard the story of the small landowner. It was convincingly told by McBreacherty, the legislator who sponsored the bill providing state funding in the Legislature.

In a story carried statewide by the Associated Press, the Governor was quoted as saying the problem is much greater than he thought. "I think we have got to bring together state, federal and Canadian forces if we are going to deal effectively with this problem. The budworm doesn't recognize boundaries." He told John McGuire, the chief of the U.S. Forest Service, that Maine needs additional federal help. (This week it leaked out in the Bangor News that one of the aspects of the problem McGuire is facing is justifying the 50 per cent federal funding.)
THE VACANCY

With Donaldson Koons leaving the post of commissioner of the State Department of Conservation in September, there is speculation about his successor.

The choice is that of Governor Longley.

John Christie, the man who runs Saddleback Ski Resort in the Rangely area, may be the best bet of the moment -- if he is interested. The Camden native was a critic of Koons. He has served on the Governor's economic development committee. Christie is rated as an able businessman.

Others mentioned as possibilities include Dick Anderson, executive director of the Maine Audubon Society; Fred Hutchinson, the University of Maine vice president for public affairs; Dr. Malcolm Coulter, a University of Maine wildlife professor and LURC member; Bud Weiland, Dead River Company woodlands manager; Horace Hildreth, Jr., a former Republican candidate for Congress who is an attorney for environmental groups; and, of course, Dick Barringer, the capable deputy commissioner who heads the Department's Bureau of Public Lands.

THE WEST BRANCH REPORT

The informal draft report being circulated on the study of the upper Penobscot by federal agencies became the basis for big headlines in the Maine Sunday Telegram. The author, environmental editor Bob Cummings, said the report "revealed" GNP was actively studying hydroelectric power sites. Cummings couldn't have read the April 5 edition of the Bangor Daily News in which we stressed the company's desire to keep its options open. Bob also got a copy of the GNP statement in which we said the same thing at the public hearings on the study.

This week copies of the report were distributed to managers involved. It is our plan to draft comments during the week of August 18 for submission to the BOR if all hands agree. A meeting will be scheduled. In addition we have brought errors in the text to the attention of Don Koons and Dick Barringer of the State Department of Conservation, Dick Anderson of the Maine Audubon Society and others involved.

Biologists of the Inland Fisheries & Game Department have a new thought on how to ward off the construction of a dam, if one is ever built. They are thinking of proposing it be designated as "Maine's Trophy River" to reflect the landlock salmon catches made below Ripogenus. How could you, they say, flood the only "trophy river" in the state?

THE COST OF LOBBYING

Reports filed with the Secretary of State indicated the pulp and paper industry spent over $100,000 for lobbying during the regular session of the Legislature --- ten per cent of the over-all total. Biggest spender was Scott ($43,000) and International ($21,000). Great Northern spent approximately $7,500.
Studies, Studies, Studies

The Legislature left 60 subjects to be studied following adjournment. The Labor Committee will take a look at the unemployment laws and the Energy Committee will probe the potential for hydroelectric developments. A select committee (four members to be appointed by the Senate President, four by the Speaker of the House and three by the Governor) will also study the state's forest resources. The forestry study was advocated by John Sinclair of Seven Islands Land Company and the Maine Forest Products Council.

Radio Programs

Great Northern will sponsor the Paper Industry Information Office 5-minute monthly report on activities in the industry in Maine on several stations in Northern Maine. The report will be heard the third Tuesday of each month at the following times on the stations listed below:

<table>
<thead>
<tr>
<th>Station</th>
<th>City</th>
<th>Times</th>
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</thead>
<tbody>
<tr>
<td>WMKR</td>
<td>Millinocket</td>
<td>7:10 a.m., 12:10, 4:35 p.m., 9:35 p.m.</td>
</tr>
<tr>
<td>WAGM</td>
<td>Presque Isle</td>
<td>6:05 a.m., 12:05, 5:05 p.m.</td>
</tr>
<tr>
<td>WHOU</td>
<td>Houlton</td>
<td>7:25 a.m. and 5:25 p.m.</td>
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<tr>
<td>WDME</td>
<td>Dover-Foxcroft</td>
<td>12:15 p.m.</td>
</tr>
<tr>
<td>WLVC</td>
<td>Fort Kent</td>
<td>12:15 p.m.</td>
</tr>
</tbody>
</table>

The audio report covers the weekly content of the PIIO newsletter which is distributed monthly with Public Affairs newsletter. Comments will be appreciated.

Public Relations

Questions regarding the Wild & Scenic Rivers draft proposal came from the Katahdin Journal and WMKR. We answered them with technical assistance from Paul Firlotte.

Dennis Mills of the Bangor Daily News is trying to broaden the horizons of the business news column he is writing. So one day he rode his motorcycle to Millinocket and we had a spur of the moment question and answer period. He wants to better understand the sales outlook. So with approval from John Staples, we got back to him suggesting an interview with John when the vice president is in Maine. If the News will put one man on the business beat and leave him there, it, hopefully, will improve the quality of the newspaper's coverage.

A series of radio announcements and a newspaper advertisement were placed on the GNP experiment in making tree-length wood available for local people to saw up and truck home at a cost of $18 per cord.
An advertisement was scheduled for the Maine State Labor News. It will be the 1975 summer advertisement entitled "They Knew Every Dirty Word But One."

In cooperation with the sales department's Bud Greig, we staged the second of two scheduled trips for Maine newspapermen August 7-8. Newspapers from the Kennebunk, Norway-South Paris and Millinocket areas were represented. Spruce budworm, forest practices and papermaking were topics.

**PUBLIC AFFAIRS**

In Bangor, Russ Byron and I met with members of the Public Relations Committee of the University of Maine Pulp and Paper Foundation. Goal of the meeting: Redesigning the Foundation's publications. One major piece of literature is planned instead of three.

Dues were paid to the New England Construction Users Council.

A donation was made for trophy for canoe races sponsored by the Ashland Rotary Club.

A donation was made for an advertisement in Maine State Troopers Association's vaudeville review guide.

**NO NEWSLETTER NEXT WEEK**

There will be no Public Affairs Newsletter next week as the result of vacations. The photo lab also will be closed.

Sincerely,

Paul K. McCann  
Manager-Public Affairs

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pmc/b
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462  

Dear Bob:  

The Public Affairs Office newsletter for the week ending August 22 follows:  

**THE WEST BRANCH**  

This week we tried to clear up misunderstandings which might have developed from a Maine Times editorial. At the same time work continued on Great Northern's comments on the draft of the Penobscot Wild and Scenic River Study.  

John Cole, editor of Maine Times, called for a special session of the Legislature to block plans of Great Northern to build a dam on the West Branch. Saying that Great Northern could do as it wished without having to get permits, Cole added that the West Branch was the last tributary of the river which had not been harnessed by the company.  

In a letter, the Company set the facts straight:  

"In a Maine Times editorial of August 15, you wrote that the West Branch is the single remaining tributary of the Penobscot which Great Northern Paper Company has not damned. Actually, there are five power dams on the West Branch owned by Great Northern and one on the main stem of the Penobscot.  

"You also said that if it were not for the federal government's wanting to make the West Branch a 'wild and scenic river', Great Northern would never have to publicize plans for another dam.  

"Actually, if the company were to decide to build a dam, which it hasn't, permission would have to be obtained from the Federal Power Commission and the State Board of Environmental Protection or LURC. Public hearings are part of the permit process. A dam would require the same type of approval as is required for any major industrial project, such as a pulp mill or an oil refinery. Under the circumstances we can't see why we need a special session of the legislature to pass another law on the subject."
The West Branch (continued)

"We also think it makes sense to explore all possible energy sources as alternatives to the over two million barrels of imported fuel oil that we burn a year at the mills at Millinocket and East Millinocket. One reason Great Northern opposes federal action to make the entire West Branch a national wild and scenic river is that this would forever prevent the development of the river's full power potential. This is an extremely valuable resource that could be lost in perpetuity."

Copies of the letter were sent to the Governor's office, members of the Maine Congressional Delegation, legislators, state officials and some members of the news media.

**The Augusta Question**

Governor Longley is expected to name within a few days a successor to Donald Koons as Commissioner of Conservation.

It is a post which has considerable impact on the state's forest resources. Under the Commissioner are the Bureaus of Forestry, Public Lands, Parks & Recreation, Geology and the Land Use Regulation Commission.

Mentioned most frequently as possible nominees are Dick Barringer, the director of the Public Lands Bureau; Fred Hutchinson, a University of Maine dean and acting vice president for public affairs; and John Christie, the operator of Saddleback Mountain ski resort outside of Rangley.

Some people in the forest industries are boosting the candidacy of Hutchinson. His background in agriculture and related areas appeal to them. Those boosting Hutchinson fear Barringer would concentrate on land banks and other projects and neglect the forestry bureau. Christie today in Rangley was telling people he is out of the picture.

Koons leaves September 1 to return to Colby College as head of the geology department.

**High Adventure Program**

The advisory committee for the operation of the Maine National High Adventure Area met August 15 at the Matagamon base. This year enrollment in the Boy Scout program is down but over 1200 boys and girls will spend ten days roaming the streams and trails of the forest of northern Maine. They start from Matagamon or from Pittston Farm. The economic recession has taken its toll and there have been a lot of cancellations. Next year the cost will have to go up a couple of bucks to $12 a day. A third base is a goal of John Sinclair and the committee. They hope to see it become available on Georgia-Pacific lands in Washington County. International Paper Company is considering giving land for a headquarters and entry point in Lincoln at the intersection of Route 6 and Interstate 95.

Ed Chase of Great Northern's woodlands department was honored for his efforts as chairman of the Matagamon operating committee.
PUBLIC RELATIONS

Copies of a map prepared for visitors to the Harrington Lake camp were distributed.

A news release was distributed on plans to rebuild a portion of the Portage chip plant. Copies were distributed to Governor's office, members of the Legislature, members of the Maine Congressional Delegation and others interested in the region's economy.

We agreed to take a full page advertisement in a guide to the Port of Searsport.

PUBLIC AFFAIRS

Contributions were made through the personnel departments of the Millinocket and East Millinocket mills for the AFL-CIO walk-a-thon to benefit the Pineland Hospital and Training Center. It will be held August 30 in Augusta in connection with the traditional Labor Day Picnic which President Ford will attend this year.

Sincerely,

Paul K. McCann
Manager-Public Affairs

pmc/b
Enclosure

Distribution:

J. R. Adams T. H. Flanagan
E. E. Allain J. R. Goody
R. L. Anderson L. E. Hand
R. F. Bartlett R. Hellendale
S. A. Casey K. Y. Hodsdon
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P. P. Paul P. E. Ward
J. D. Perkins P. H. Welch
I. P. Phelps P. F. Yacavone
T. S. Pinkham
FOR RELEASE:  6 p.m., Monday, August 25, 1975

PORTAGE LAKE --- Great Northern Paper Company will rebuild a wood chip plant swept by fire in July.

Nearly $700,000 will be spent on restoring one of the plant's two production lines.

Orville Tripp, Aroostook superintendent, said reopening of the plant late this fall will mean 12 to 15 of the 25 men laid off as a result of the fire will go back to work.

Chips made at Portage go to the Company's Millinocket pulp mill.

A study of Great Northern's long-range needs for chips is also in progress. Among the options open to the Company are continuing to buy additional chips as has been necessary since the fire, further rebuilding at Portage, or the installation of additional chipping capacity at the Pinkham Lumber Company complex in Nashville Plantation. The Pinkham plant is a division of Great Northern.
Some equipment damaged in the July 1 fire will be repaired, other parts will have to be replaced.

Drew Dow, a Fort Kent contractor, has started work on the project. The Portage plant was built in 1967 and its capacity doubled in 1973. Prior to the fire, there were 35 workers employed in the plant. Layoffs followed the fire and completion of clean up work.

Great Northern, in all, employs over 700 men and women in Aroostook County. In addition to the Pinkham mills at Nashville and Eagle Lake, and the Portage plant, offices of the woodlands department are located at Fort Kent, Ashland-Sheridan and Oakfield. A $12 million dollar expansion of the Pinkham facilities is in progress.
August 27, 1975

Maurice D. Arnold, Regional Director
Bureau of Outdoor Recreation (USDI)
Northeast Regional Office
600 Arch Street
Philadelphia, Pennsylvania 19106

Dear Mr. Arnold:

Great Northern Paper Company appreciates the invitation to comment on the informal draft report covering the Penobscot Wild and Scenic River Study.

Considering the multitude of laws both Federal and State which regulate the use of the land and water in the region, it remains the Company's position that designation of the West Branch as an addition to the National Wild and Scenic Rivers is unnecessary.

The West Branch is described in the report as a beautiful river today. Why must federal tax dollars be spent duplicating efforts of private industry and state agencies in management of the river?

For 75 years, the West Branch has been managed primarily as, 1) a source of raw material, and 2) as a source of hydroelectric power for the Company's pulp and paper mills. It is our position that the adoption of any of the alternative plans will have an adverse economic impact on the Company's future and on that of the Northern Maine economy as a whole.

The recreational opportunities of the region have always been available to the public. While changing patterns of recreation may require new approaches in this field, Great Northern feels the challenge can be met as in the past --- in cooperation with State agencies. We have indicated a willingness to cooperate with State agencies in a study of such problems as do exist.

In this letter we will confine our thoughts to two subjects: wood and water power.

On Page 54 of your report, we read, in part:

"...the existing landowners have, on the whole, carefully managed their land so as to preserve the environmental quality of the upper Penobscot watershed."

On Page 82, the preferred outline includes these remarks:
"Placing 148,000 land acres into 'protection' and modified 'management' zoning districts as defined by Maine's Land Use Regulation Commission should not lead to changes in land use patterns. Commercial timber harvesting would continue as the predominant land use. Review and approval of cutting plans by the State in advance of harvesting within the designated area would encourage the adoption of environmentally sound harvesting practices. Such a procedure, which is now in use along the Allagash Wilderness Waterway, is unlikely to impede use of the corridor for timber. Emphasis would be on mitigating adverse impacts due to inappropriate cutting practices rather than on restricting the amount of wood which can be taken."

But on Page 58, it was said:

"Whenever feasible, harvesting should occur during periods of minimum recreation use."

And on Page 62 under proposals for wild segments, it was also said:

"Permit selective timber harvesting within the corridor lands zone where such activity would not significantly detract from scenic values."

- On the same page under proposals for scenic segments:

"Permit moderate scale timber harvesting within corridor lands zone provided that a stand of well distributed trees is generally retained."

On Page 63, under proposals for recreational segments:

"Permit moderate scale timber harvesting within the corridor lands zone."

These and other statements add up to another layer of regulation, a decrease in the amount of timber available for harvesting and an increase in the cost of transporting it to the mills. On behalf of the Company's 3,700 employees and 20,000 stockholders, we again ask: "Will our cost of wood remain competitive with those of other companies in other parts of the country and Canada? Part of the answer can emerge if the cost of complying with the new regulations is revealed. The public deserves to know.

The report compares proposed forest management regulations for the Penobscot with those now in force along the Allagash. Everyone should remember that land in the Allagash Waterway was acquired by gift and purchase. Great Northern gave Allagash Falls and land on the shores of Allagash Lake; other landowners sold the Waterway thousands of acres of timberlands. In the case of the Penobscot, it appears that you want to create a federal waterway by a zoning technique. The value of the West Branch timberlands would be reduced and the owners left without compensation for the loss.

On the matter of water power, it is stated on Page 22:

"Great Northern is actively considering the development of additional hydro-power facilities at these sites (the projects are to some extent mutually exclusive.)"
And on Page 71:

"If constructed, the West Branch hydropower complex would inundate 17 miles of free-flowing river, including some of the best white-water canoeing in the study area. Natural landmarks of significance which would be impaired: Ripogenus Gorge, Ambejochmokamus Falls and the Horserace, Sournahunk Falls, Abol Falls, Pockwockamus Falls, and Debsconeag Falls. Up to 3,700 acres of land now available for commercial timber harvesting would also be utilized by the project."

On Page 75, in discussing the East Branch:

"National designation would of course, prohibit any additional water resources project along the East Branch even if they became economically and technologically feasible at some future date."

On Page 84, in the preferred plan, it is said:

"The most immediate effect would be to preclude hydropower development in the Ripogenus Gorge-Debsconeag Deadwater area regardless of economic feasibility or desirability. Scenic designation of that stretch could thus result in foregoing up to 240 million kilowatt hours of electricity annually. As a result, the Great Northern Paper Company would not be able to phase-out fossil fuel operations now consuming almost 400,000 barrels of oil each year.

"...It should be noted, however, that if it is determined at some future time that a substantially different use of the Penobscot is in the national interest, river management objectives associated with national designation could be modified or reversed."

These two statements go to the heart of the Company's concern in the energy field.

While Great Northern has not decided to build a dam, the Company is generally looking at the economic and technical feasibility of developing the remaining hydroelectric power below Ripogenus Dam. Great Northern uses over two million barrels of imported oil a year in its Maine mills. There is mounting pressure on industry to conserve oil. No one knows how much oil there will be available for industry in the future.

Federal designation could deny the opportunity to further develop the hydroelectric potential of the river -- in all probability forever. Who would determine that a "substantially different use" would be in the "national interest"? Great Northern? The State of Maine? The Bureau of Outdoor Recreation? The Congress? Isn't the statement quoted above from Page 75 the more appropriate? Once designated, the power potential of the river would be lost to society.

Whatever is done in the way of building another dam on the West Branch would not result in flooding 17 miles of river as is predicted on page 71. A dam below Ripogenus could capitalize on the vast water storage which already exists. Unlike most undeveloped hydroelectric sites only a few hundred acres would be flooded. Until studies are undertaken it is difficult to be precise, but it appears that only three to six miles of river would be flooded below McKay Station. A cold water pond would be created.
Before building a dam Great Northern would seek permits from several state and federal agencies. It doesn't appear to us the Company would face a much different route than those who seek approval for an oil refinery or a pulp mill. There would be months of data gathering, preparing applications and public hearings before the Board of Environmental Protection and the Land Use Regulation Commission as well as the Federal Power Commission. A proposal would have to stand the test of full public scrutiny.

Your informal draft report contains a number of errors. In the interest of accuracy, we would be willing to go over the report, section by section, with representatives of the BOR, to clear these up.

We have not attempted to go into the recreational aspects of the report, I am sure you remember though, the fears of many Maine people who appeared at your public hearings, that designation as a federal wild and scenic river would attract crowds from many parts of the country and cause an adverse environmental impact on the West Branch.

In summary:

- We feel that the inevitable result of federal designation of the West Branch would be to increase the cost of doing our business and diminish our ability to compete successfully against southern and Canadian companies. We feel that private management under state laws and regulations has preserved a beautifully wild as well as an economically and socially beneficial river. The same management and the same laws guard the future of the West Branch.

Sincerely yours,

Paul K. McCann
Manager-Public Affairs
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine  

Dear Bob:  

The Public Affairs Office newsletter for the week ending August 29 follows:  

THE WEST BRANCH  

"The report assumes that the private corporations which own most of the land will operate in a manner contrary to the public interests and even contrary to their own corporate interests. We are not 'carrying the torch' for any of them, but neither do we believe it is always 'open season' on the paper companies. They have made mistakes, of course, but we are thankful that as a result of their custody over the years we can today still enjoy hundreds of clear lakes and millions of acres of forest land with all their wildlife and beauty practically untouched by 'civilization.'....  

"At any time and especially in the light of present day economics, every effort should be made to solve as many of our problems as possible without calling on the taxpayers to finance still more government programs....  

"We did not debate the pros and cons of additional hydroelectric power generation but it was pointed out that this stretch of the river is not highly productive insofar as canoeing goes, and is hardly what could be called a navigable river in its present form."  

These quotes come from comments by Bert McBurnie on the federal study of the Penobscot for possible designation as a National Wild and Scenic River. He is president of the Chesuncook Property Owners Association.  

Great Northern Paper Company also formally reacted this week to the report. A copy of the Company's letter is attached. It will get wide distribution. Mailings are planned for the news media, the Congressional delegation, legislators, conservation groups and others throughout the state.
The Clean Air Act

Proposed amendments to the Clean Air Act are under fire from the paper industry.

Stan Hulett, the American Paper Institute's man on the Washington scene, said passage of the amendments would probably rule out future expansion of mills such as those in Millinocket and East Millinocket. Hulett lunched with Great Northern managers August 25 in Millinocket while on a Maine visit. He branded the amendments "no growth" legislation which add up to land use regulation more severe than any ever proposed.

Both houses of Congress have committees working on amendments to the air laws. The Senate language tightens the Environmental Protection Administration's hand even further than the House version, in that it completely eliminates "Class III" designations, in which development up to the national secondary standards would be permitted. The President has asked the Senate to reopen hearings on portions of the bill. If this happens, Muskie fears no amendments would pass at this session and has so told the President. The senior Senator from Maine is a key man in the struggle.

This week in Augusta representatives of Maine labor met with Senator Muskie and protested the "no growth" approach incorporated into the Senate version. It was a hot time. National leaders of unions representing the workers in the paper industry also have been protesting to Muskie.

Details on the House bill were provided Pat Welch for analysis.

The Headline Grabbers

The seizing of a woods camp and related developments won the Maine Woodsmen Association headlines in newspapers all over the state.

Jim Thompson, the editor of the Piscataquis Observer in Dover-Foxcroft, wrote after attending a meeting of the association: "....no County resident can escape the bitterness expressed by woodsmen this week. Failure to watch the issue of militant woodsmen could cause some big surprises."

In the Bangor Daily News an editorial said, in part, "...It was likewise wrong and unlawful for the loggers of the Maine Woodsmen's Association to enter private logging property in the Allagash woods like a bunch of renegades and forcibly occupy dwellings."

The Association needs the publicity it can get with dramatic moves if it is going to achieve the objective of chasing Canadian workers out of the Maine woods.
LURC --- Still Struggling

George (Pete) Sawyer's term on the Land Use Regulation Commission is expiring but he will continue to serve until a fourth member is appointed by the Governor. The Commission met August 28 in Augusta. The next meeting will be in Greenville, September 11, and the staff will report to the Commission (and ask for recommendations) on a GNP timber harvesting plan which touches on a development district in the Chesuncook Village area.

Governor Longley is expected to appoint a LURC member any day and his choice is reported to be a respected Caribou attorney, Robert H. Page. It is the first of four replacements required to bring the Commission up to full strength.

Bangor Interview

Dennis Mills, the new business editor of the Bangor Daily News, interviewed Bob Hellendale and John Staples, August 28, in the newspaper's office in Bangor. He had questions regarding the market, the health of the newspaper industry, electronic transfer systems' impact on paper consumption, and on the future of the industry in the state.

Conservation Commissioner?

Richard Barringer, the director of the Bureau of Public Lands, looks like the frontrunner in the race to be nominated as commissioner of Conservation. This week Fred Hutchinson, the University of Maine official who was endorsed by the Maine Forest Products Council, said he couldn't accept the job on a permanent basis. Several of the paper companies are opposed to Barringer. Great Northern has not taken a position for or against Barringer or got involved in the politics of the job.

Energy

The offices of Congressmen Cohen and Emery were alerted to the problems which would be created for the Company if the House approves a mandatory, company-specific energy use reporting program. This section, which the American Paper Institute has consistently opposed, is still a part of a bill which will be debated in early September in the House. If it becomes law, the section would require the 2,000 largest companies in the United States to report on energy goals to the Federal Energy Administration and threaten fines for chief executives of companies which failed to comply.

Public Relations

Requests for pictures and/or information from Johnson Controls, Foxboro Corporation and the Northwest Engineering Company were approved.
A letter was drafted correcting errors in a Maine Sunday Telegram story written by Bob Cummings which said changing technology in the paper industry was the reason for ending log drives on the state's rivers. Great Northern pointed out it would like to continue to use the Penobscot for log storage in the area between the East Millinocket and Millinocket mills.

Sincerely,

Paul K. McCann
Manager-Public Affairs

Distribution:

J. R. Adams  T. H. Flanagan  O. J. Lombard  C. H. Reed
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R. K. Elston  D. J. Krohn  I. P. Phelps  P. F. Yacavone
P. I. Firlotte  W. E. Lloyd  T. S. Pinkham
September 5, 1975

Mr. Robert J. Shinners
Vice President-Operations
Great Northern Paper Company
Millinocket, Maine

Dear Bob:

The weekly Public Affairs Office newsletter follows for the period ending September 5:

**THREE APPOINTMENTS**

Governor Longley has made his first appointments to agencies regulating the state's natural resources. His three nominees included two men endorsed by the forest products industry of the state. If all are approved by the Executive Council after a public hearing September 16, new faces on the Land Use Regulation Commission will include:

- Mrs. Charles McEvoy of Bangor - She's the wife of a Bangor surgeon who has been active in civic affairs. Mrs. McEvoy is a past president of the Maine League of Women Voters. She will replace Mrs. Esther Lacognata of Portland.

- Charles A. Blood of North New Portland - Blood is a pulpwood buyer and owns land in the unorganized territory. He is a forester. He replaces Myles Smith of Dover-Foxcroft who resigned.

- Henry W. Saunders of Westbrook - He is executive vice president of Saunders Brothers, a wood-turning firm, and is a forester. He replaces George (Pete) Sawyer of Ashland.

**WOODS LABOR**

The office of Senator Muskie has asked the Labor Department to make sure that requests for bonded labor are justified -- that there are not Americans available to fill such jobs. The action came following an investigation of complaints against Canadian Pacific Railways which brought in small-machine operators and kicked up a controversy.
Woods Labor (continued)

Clyde MacDonald says that employers are going to have to document that they have attempted to recruit labor throughout the state. That's what Great Northern has been doing by running ads in the Portland and Bangor newspapers for woodcutters prior to applying for approval to import Canadian cutters. But it is going to be tougher on everybody from now on as a result of the flare-up which came at the same time as disgruntled woodsmen have been waging a campaign to get rid of the Canadians.

The Maine Woodsmen Association continued to make news but not on the same scale as last week when they took over an Irving Pulp and Paper Company camp in the Allagash and forced bonded Canadian workers to leave the operation. But it was confined to the weekly newspapers or as letters debating the merits of the woodcutters' actions or a critical editorial which appeared in the Bangor Daily News. Friday, however, a spokesman for Citizen's Committee on the Maine Economy, blasted the paper industry for making slaves out of the cutters in a long guest column in the News. The Committee first surfaced when they picketed during the President's visit to Maine.

The whole issue may get another airing, however, when Senator Hathaway is joined by Senator Parkman of Oregon for a September 13 hearing of the Small Business Committee in Presque Isle. Wayne Birmingham, Louis Pelletier, both members of the Woodsmen Association, and Rudolph Blier of Fort Kent are scheduled to talk to the committee.

Stirrings Among the Legislators

Summer is over, Legislators have had a rest. Now they are turning their attention to the studies approved during the regular session which ended in early July. The studies used to be conducted by the Legislative Research Committee. If a bill couldn't be killed, opponents would try to send it to study where usually an issue would slowly die. Now the regular legislative committees are conducting studies. Whether this means the product of a study will go further or not has yet to be determined. But it does mean most of the legislators are involved in more off-season activity than in the past.

The Energy Committee is looking into the hydroelectric potential in abandoned dams and also looking for potential new dam sites. Next week the Committee is scheduled to visit Millinocket and the Great Northern dams along the West Branch. Paul Firlotte and Paul Hubbe will brief them on the power system and the Company's search for new energy sources. Howard Trotzky, a Bangor Senator who made the arrangements for the tour, says that the Committee could go on record against the Federal designation of the West Branch as part of the wild rivers system --- if the Committee decides the highest and best use of the river is for power development.
Legislators (continued)

The Natural Resources Committee, of which Trotzky is chair-
man, is inviting major landowners including Great Northern to
participate in a land use study. The Legislature asked that forest
practices be studied as part of the over-all land use planning and
regulation picture.

(The Legislature also voted to establish a special committee
to conduct a study of the state's forest resources. It would
include members other than legislators. Some would be appointed
by the Governor. It may not get off the ground this year. Governor
Longley hasn't made any appointments and the Speaker of the House
and Senate President normally wait for his selections before naming
their appointees.)

The Jobs Committee met in Augusta last week. Senator Bruce
Reeves, who is raising money to run for Congress, and his colleagues
explored the possibility of using money from the Unemployment
Compensation Insurance Fund to create public jobs. They were
told it isn't possible without changing state and federal laws
governing the fund. It's also possible the Committee will soon
decide to revive their plans to hold a hearing on woods labor.

While not a legislative matter, the scaling bill passed in
the final days of the last session will be the topic of a fact-
finding meeting in Augusta, September 15. The State Department
of Agriculture wants to hear the opinions of all those involved
on how the intent of the legislation should be implemented. Ray
Goody and Lynwood Hand have been invited.

THE WEST BRANCH

Nearly 150 copies of the Great Northern Paper Company letter
critical of the Federal proposals for designating the West Branch
as a Wild & Scenic River were distributed to people in Maine and in
Washington.

On the mailing list were labor leaders (with a cover letter
from Jim Adams), Millinocket town councilors and the city manager
(distributed by Fred Morrison), legislators, businessmen, others
with land holdings in the West Branch, state officials, members
of the Maine Congressional Delegation and the Governor. It went
to the news media with a release summing up the contents of the
letter. We personally briefed members of the staffs of Senator
Muskie and Representative Cohen on the contents.

Dick Barringer, director of the Bureau of Public Lands, tele-
phoned to praise the letter's content and ask for a copy of any
reply from the Bureau of Outdoor Recreation.
TELEVISION REMINDER

Hank Magnuson, the executive director of the Paper Industry Information Office, will be a guest on Follow Up on Channel 5 (WABI-TV, Bangor) at noon on Sunday, September 14.

PUBLIC AFFAIRS

Contributions were approved for the Maine Association of Broadcasters annual convention, for an advertisement in the Katahdin High School (Sherman Station) yearbook, the Maine Forest and Logging Museum in Orono, and for trophies for the Great Northern Bowling League and Twi-Light Golf League.

PUBLIC RELATIONS

With Avern Danforth's assistance, we provided materials for the State Department of Conservation exhibit at the Eastern States Exposition in Springfield, Massachusetts. We provided samples of chips, sulfite pulp, groundwood pulp and a sample small roll of newsprint. The materials were to be incorporated into an exhibit featuring Maine forest products.

A firewood advertisement was placed in the Lincoln News.

We agreed to co-sponsor an advertisement promoting school safety in the Katahdin Journal.

Sincerely,

Paul K. McCann
Manager-Public Affairs

Distribution:

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R. K. Elston  D. J. Krohn  I. P. Phelps  P. F. Yacavone
P. I. Firlotte  W. E. Lloyd  T. S. Pinkham
September 12, 1975

Mr. Robert J. Shinners
Vice President-Operations
Great Northern Paper Company
Millinocket, Maine

Dear Bob:

The Public Affairs Office newsletter for the week ending September 12 follows:

THE WOODS LABOR ISSUE

Senators William Hathaway of Maine and Robert Packwood of Oregon will be holding a hearing of the Senate Small Business Committee on Saturday, September 15, in Presque Isle.

While it was originally intended to focus on agricultural matters, the Committee decided to turn to logging issues and the president of the Maine Woodsmen's Association was invited to participate.

With Ralph Currier, Bob Bartlett, Jim Adams and Henry Deabay, we briefed Norman Drew of the Senator's staff on the implications of the charges being leveled against the forest industries by the association.

At our request, time was also set aside for Henry Deabay to testify at the hearing. Working with fact sheets developed by Henry, we put together the draft of a statement warning the committee of the economic impact on the Company (and the paper industry) if the bonded Canadian laborers were not available to harvest timber. The bonded cutters have become the chief target of the Association.

THE WEST BRANCH

The world is full of surprises.

In at least one edition of the Bangor Daily News, September 10, two stories appeared outlining Great Northern's objections to the Wild & Scenic River proposals covering the West Branch.

In the Portland Press Herald, environmental reporter Bob Cummings made the comparison which sooner or later was going to be made --- a West Branch dam vs. Dickey-Lincoln. Commented Cummings:
The West Branch (continued)

"The suggested dam is capable of producing about 25 per cent of the power that would be produced by giant Dickey-Lincoln dams on the Saint John River in Northern Maine.

"But in contrast to the 80,000 acres the St. John dams would flood, Great Northern estimates 'only a few hundred acres would be flooded' on the Penobscot.

"The reason is the vast storage system Great Northern already owns in the Penobscot valley."

He covered most of the text of the GNP letter to the U.S. Bureau of Outdoor Recreation.

Maybe the most significant development of the week came in the text of a letter from the State Planning Office commenting on the Federal report. Some quotes:

"The potential of the West Branch hydropower sites may have to be used if present energy cost increases and shortages continue. While there is clearly both a State and National interest in river recreation, the State and National energy needs must also be considered. Perhaps a combination of energy from wastewood and hydropower can replace or reduce the petroleum based energy now in use.

"It is interesting to note that a decrease in fishing, canoeing and sightseeing is predicted if hydropower development occurs. The opposite argument is being made in regard to the proposed Dickey Lincoln Dam!"

"Restriction of timber harvesting, except in the narrow band of forest actually visible from the river, seems unnecessary to preserve the wilderness experience of canoeists. The steady-year-round employment provided by forest products generally has higher monetary and social value than the fluctuating, seasonal activity associated with tourism. This aspect is not adequately considered in the plan."

While holding out for designation of the area below Ripogenus Dam if anything at all is designated, a planner in the State Department of Conservation questioned the cost estimates in the proposal.

Another landowner went to bat. George Carlisle, president of Prentiss & Carlisle, opposed proposals that "are without question a taking, and without compensation." He also said "it would be a crime to place any roadblocks in the way of Great Northern Paper Company if it should be determined it is economically feasible to develop more hydro power on that river. Considering the situation as to fossil fuels and oil in this country, it would be utter folly to hinder any development on such a small portion of that river as would be required."
POSTPONEMENT

Plans for an inspection of the Great Northern power systems were postponed by members of the Energy Committee of the Legislature. Some of them were called into court as a result of a York County controversy. The Committee rescheduled the visit for September 24.

PUBLIC RELATIONS

A news release was prepared and distributed on planned cutbacks in production in the Millinocket mill.

A news release was prepared and distributed on a promotion.

A letter rebutting charges against the paper industry made by a spokesman for the Citizens Committee on the Maine economy was reviewed and circulated for comments. The reply was drafted by the Paper Industry Information Office. It was mailed out of Augusta Thursday.

We were interviewed by representatives of the Maine Public Broadcasting System. They are doing a program on Maine for national distribution as part of a bicentennial project of the national public broadcasting network.

A donation on behalf of the Aroostook district and the Pinkham Lumber Company was made to the Portage Hills Golf Club.

VISITORS

Arrangements were made for a tour of the Great Northern power systems and woodlands for two top aides to Congressman Cohen who will be visiting in Maine. Tom Daffron is Cohen's No. 1 assistant and Tom Heyerdahl is the Congressman's legislative specialist in the fields of energy and environmental matters. They will be in Millinocket Monday.

Sincerely,

Paul K. McCann
Manager-Public Affairs

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J. R. Adams  T. H. Flanagan  O. J. Lombard  C. H. Reed
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P. I. Firlotte  W. E. Lloyd  T. S. Pinkham  P. I. Firlotte
September 19, 1975

Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462

Dear Bob:

The weekly Public Affairs Office Newsletter follows:

**Support For GNP**

Great Northern's right to build a dam on the West Branch was defended in a September 15 editorial in the Portland Press Herald. It was a significant endorsement. The editorial said, in part:

"Governor Longley has recently changed his posture on oil refineries and nuclear power plants. He recognizes that they may be essential in meeting the state's energy needs. But he also voices a preference for hydro-electric development over nuclear plants.

"We in Maine must accept the fact, as Governor Longley has, that we cannot have our cake and eat it too. We cannot keep every mile of our rivers exclusive for the sportsmen and develop the hydro-electric power needed...

"If the firm meets the necessary requirements, it should be permitted to go ahead with the dam project if its continuing study promotes that decision."

In the September 17 editions of the Bangor Daily News, that newspaper also discussed the possibility that Great Northern would be building another dam. The News did not take a stand. While saying that opponents had to come up with something better than "solar energy or wind-powered generation" as new energy sources the newspaper also said "not enough facts have surfaced yet for the taking of sides." We will be following up in clarifying our position with the editorial writer for The News.

**The Sick Railroads**

"In the next month and a half, we are going to be making decisions on railroads with which we are going to have to live the rest of our lives"---John Barnum, Deputy Secretary, U.S. Department of Transportation.
Sick Railroads (continued)

"Creation of Conrail will bring new and vigorous management to the railroads, allow the lengthy task of rehabilitation to begin at the earliest possible date, and assure that federal money is going into a rational system. I would say to those, fortunately few, who urge defeat of the plan: Don't shoot the piano player -- he's the only one in town."---Congressman Brock Adams.

The annual workshop of the Government Affairs Committee, September 14-17, was devoted to "The Future of U.S. Rail Transportation--Are We headed for Nationalization?" It was held at Prouts Neck, Maine. Jerry Perkins also attended. Public affairs and transportation executives from 29 companies attended. Hank Van der Eb, chairman of Container Corporation of America, is committee chairman.

The participants heard Deputy Secretary Barnum, Congressman Adams and William Smith of General Mills, a director of the U.S. Railway Association, join in urging that the paper industry support:

1) Congressional approval of the Final System Plan for reorganization of the bankrupt Northeast railroads. (The U.S. Railway System submitted the plan to Congress on July 26 and Congress has until early November to accept or reject the plan.) A new quasi-Federal organization, Consolidated Rail Corporation (Con Rail), would operate the northeast rail network as a private carrier. Under the plan, nearly 7,000 miles of 22,000 in the region would be abandoned.

2) Support legislation to provide the financing for rehabilitation of the railroads over a five year period, $1.8 billion.

Another panel was composed of Alan Heifetz, counsel to the chairman of the Interstate Commerce Commission; James L. Tapley, vice president of the Southern Railway System; and Joseph Walsh, vice president of the Railroad Signalmen. They agreed the ICC is going to have to change -- and Congress may mandate the change. And, like those on the other panel, they agreed that the labor problems of the industry must be solved. A more productive work force, they said, is essential to a healthy national rail network.

The API group also discussed state programs of government affairs. Jim Hancy of Bergstrom represented the Wisconsin Paper Council, and Henry Magnuson the Maine Paper Industry Information Office. Hank is executive director.

REBUTTING THE EPA

The U.S. Environmental Protection Agency on September 11 released to the press the news that Great Northern's sludge incinerator was being operated in violation of air pollution laws.

The press was not told that EPA knew the Company had a state permit, or that the Federal agency was aware of plans to close down the incinerator in 90 days.
EPA (continued)

In Boothbay Harbor, Bob Hellendale told Frank Sleeper that the EPA was pulling a "grandstand play" and his quote became headlines in the Press Herald. With guidance from Pat Welch, we also put together a news release. That release went to the Boston Globe, Bangor Daily News, the Katahdin Journal, WMKR and other Maine newspapers.

The public slap in the face from EPA was not anticipated by GNP. We'll be better prepared next time and not lag 24 hours behind the Federal public relations people.

THE OUTLOOK: HIGHER TAXES

When Jim Longley ran for the office of Governor, he pledged no new taxes. Longley stuck to his guns and the Legislature went along with him during the regular session. Now many people believe the independent Governor is satisfied he has kept his word.

At the September 12 annual meeting of Associated Industries of Maine at Boothbay Harbor, the subject of taxes wasn't on the program but was the major concern of almost everybody on hand. There is some feeling that an attempt may be made to reimpose the inventory tax. It is more likely that the corporate and personal income tax will be increased. There is also another hike in the Unemployment Compensation tax coming -- but may be put off for a year or two.

Longley himself was the other major topic of conversation. Many knew him before he became Governor. A few supported him. When he was elected, they did not know what to expect. Now the businessmen are concerned over the unpredictable Governor's inability to settle down and take hold. Some joke about it.

The formal program developed two themes:

Businessmen need to get deeper involved in politics if they want to be effective in dealing with government; and

State government needs time to get its programs sorted out after a decade of dramatic growth.

The Association is also considering hiring an attorney or lobbyist to deal more effectively with labor and tax matters. A committee is going to develop specifics of the program and cost estimates.

COHEN STAFF TOUR

Tom Daffron and Tom Heyerdahl, the two top men in the Washington office of Congressman Cohen, toured the Millinocket mill, the power system and the woodlands, September 15. Jane Johnson of Cohen's Presque Isle office was with them. Paul Firlotte and Bart Harvey briefed them on Great Northern's operations. Daffron and Heyerdahl had not visited the area before.
Cohen Staff Tour (continued)

Firlotte and Harvey covered the energy situation, the West Branch issue, woods labor and forest management on the tour.

CONSERVATION COMMISSIONER

Don Koons said he has no indication the Governor has selected his successor as Commissioner of Conservation. Bill Harkins, a key man in the Governor's group of advisors, listened on September 12 as Koons deplored the lack of action and had nothing to say. Dick Barringer said a few days before that he saw no sign of action by Longley. A new name has cropped up as a possible choice of the Governor: Maynard Marsh of Gorham. He's now Commissioner of Inland Fisheries & Game. Marsh, who is well known in the forest industries, has tried without much success to keep fish and game biologists objective in the Land Use Regulation Commission's zoning process. The biologists have been the advocates of zoning vast areas as deer yards and remote trout ponds.

PRESQUE ISLE HEARING

Illness forced Senator Hathaway to postpone indefinitely the Small Business Committee's hearing scheduled September 13 in Presque Isle. No new date has been set.

CLEAN AIR ACT

The voice of labor may be making an impact on Senator Muskie. A fourth draft of amendments to the Clean Air Act is being put together by the staff of the subcommittee headed by the Maine senator. Muskie met a few weeks ago with Maine labor leaders. They objected to the "no growth" philosophy of amendments drafted by the staff.

Sincerely,

Paul K. McCann
Manager-Public Affairs

pmc/b
Enclosure (PIIO Newsletter)

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J. R. Adams T. H. Flanagan O. J. Lombard C. H. Reed
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P. I. Firlotte W. E. Lloyd T. S. Pinkham
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462

Dear Bob:

The Public Affairs Office Newsletter for the period ending September 29:

VISITORS

Nine members of the Committee on Energy of the Maine Legislature toured the Great Northern power systems September 24. The Committee is conducting a study of abandoned dams and potential hydroelectric power sites. Senator Howard Trotsky of Bangor says he would not be surprised to see the Committee recommend that the door be left open for further hydroelectric development on the West Branch. The Senator says the Committee's action would probably hinge on the Land Use Regulation Commission or State Board of Environmental Protection having jurisdiction over such projects. This is consistent with Great Northern's position.

Paul Firlotte, manager of power systems, and Paul Hubbe, manager of research, discussed the Company system and the search for alternative sources of energy. Bob Shinners welcomed the group and participated in the discussions. After a briefing in Millinocket, the group drove up the West Branch highway to Ripogenus Dam and McKay Station. Returning, they visited the Millinocket mill and power plant.

THE WASHINGTON SCENE

Congressmen Cohen and Emery agreed with Great Northern Paper Company on September 17 in voting against a Federally mandated industrial energy efficiency program. The vote to remove the burdensome provision of H.R. 70104 was 220-187. Now it becomes an issue for the House-Senate Conference on energy conservation legislation. A Senate passed bill (S 622) requires the Federal Energy Administration to establish efficiency standards for the entire industrial community.
Washington Scene (continued)

At the request of Stan Hulett, the American Paper Institute vice president for governmental affairs in Washington, we contacted Great Southern's Clyde White. API was soliciting support for the so-called Pearson-Bentsen amendment in the field of natural gas legislation. Great Southern supported the amendment in telegrams to Senators Tamadge and Nunn of Georgia.

The Senate Public Works Subcommittee on Environmental Pollution has suspended its markup sessions of amendments to the Clean Air Act while Chairman Muskie conducts hearings in the new Senate Budget Committee which he chairs. The American Paper Institute last week briefed the Subcommittee staff on the results of a study on the impact of proposed amendments. The Subcommittee staff is working on a revision of its draft proposal on amendments.

**PAPER INDUSTRY INFORMATION OFFICE**

At the September 19 meeting in Augusta, directors of the Paper Industry Information Office gave the green light for the development of a ten-minute multi-media slide presentation on the industry in Maine. It will probably be used in the Spring for a joint meeting of University of Maine trustees with top executives of the industry. The meeting is planned to win more support from the Pulp & Paper Foundation programs on the Orono campus. The show will include approximately 200 slides. Copies will be available for member companies. Dr. Fred Knight, director of the School of Forest Resources at Orono, outlined a $250,000 research project at the Augusta meeting and asked for support. Companies are being asked to contribute on the basis of land owned. The idea got a favorable response.

**IMPACT OF POLLUTION CONTROL COSTS**

A study on the impact of pollution control costs has been published by the American Paper Institute. Findings of URS Research Company include:

--- During 1960-1968, pollution control expenditures were 8.6 per cent of total capital outlays in the paper industry; in 1969-1973, they averaged 22 per cent. In 1974 they were close to 33 per cent ($525 million). To date the industry has spent $3 billion on air and water pollution control.

--- During the 1969-1974 period, the growth of new capacity slowed to 2.9 per cent compared with 3.8 per cent annual average increase in 1960-1968.

--- For the 1975-1984 period, even if costs were to remain flat at late 1974 levels and the industry's profit performance is average, the industry will be short $16.7 billion to satisfy its capital needs, including $7.7 billion of anticipated pollution abatement expenditures. This is equivalent to a shortage of 17.2 million tons of capacity by 1984.
Pollution Control Costs (continued)

What will it mean in costs to the consumer?

The cost of paper will have to increase from a late 1974 average value of $436 per ton to a 1983 value of $502 per ton or to $838 per ton if inflation is factored in.

Where an average household with an average budget now spends an estimated annual $219 for paper, directly and indirectly, that figure would rise to $420 in 1983.

What will it mean in jobs?

U.S. exports would decline while imports increased. There could be a significant net adverse impact on balance of trade amounting to an average of $5.7 billion annually if the full impact fell on this sector. This translates into the loss of some 35,000 potential jobs for American workers.

George Weyerhaeuser, president of Weyerhaeuser Company, on September 10 used the statistics in making a presentation to the National Commission on Water Quality headed by Vice President Rockefeller. The Commission is studying the 1983 national goals in the field of pollution control -- the "best available technology economically available."

THE WEST BRANCH

The Millinocket Town Council, September 23, went on record against designation of the West Branch as part of the National Wild & Scenic Rivers System.

A letter was also sent to the Bangor Daily News clarifying an editorial written on the subject of the West Branch project.

PUBLIC RELATIONS

At the September 22 meeting of the Newsprint Division of the American Paper Institute in Millinocket, we discussed "Bugs, Bureaucrats and Btus."

The same presentation on the political side of the budworm issue, the problems of land use regulation, and the West Branch study's energy ramifications was made at the annual meeting of the sales department September 25 on Cape Cod.

A picture and story on the visit of the Energy Committee of the Legislature to Millinocket was released to the local newspaper.

A release was distributed to local media on the start-up of two paper machines and the return to production of the coating department in the Millinocket mill.
Public Relations (continued)

Advertisements were approved for school year books in Howland and in Dover-Foxcroft.

Sincerely,

Paul
Paul K. McCann
Manager-Public Affairs

Distribution:

J. R. Adams        T. H. Flanagan
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                         G. E. Veneman
                         P. E. Ward
                         P. H. Welch
                         P. F. Yacavone
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine  

Dear Bob:

The Public Affairs Office newsletter for the week ending October 3 follows:

**COMMISSIONER BARRINGER?**

Unless the Executive Council balks, the talented young Director of the Bureau of Public Lands is going to be the next Commissioner of Conservation. Richard Barringer was nominated this week by Governor Longley.

The nomination surprised the press. They had been led to believe that Maynard Marsh, commissioner of the Department of Inland Fisheries & Game, was the Governor's choice. Stories speculating on Marsh's appointment had been printed in most Maine newspapers.

Barringer is well known to Great Northern's management as a result of the negotiations over the "public lots" issue. He's respected. Some other companies in the forest industries didn't like the idea of Barringer heading the department which includes the bureaus of Forestry, Geology and Parks & Recreation in addition to Public Lands and the Land Use Regulation Commission. Barringer has been criticized as an empire builder who doesn't appreciate the state's forest resources. Still now that the nomination has been posted, some of his critics say they prefer him to Marsh because of his demonstrated decision-making talents.

**THE NATIONAL ISSUES**

How to get timber from national forests....

A 50-50 chance of amendments to the Clean Air Act....

Energy issues: natural gas...conversion to coal...mandatory standards for industry....
The National Issues (continued)

These were the items which commanded the bulk of the discussion during the October 1 meeting of the Government Affairs Committee of the American Paper Institute in Washington, D.C. The increasing attention government affairs is getting from paper companies was reflected by the fact that 27 firms were represented. Participation (over 45 people were present Wednesday) has reached the point where meetings have been moved from the API offices into a larger conference room of the International Club. Hank Van der Eb, Container Corporation chairman, is chairman of the Government Affairs Committee.

In brief, topics of the day -- each was outlined by an industry specialist.

Clearcutting -- In the wake of the Monongahela ruling, Joe McGrath of the National Forest Products Association says "it's like a time bomb ticking...what happened in the Fourth District Court can happen anywhere where a sale of wood from a national forest is taking place." McGrath is the NFPA's chief counsel and the NFPA is the lead organization in industry's attempt to find a solution. Weyerhaeuser's Art Smyth summed up the motives of the radical environmentalists who triggered the "bomb" McGrath talked about: "Clearcutting isn't the issue. They don't want national forests to be a tree farm for industry. They do not want foresters setting the policy. They want a debate in Congress." Attorneys say the U.S. Forest Service has little chance of winning an appeal in Court. What next? If industry is successful, quick action by Congress to remedy the law governing timber sales. After that, an attempt will be made to skirt the clearcutting issue with legislation providing new general authority for the U.S. Forest Service. The outlook: There's a real battle ahead. Western Congressmen will take up the defense of the industry led by Senator Hatfield.

Air Pollution -- Senator Muskie (busy as Budget Committee chairman) and his Senate Subcommittee on Environmental matters has been finding it difficult to get a quorum for meetings. Some people say the protests of Maine labor leaders have changed Muskie's attitude. Now the chances of a bill amending the Clean Air Act are seen as 50-50. Some want a bill to relax deadlines. Matt Gould, Georgia-Pacific's corporate director of pollution abatement, says "there is no hope of turning the non-degradation issue around this year....if we can't get an extension of deadlines, we might as well see a bill killed."

Energy -- The Senate vote on the Pearson/Bensten substitute was seen as a key victory for industry in the struggle to make sense out of the energy puzzle. Next comes the problem of how to deal with S. 1777 (the Coal Conversion Act). As Matt Gould commented, "This would cover every boiler in the industry...there is not enough coal available to make the conversion possible." Mandatory energy efficiency standards are still possible if efforts are not successful to kill S. 622, the bill sent to a conference committee. Such standards were killed in the House.
THE SAYINGS OF JIM LONGLEY

Governor James B. Longley is pushing for industrial development. In a talk before the Northeastern Industrial Developers Association, September 30, in Portland, the Governor said, in part:

"Another 'misconception' is that those promoting industrial development are lined up against the environment.

"That's just not so. We do have some environmentalists who try to block and harass change and development. It is hard to eat the environment. I was an environmentalist myself and some of them, a few of them, either don't see or don't want to see the problems of the unemployed and underemployed which we face.

"I've said it before -- and I'll repeat it -- we should have a quality of life here in Maine for our people 52 weeks of the year that our tourists do when they are up here."

The quotes come from Frank Sleeper, the business reporter for the Portland newspapers.

PUBLIC AFFAIRS

We accepted an invitation from Dr. Arthur Johnson to participate in a discussion of corporate social responsibility October 13 at Orono. The subject is part of the curriculum for graduate study at the University of Maine.

Photographs of 24 employees will be used on the front and back cover of the new University of Maine Pulp & Paper Foundation publication for potential students. Stan Marshall and a photographer visited Millinocket and East Millinocket a few weeks ago to collect the 35 mm slides.

KILL LURC?

There is some sentiment within the Natural Resources Committee of the Legislature to do away with the Land Use Regulation Commission and transfer the functions of the Commission to other agencies. Senator Trotzky is talking about the concept. Planning and zoning could be assigned to the State Planning Office, permits could be issued by the Department of Environmental Protection, forestry standards administered by the Bureau of Forestry and matters such as deer yards and remote trout ponds left to the Department of Inland Fisheries & Game. The choice of whether to continue having a single agency administer such matters in the unorganized territory, or have the package fragmented will be one of the topics the Natural Resources Committee will discuss in a public hearing October 23 in Augusta. Major landowners can be expected to be invited.
ENERGY HEARING

The Energy Committee of the Legislature is asking Great Northern and other companies if they would be interested in discussing hydroelectric power potential and related subjects at an October 22 public hearing in Augusta.

PHOTO LAB

With Ken Laustsen of Woodlands, Roger Boynton spent another day in the woodlands taking pictures. The project goal is to develop a quality slide presentation for sales presentations, etc.

Service was also provided for the Sales, Controllers and Internal Auditing departments and the Millinocket mill.

Sincerely,

[Signature]

Paul K. McCann
Manager-Public Affairs

pmc/b
Enclosure (Maine Forest Facts)

Distribution:

J. R. Adams   T. H. Flanagan   O. J. Lombard   C. H. Reed
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W. E. Lloyd
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine  

Dear Bob:

The Public Affairs Office newsletter for the period, October 6-17, follows:

THE WOODCUTTERS

First, this background:

Wayne Birmingham of Patten told the Bangor Daily News in May he had been fired by a lumber company because he complained over the method used to weigh wood.

In the June 6 edition of this newsletter, talk in the St. John Valley of plans to organize a statewide association of woodcutters was reported.

In the June 20 edition, we reported that the growing militancy of the cutters "comes at a time when the recession has created a climate when their message has appeal for the public and the politicians."

In the next edition, passage of a new law to govern wood scaling was reported after a fight led by Wayne Birmingham.

In the Daily News on October 3, the headline on top of page one was:

"Woodsmen, haulers, walk out to protect truck law."

Enough background, now let us turn to the way the news media and the agencies of government dealt with events of the past two weeks:

On October 5 pickets first appeared at the gates of paper and lumber mills. The story dominated the television news reports of the evening. The Daily News on October 7 headlined the story "Woodsmen block trucks to three plants." Picketing members of the Association told newsmen they wanted more money for the wood they cut and hauled to mills.
The Woodcutters (continued)

Next day Diamond International Corporation closed its plants in Old Town, Passadumkeag and Houlton. The picketing spread to Millinocket and other GNP locations, as well as to Scott Paper Company in Winslow. Friday's headlines (October 10) in the Portland Press Herald: "Demonstrations Shut 3 Diamond Plants, Halt 4 GN Machines."

After you and Bob Hellendale flew to Augusta to see the Governor, the center of activity shifted to Millinocket. On October 11, Portland Press Herald reported "Longley visits mill site to try for settlement." Ed Schlick, the Governor's aide, told newsmen the pickets would be withdrawn and the Company would listen to the complaints of Mr. Birmingham. But the pickets were back in Millinocket Saturday night. Sunday we issued a press release saying four paper machines were being taken down again and 90 people laid off before you and I flew to Augusta at the request of Governor Longley.

Monday Great Northern again was the center of attention from the news media when company representatives met with Mr. Birmingham and members of his Executive Committee in Millinocket. The Daily News in an editorial on October 14, said:

"As of yesterday, members of the Maine Woodsmen's Association were still picketing the Great Northern Paper Co. in Millinocket. According to a GNP spokesman, this picketing was contrary to an earlier agreement worked out between GNP representatives and MWA President Wayne Birmingham.

"Even though the MWA is not recognized as an official voice with collective bargaining prerogatives, GNP, as an act of good faith, did agree to sit down and talk with the woodsmen about their general grievances in exchange for an end to the picketing at GNP's plant. And Birmingham agreed to do it.

"As explained to the NEWS, however, MWA's 'executive board' refused to accept their president's compromise with paper company representatives. It is regrettable we think, that the MWA apparently would rather keep on picketing for an impossible ironclad wage guarantee.

"By refusing to support their elected leader, in his informal agreement with GNP, the 'executive board' of the MWA could well end up responsible for more than merely breaking up a united front."

In the Portland Press Herald of same day there was a story of a "vicious picture of anonymous death threats, destruction of equipment, intimidation and fear" reported by United Press International from a meeting of logging contractors with Governor Longley in Augusta.

In contrast to the first week of demonstrations when Diamond International and other companies did not speak out on the issues, Great Northern was talking and getting across the facts.
The Woodcutters (continued)

On October 15, the Portland Press Herald reported "3 Chip Trucks Stopped on Way to Paper Mill."

In the state capitol's newspaper, the Kennebec Journal, on the same day the lead story was "B & A Railroad track blown up."

On October 16, the Portland Press Herald reported "Judge Stops Woodsmen Pickets." Millinocket was quiet again by early evening.

The next day the press focused on the industry representatives meeting with the State Board of Inquiry.

The Bangor Daily News in a Friday editorial said:

"One has only to spend a little time among the disgruntled woodsmen of the Maine Woodsmen's Association at a picket line outside a Maine paper mill to sense the anger and frustration, and to appreciate the great gap between the men who cut the wood on one side of the fence, and the men who make paper on the other." Diamond was criticized for not sending a spokesman "down from behind the big corporate symbol" to simply talk. Great Northern, the editorial pointed out "did so, to its credit."

**Scaling**

Lynwood Hand, Esq., staffed a Bangor hearing conducted by the State Department of Agriculture during which suggestions were asked on rules and regulations which will be adopted under the new law governing the scaling of wood. Great Northern was not represented because of the picketing but Lynwood urged that we offer suggestions for the record before the series of hearings ends.

**Public Affairs**

With Paul Firlotte, we worked on arrangements for the October 22 hearing planned by the Energy Committee of the Legislature. The Committee is studying Maine's hydro-electric potential.

Copies of EPA Administrator Russell Train's comments on a study of possible implications of amendments to the Clean Air Act were circulated to managers. Senator Muskie had criticized the accuracy of the report and accused the paper industry of circulating misleading information.

The U.S. Bureau of Outdoor Recreation has requested a meeting to go over the facts contained in its study of the Penobscot for possible designation as a part of the National Wild & Scenic Rivers System. Great Northern had suggested such a session in the interest of accuracy.

Congressman Cohen and his staff called to ask for information and offer assistance in helping solve the problems created by the picketing.
PUBLIC RELATIONS

With guidance from Phil Paul, we answered questions from a Belfast Journal reporter regarding Great Northern's participation in an Augusta meeting on the future of the Port of Searsport.

Daily reports on the activities of the Maine Woodsmen's Association and related developments were prepared and circulated to all managers from October 13 to October 16.

A report of GNN earnings was circulated to the Maine press.

PHOTOGRAPHIC SERVICES

Roger Boynton photographed developments on the picket lines during the time when the Millinocket mill was picketed by members of the Maine Woodsmen's Association and prints were turned over to attorneys representing the Company. A 35 mm slide presentation was assembled for the sales department. A set of pictures was assembled for company auditors who wanted to use them to illustrate a report. Pictures taken under water at Dolby to guide contractors working on the dam were developed and printed on a priority basis.

Sincerely,

[Signature]

Paul K. McCann
Manager-Public Affairs

Distribution:
J. R. Adams  T. H. Flanagan  O. J. Lombard  C. H. Reed
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R. K. Elston  T. M. Knight  J. D. Perkins  P. E. Ward
P. I. Firlotte  D. J. Krohn  I. P. Phelps  P. H. Welch
W. E. Lloyd  T. S. Pinkham  P. F. Yacavone
Mr. Robert J. Shinners
Vice President-Operations
Great Northern Paper Company
Millinocket, Maine

Dear Bob:

The Public Affairs Office newsletter for the period ending October 24:

THE AFTERMATH

Picketing is over.

On the surface of things, at least, things are calm in Maine.

At least three unions (papermakers, carpenters and mechanists) are trying to organize woodsmen. The Maine Woodsmen's Association has affiliated with the carpenters. An Allagash group has affiliated with the papermakers. The mechanists are seeking recognition as the bargaining unit for St. Regis woods workers.

In the wake of the chaos, editorials in the Maine press have included the following quotes:

"...We have noted with alarm the increasing number of so-called Association members who are obviously fresh faces, and who obviously have worked few, if any, chances in the Maine woods. What do those men hope to gain? Who are they? Does the Association believe that sheer numbers offers them a pat hand? Or have they turned their argument over to those who are more professionally skilled at agitation than felling trees?"----St. John Valley Times, Madawaska

"Farsighted leadership is needed here, looking beyond the immediate problem of discontent among the woodsmen. Imagination and forceful ideas are demanded to bring together Maine's young people and the jobs going begging in the woodlands. Even more important is the need for pressing ahead with research and development into new ways and better ways of capitalizing on this great and endlessly renewable resource."----Daily Kennebec Journal, Augusta

"...And, surprise, there is broad agreement, even among strike opponents, that woodsmen have a legitimate beef when it comes to the price they are paid for various woods operations. From that point, the road is rocky....To avoid further damage to the already perilous Piscataquis County economy, and to avoid a loss of agreement that woodsmen deserve a better price for their work, MWA members should roll up their sleeves and go back to work. To continue the strike means certain defeat."----The Piscataquis Observer, Dover-Foxcroft
The Aftermath (continued)

"The woodsmen obviously had two goals in mind when they started picketing Scott and other paper industries in Maine. One was to put some economic pressure on the paper companies. The other was to focus public attention on their grievances. They had some small success in the first but any great success would have put them into conflict not only with mill managements, but with the workers inside and this in the long run could have been counterproductive. They had considerable success in their second aim and there is at least a public awareness of the woodsmen's complaints even though there may not yet be an understanding of them."----Morning Sentinel, Waterville.

In an editorial October 23, the Bangor Daily News published a quote from a member of the Maine Woodsmen's Association: "There's just no work in the Maine woods for Americans, the Canadians have our jobs." Under the quote, the newspaper reproduced a full page of help wanted ads published in the newspaper, including a GNP advertisement and those of other companies and contractors. That's all the News had to say in the editorial entitled "No Work."

Stories covering the activities of the Woodsmen's Association were published in the Boston Globe and New York Times on October 19. In the Maine press, headlines were created by complaints from woods workers they had been fired by St. Regis and Diamond International. The different factions trying to organize the woodworkers also swapped charges.

THE LOBBYING LAW

This year the Maine Legislature enacted a sweeping new law regulating lobbying.

Before they went home they also inadvertently repealed the law. This wasn't discovered until the new law became effective. The law, modeled after legislation being advocated throughout the nation by Common Cause, thus will be effective only from October 1 to January 1.

While the law is on the books, a Great Northern employee can't discuss legislative matters with a member of the House and Senate while he is being paid a salary or expenses by the Company, unless he is registered as a lobbyist. This involves considerable paperwork. Based on an opinion from a Deputy Attorney General, Great Northern's legislative agent also says an employee's annual salary would have to be disclosed.

For the time being, the Company has adopted the policy that all matters dealing with legislation will be referred to Mr. Hand. He is registered. We'll communicate with legislators through him and uphold the law as we see it. This may be awkward at times but Mr. Hand points out that there are criminal penalties for breaking the law.

This week the Company declined invitations from two legislative committees to send representatives to Augusta hearings. If professionals had discussed hydroelectric power or land use matters, they would have had to register as lobbyists.
The Lobbying Law (continued)

Great Northern wants to cooperate with legislators. It has been Company policy in recent years to involve our management people in the political process. We want to continue to have them participate. The Company believes money paid to a lobbyist or expenses incurred by the Company in lobbying is a legitimate public concern. But if Company employees share information with legislators, we don't see why they have to be classified as lobbyists and salaries disclosed. They earn their money in Company positions, not for lobbying.

Please check with this Office prior to any contacts with legislators on Great Northern business.

BARRINGER

The Executive Council has confirmed the nomination of Richard Barringer as commissioner of the State Department of Conservation. Barringer was one of the men who put together the Great Northern Paper Company agreement with the State of Maine on public lands. This week Barringer disclosed to the press that the exchange of deeds which will complete the transfer had been posted at the Company's request. The Commissioner said GNP wanted more time to comply with Internal Revenue service tax provisions. The transfer of deeds is now scheduled for November 12.

COMMISSION ON MAINE'S FUTURE

The Commission on Maine's Future was established by the Legislature to develop a plan for future growth of the State. On October 27-28 the Commission is planning a trip into the forests of northern Maine. Tom Pinkham will represent GNP at a dinner Monday night in Presque Isle. The group will also visit the Pinkham mill the following day. On November 5 the Commission is planning a public hearing on forestry issues in Augusta.

TELEVISION INTERVIEW

Bob Hellendale was interviewed October 23 in Bangor by the news director of WABI-TV. The tape of the program "Follow Up" will be broadcast Sunday, October 26, at noon over Channel 5, at 11 a.m. the same day in Aroostook County over WAGM-TV, Channel 8, and at 6:30 p.m., Monday over WABI radio. We hope to be able to make arrangements to have it broadcast at a later date over WMKR in Millinocket.

During the interview the subjects of the recent activities of the woodcutters, the business outlook, plans for the future, the cost of budworm spraying, and other matters were discussed.

PUBLIC RELATIONS

Questions from the Belfast Journal regarding the future of the Port of Searsport were answered with help from Phil Paul.

We also met with members of a graduate class at the University of Maine as mentioned in an earlier newsletter.
Public Relations (continued)

We guided a Bangor Daily News photographer to the new woodlands garage. He wanted a photograph for an advertisement to be published by the contractor.

Arrangements were made for a Portland television station to visit Company logging operations next week.

PUBLIC AFFAIRS

In Bangor we met with Dale Gerry, of Congressman Cohen's office, Norman Drew of Senator Hathaway's office and Clyde McDonald of Senator Muskie's office. We brought them up-to-date on the woodcutters situation and stressed our continuing dependency on Canadian timber harvesters to maintain production and keep mill employees on their jobs. All three aides were talking about the significance of an October 9 speech by Senator Muskie on the "unfinished liberal consensus." In the talk the Senior Senator of Maine urged liberals to shake the banner of big spending and big government. It reflects the Senator's role as chairman of the powerful new budget committee.

PHOTO LAB

A draft of a script for a GNP 35 mm slide show was developed with help from Avern Danforth. Pictures were taken of the international budworm meeting in Millinocket and distributed through the Maine Bureau of Forestry and the Paper Industry Information Office.

Sincerely,

Paul K. McCann
Manager-Public Affairs
October 31, 1975

Mr. Robert J. Shinners
Vice President-Operations
Great Northern Paper Company
Millinocket, Maine

Dear Bob:

The Public Affairs Office newsletter for the period ending October 31 follows:

**VISIT BY LEGISLATORS**

Four members of the Natural Resources Committee of the Maine Legislature visited Great Northern's timberlands October 30 after a briefing in Millinocket by members of the Woodlands Department staff. The Committee is studying forest practices and land use regulation. Members are debating at least two alternatives, and maybe more. One would be to abolish the Land Use Regulation Commission. Another would be to take regulation of forest practices out of LURC and pass a forest practices act. The Committee is split. Members debated the pros and cons as they traveled as guests of Great Northern.

The legislators heard briefings on the scope of Great Northern's wood procurement programs, forest management and spruce budworm control strategies prior to visiting the forests of the West Branch region. They lunched at Telos and saw the mechanical harvesting equipment in operation. From there they traveled to Coffeelos to see a conventional operation with men at work with saws and skidders on land soon to be turned over to the State of Maine. They day ended with Bob Bartlett joining the group for a two-hour question and answer period.

Senator Howard Trotzky, Senate chairman, and Representative Tom Peterson, the House chairman, and Representatives Don Hall and Jim McBreairty made the tour. Peterson is a critic of the paper industry. He doesn't think the companies are putting up enough money as their share of the spruce budworm funding formula. It was the Windham Democrat's first tour of woodlands in northern Maine. Members of the Committee have now toured lands managed by Seven Islands and a Scott clear-cutting area in addition to visiting Great Northern. What they will do is hard to predict.
CHANGES IN THE CONSERVATION DEPARTMENT

Dick Barringer is now in charge of the State Department of Conservation.

The new Commissioner quickly made a major change at the top-level when he demoted Tom Dickens from director of the Bureau of Parks & Recreation to deputy director. In Dickens' place, he put Herbert Hartman who had been one of his chief lieutenants in the Bureau of Public Lands. Dickens, a career man in the recreation field, moved up to the director's job when Lawrence Stuart retired a year and a half ago. Hartman will be a different type. He's an environmentalist who thinks government involvement is the only way to safeguard the public interest. Hartman formerly worked for a development subsidiary of Scott Paper Company and the Natural Resources Council of Maine. He was also one of the men who came up with the "Grand Plantation" scheme that Harry Richardson tried to sell the Legislature. If the "Grand Plantation" idea had become law, the unorganized territory would have been organized, wiping out the holdings of companies such as Great Northern who had timber and grass rights on public lots.

Now there is a new report in Augusta: Barringer is reportedly trying to get Lee Schepps to return to Maine and take over as director of the Bureau of Public Lands. Schepps was the young assistant attorney general who authored a controversial study of the public lots which questioned private ownership of timber and grass rights on public lots.

Is Barringer solely responsible for the things going on? Not so, according to Dickens. The Governor wanted a new man in his job. There are other rumors that the Governor also asked Barringer to replace another bureau head.

LURC --- SOON AT FULL STRENGTH?

Robert Page, a respected Caribou attorney, has been nominated by Governor Longley for a seat on the Land Use Regulation Commission. Numerically he replaces the Commissioner of Conservation who was taken off the Commission by the last Legislature. The 34-year-old Aroostook man is a Bowdoin and Boston University Law School graduate. A public hearing on Page's nomination will be held November 5 by the Executive Council.

SURPRISE REVERSAL

From Washington comes news that Senator Muskie's Subcommittee on Environmental Pollution of the Senate Public Works Committee still isn't ready to report out amendments to the Clean Air Act. Senators have ordered the staff to prepare another working draft. The failure of the Subcommittee to report a draft to the full committee for action places in real jeopardy hopes for approval of any amendments to the Clean Air Act this session of Congress.
Surprise Reversal (continued)

The Maine Senator and consultants for the American Paper Institute (ERT) have differed over the impact of drafts which the subcommittee has had under consideration. API, based on the consultants' report, charged the drafts added up to a "no growth" mandate for many areas of the nation where the paper industry flourishes.

PUBLIC AFFAIRS

Members of the Commission on Maine's Future toured the Pinkham Lumber Company while in Aroostook County on a forestry tour, October 27-28. Tom Pinkham joined the group for dinner the evening prior to the tour. John Sinclair, president of Seven Islands Land Company and chairman of the Forest Industries Communications Committee, thinks it is particularly important to communicate with the Commission because of their interest in tax matters. He fears new proposals adding financial burdens for owning of timberlands could be a thrust of the Commission's final report.

PUBLIC RELATIONS

Everett Foster, a free lance photographer retained by the Paper Industry Information Office, was in Millinocket, East Millinocket, the woodlands of the West Branch District and at the Pinkham Lumber Company taking 35 mm color slides October 27-28-29. The pictures will be incorporated into a multi-media presentation covering the paper industry in Maine.

Releases on two promotions were mailed to local newspapers and trade publications.

A story on GNN earnings finally appeared in the Bangor Daily News, two weeks late. The first got lost.

Questions from Bob Cummings of the Portland newspapers regarding Great Northern's position on the budworm spray program were answered with guidance from Ralph Currier.

Sincerely,

Paul K. McCann
Manager-Public Affairs

pmc/b
Robert J. Shinners, Vice President
Great Northern Paper Company
Millinocket, Maine

Dear Bob:

The Public Affairs Office newsletter for the week ending November 1 follows:

A THREE-WAY RACE?

In June in this newsletter, we reported "the former chairman of the efficiency study of state government is going to be the strongest independent candidate for Governor in years. Few think he looks like a winner. Many say Longley could be a spoiler."

In Augusta last week, the political pros were saying Jim Longley now might just take it all. They say the dullest campaign in years, one without major issues, has developed into a three-way race for the governorship. Most gave Democrat George Mitchell the lead in the final days. They agree Republican Jim Erwin is still a possible winner. But they also say Longley has picked up considerable support and could pull the biggest political upset in modern political history.

Longley picked up the endorsement this week of the state's largest newspaper, the Bangor Daily News. "He's more than a carefully organized politician, more than an experienced public servant and more even than an aspiring individual. James B. Longley seems an idea whose day has come for Maine....In a very real way, the Longley candidacy has been a new rallying point for people of various political beliefs who have grown disenchanted with non-performing politicians," said the newspaper.

Longley is the head of one of the state's most successful insurance firms, Longley Associates of Lewiston. He is a certified life underwriter. He holds a law degree but has never practiced. He gained statewide recognition as the head of an efficiency study of state government financed by the business community (including GNP). When the recommendations made by the commission who conducted the study ran into trouble in the Legislature, he came out fighting -- finally announcing his candidacy for governor. The former Democrat says he needs only a single four-year term to get the job done --- the task of reorganizing state government. He has campaigned all
across the state, plugging hard for recognition. It appears he has proven that an independent can be a viable candidate, something few of the pros would have believed a few months ago.

Peter M. Damborg, deputy secretary of state, expects 350,000 to 375,000 voters to turn out Tuesday, November 5, to decide the outcome of the race as well as elect two Congressmen and a new Legislature. He has in recent days revised upwards his estimates. What will the bigger turnout mean? Damborg says he feels it reflects Longley's growing strength.

PRIG PLANS TO SUE BEP

The Public Interest Research Group, the consumer advocacy organization funded by students on Maine college campuses, this week said it is planning to sue the Board of Environmental Protection for not complying with state environmental laws in granting a permit to International Paper Company for expansion of its Jay mill.

At the same time, the group issued a report "Maine Can Do Better Than This" charging the Department of Environmental Protection isn't fulfilling its responsibilities. Written by Barbara Reed Alexander, the report said the DEP staff maintains a "cozy relationship" with polluters. One example of this relationship cited in the report according to the Bangor Daily News (this fact did not appear in other newspapers) was the fact the BEP "merely admonished" GNP for allowing an untreated discharge into the Penobscot to continue for 36 hours after a treatment plant malfunction. She did not report that the letter from the BEP to GNP told the Company not to let it happen again.

PUBLIC AFFAIRS

A statement questioning the need for designating the upper Penobscot as a part of the Wild & Scenic Rivers System was drafted for a management meeting. It will be revised and presented November 7 in Augusta during information meetings planned by the Bureau of Outdoor Recreation.

In Augusta, the Penobscot study was discussed with Conservation Commissioner Koons. He says the department has its own thoughts on how to manage the recreational use of the river.

PUBLIC RELATIONS

The women's editor of the Bangor Daily News has asked for photographs of women poling wood in the Millinocket mill. We will provide them.
Public Relations (continued)

In Portland, we met with representatives of three advertising agencies. Next week we plan to meet with a fourth in Augusta. Each will be asked to submit cost estimates for designing community relations advertisements annually published in Maine newspapers and also for the design of new GNP folders for use by the different departments of the company. In Portland, we talked with Tom Chellis of Chellis, Conwell, Gale & Poole, Inc., Arnie Kuvent of the Arnie Kuvent Group and Lee Baer of the New England Group. The fourth firm to be interviewed will be Jack Havey of Ad Media, Inc., of Augusta.

News releases on promotions went to the Katahdin Journal and WMKR.

Sincerely,

Paul K. McCann
Manager-Public Affairs

Distribution:

J. R. Adams
R. W. Currier
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I. P. Phelps
E. M. Schwerin
J. H. Staples
A. J. Tozier
G. E. Veneman
P. E. Ward
P. F. Yacavone
November 7, 1975

Mr. Robert J. Shinners
Vice President-Operations
Great Northern Paper Company
Millinocket, Maine

Dear Bob:

The Public Affairs Office newsletter for the period ending
November 7 follows:

DOWN THE ROAD

The Legislature will return to Augusta in 1976. Pundits in the state
capital are already speculating on (1) when the special session will
convene and (2) how the state's financial problems will be dealt with by
the independent Governor and a divided Legislature. The Democrats control
the House and the Republicans have the upper hand in the Senate.

The first question is, some say, a matter of politics. Next year is
an election year. For that reason, the Democrats and the Republicans would
like to meet as early as possible, in January or February. The Governor
is talking of calling the legislators into session in March. If it wasn't
important to get spruce budworm control legislation approved as quickly
as possible, this question wouldn't really matter to the forest industries
of the state.

The state doesn't have the serious budgetary problems of the
metropolitan regions of the nation. Yet there are problems. There is a
potential deficit of $20 million in human service programs, a shortage of
$8 million facing the University of Maine, and another $6 million needed
to keep the education department out of the red. If state workers don't
get a raise, there is trouble ahead. They haven't had a cost of
living increase for over two years. Just $10 a week per worker will require
$6 million in new money. One of the most knowledgeable people on the
subject sees a need for approximately $25 million in new revenue.

There is already talk of tapping several sources for additional
income, including:

The corporate income tax.....another one per cent is being
discussed.

Some people say the Governor's staff is very interested in
reinstituting the inventory tax. They say $15 million could be found in
this one area.

One of the key legislators has people researching a tax on land
sales, something along the lines of an excess profits tax. The rather vague
idea would require that the tax include consideration of inflation. It
might net $12 million a year. The man with the idea knows the value of land. The Governor's task force considering tax reform is not convinced the tree growth tax law is yielding sufficient dollars. It will probably recommend an intensive study of this complicated law. The people who are looking for money are once again back trying to find it in the forest resources of the state.

GETTING ACQUAINTED WITH ABBIE PAGE

Mrs. Abbie Page is the new director of the Maine Office of Energy Resources. She is a 32-year-old former State Planning Office staff member with a chemistry degree from Brown University and a graduate degree in biology from Purdue University. Mrs. Page picks up where Bob Monks left off in the energy research field and where Tim Wilson left off in the fuel allocation program. The Legislature voted $28,000 for the office. (There's another $80,000 available from the New England Regional Commission.) She asked to visit Great Northern and came to Millinocket November 3rd. She made the request after hearing about the Company's power system from members of the legislative Committee on Energy.

Paul Firlotte and Paul Hubbe spent several hours with Mrs. Page. Paul Firlotte guided her on a tour of Ripogenus Dam, McKay Station, potential power sites on the West Branch, and the Millinocket power plant. She also talked energy with Bob Shinners. Mrs. Page invited suggestions on how alternate sources of energy could be developed in Maine. We pushed the concept of financial incentives for hydropower. Paul Hubbe discussed wood waste as a power source. The plain talking Energy director says she isn't sure what needs to be done and is looking for suggestions. She has named Skip Thurlow of Central Maine Power Company, Andy Nixon of Dead River, Peter Bradford of the Public Utilities Commission and Bill Shipman, a Bowdoin College economist, to serve as advisors on drafting a state energy plan. Working with them will be Dick Hill of the University of Maine. Mrs. Page is looking to industry for help and guidance. She is going to need it to get anything done.

COMMON SITUS PICKETING

After talking with Bob Shinners, Jim Adams and John Lombard, we called the offices of Senators Hathaway and Muskie to register opposition to S. 1479, the Common Situs Picketing legislation. If the proposal becomes a law, one union in dispute with one subcontractor at a construction site would be permitted to throw up picket lines around the entire site and shut down the job. Great Northern's help was sought by the New England Construction Users Council.

It's clear that both the Maine senators are walking a tight line. Labor wants the bill. The construction industry is vigorously fighting it. Senator Hathaway wasn't around when his Labor Committee passed it out by a 14-1 vote. Both Hathaway and Muskie haven't taken public positions despite intense pressure. If the anticipated filibuster develops, it might well take the Maine senators and their colleagues off the spot. While no one close to either man says so, the Maine senators would probably be happy to see the bill talked to death.
THE REGULATORY BOARDS

Associated Industries of Maine is boosting Lionel Ferland of Poland for reappointment to the Board of Environmental Protection. The Poland farmer has been a supporter of industrial development in his first term on the board. The Governor has lagged on his reappointment. If Charles Wyman is confirmed as Commissioner of Marine Resources, there will be another vacancy on B.E.P. This week Robert Page, a Caribou attorney, was confirmed as a member of the Land Use Regulation Commission, filling the last of the seven positions on LURC.

VISIT WITH SHLICK

In Augusta, we visited with Ed Shlick of Governor Longley's staff and brought him up to date on Great Northern's revisions of wood prices to reflect increased trucking expenses. Shlick says the situation has quieted down since the tensions of a month ago. He says there have only been a couple of complaints from the woodsmen since they quit the picket lines.

COMMISSION ON MAINE'S FUTURE

Thursday in Augusta Morris Wing of International Paper Company, Cliff Swenson of Seven Islands, Temple Bowen of the Bureau of Forestry, Fred Knight of the University of Maine, Dick Barringer of the Department of Conservation and Ed Sprague of the U.S. Forest Service spent the day telling the Commission on Maine's Future about the state's forest industries and its potential for the future. The Augusta meeting was the second session the planning group had devoted to the subject. The first was October 27 when the Commission members toured Aroostook woodlands and the Pinkham Lumber Company. Peggy Fisher, writing in the November 7 issue of Maine Times, said:

"The highlight of the day was a visit to the newly constructed Pinkham sawmill, near Ashland, where the group viewed the latest in mechanised sawmill operations. Built adjacent to the presently operated older mill, the commission was given guided tours of the largest, and probably the most modern, sawmill east of the Mississippi. For contrast, the group toured the older mill immediately afterwards. Mill officials said that the sawmill operation paid high wages to the workers although fewer workers were required for the highly mechanised procedure. Tour guide Michael Collins estimated that the average wage for experienced workers was more than $20,000 per year.

"Collins told the group that future plans call for satellite industries to be constructed around the two mills, such as wood turning or furniture plants. Such value-added woods industries have long been a state goal. The initial investment in the modern mill, now owned by Great Northern Paper Company, will reach over $8 million according to Collins."

PUBLIC AFFAIRS

Lynwood Hand reviewed the Great Northern submission to the State Department of Agriculture on the new law governing scaling of wood.

Associated Industries of Maine has retained an attorney for the first time to evaluate all bills filed in the fields of labor and taxes during the 1975 special session. It's an experiment to see if industry can't do a better job in the two critical fields.
The American Paper Institute is replying to Senator Muskie's charges that they misled union leaders in opposing amendments to the Clean Air Act. API will tell the Maine Senator he's been misled by the bureaucrats in the Environmental Protection Agency, not consultants for API.

The Department Environmental Protection and Conservation have moved to the Ray Building on the grounds of the Augusta State Hospital, across the river from the State House in Augusta. That means LURC, Forestry, Parks & Recreation, Public Lands and Geology will be consolidated as a department for the first time.

PUBLIC RELATIONS

An advertisement containing a picture of five men who had completed apprenticeship programs was published in the Katahdin Journal.

GNP co-sponsored broadcasts of Schenck games in the state soccer championship.

Copies of the quarterly report were distributed to managers as well as Maine businessmen and public officials.

Questions regarding a Company housing development in the Ashland area were answered with help from Tom Pinkham. Elizabeth Sisson of the Presque Isle Star-Herald was doing a story on the fast-growing Ashland area. Unlike most towns in rural Maine, Ashland's population is increasing.

With Henry Deabay, we guided David Silverbrand and Jim Graham of WGAN-TV (Portland) on a tour of the West Branch region. The television newsmen wanted to interview Canadian and American cutters for a series of newscasts centered on the complaints of some woodsmen. Cutters in the Telos and Coffeelos camps disagreed with the dissenters, defending salaries and working conditions.

Sincerely,

Paul K. McCann
Manager-Public Affairs

pmc/1

Distribution:

J. R. Adams  T. H. Flanagan  O. J. Lombard  C. H. Reed
E. E. Allain  J. R. Goody  V. F. Mattson  W. A. Saucier
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P. I. Firlotte  D. J. Krohn  I. P. Phelps  P. H. Welch
W. E. Lloyd  T. S. Pinkham  P. F. Yacavone
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine

Dear Bob:

The Public Affairs Office newsletter for the period ending November 14 follows:

**PUBLIC LOTS: PART I: FINAL AGREEMENT**

Bob Hellendale and Dick Barringer exchanged deeds in Augusta on November 12. The State of Maine acquired five blocks of land totaling 58,000 acres; and Great Northern took title to 70 scattered parcels of timberlands on which the Company owns cutting rights.  

At a news conference which followed, Governor James B. Longley described the agreement as a "generous gift to the people of Maine" and said he hopes it establishes a pattern which "we hope to see repeated many times."

The exchange will result in a charitable contribution by Great Northern to the State in excess of $5 million, and the tax reduction will increase Great Northern Nekoosa Corporation's net income by 40 cents per share, primary, in 1975.

While the news conference bogged down over the question of "conflict of interest" because of pending court action asked by Great Northern and other owners of timber rights, news coverage thus far has been favorable. After the issue was raised in the Legislature, several landowners sought a court ruling upholding their ownership of the rights, acquired many years ago. A hearing is scheduled in early December. Barringer, the new young commissioner of Conservation, said the State will benefit from the exchange regardless of what happens in court. Attorney General Joe Brennan and House Speaker John Martin joined in hailing the exchange. If Great Northern had not made an offer, the State could have been left with 70 difficult to manage small parcels of timberlands.

In an editorial, the Bangor Daily News said on November 15: 
Public Lots (continued)

"The true measure of a good deal is that both parties got something in the bargain. That was the case this week when Great Northern Paper Company exchanged approximately 60,000 acres of timber and recreationally valuable wilderness consolidated in five sites for nearly 60,000 acres of timber-rich public lots scattered throughout more than 70 locations....Hopefully, Maine's other paper companies will follow Great Northern's lead in negotiating exchanges for the remaining disputed public lots."

John Day, the News' political writer, who authored the editorial, said he based part of his enthusiasm on the fact that Bob Cummings said it was a good deal. Cummings, the environmental reporter for the Portland newspapers, has crusaded for the return of the timber rights to the state. Let's hope Cummings can clarify the facts for Bill Caldwell, a Portland editorial writer, who asked most of the "conflict of interest" questions at the Augusta news conference. He's been asked to try to do just that by Dick Barringer.

Headlines of November 13 included:

"Maine Gets Superb Timber, Rec Areas in Big Land Swap"
---Portland Press Herald

"State, GNP Swap Land Worth Millions"
---Bangor Daily News

"Maine, Great Northern Finish Land Swap; Results Hailed"
---Morning Sentinel (Waterville)

"Maine officials praise 120,000 acre land swap"
---Kennebec Journal (Augusta)

This chapter is only the first in Great Northern dealings with the state on the issue. The Company still retains over 25,000 acres of timber and grass rights. They are jointly owned. Barringer told the press that the Public Lands Bureau is near agreement on similar exchanges with Brown Company, St. Regis, and Georgia-Pacific. Sometime down the road, we will also be back again doing business with the State.

**THE MAINE ECONOMY**

Only Thomaston, where a cement plant is located, has a higher average gross wage, $13,418 vs. $12,685, than Millinocket in the State of Maine.

These and other facts emerged with the publication of the 1974 Census of Maine Manufacturers by the Department of Manpower Affairs.

The forest industries of Maine (paper and lumber and wood) account for nearly 52 per cent of value of products manufactured in the state. In 1974, the value of paper products increased 34 per cent over 1973 to $1,220,300,000. The value of lumber and wood products climbed 17 per cent to $378 million. Paper was No. 1, lumber and wood No. 3 with food second in the ranking. Leather and textiles round out the big five.
The Maine Economy (continued)

The average gross wage in the paper industry was $10,392, topped only by the transportation category (which includes shipbuilding) at $10,555. The state's average gross wage increased 8.5 per cent for manufacturing to $7,646.

During 1974, Maine manufacturing firms spent $222,500,000 (half of which was attributed to the paper industry) for modernization and equipment and announced plans to spend almost $600,000,000 in 1975 and 1976.

GREAT NORTHERN'S SIDE OF THE STORY

Henry Deabay, woodlands personnel supervisor, spoke on behalf of the Company when the Senate Select Committee on Small Business turned to the subject of logging and woods labor during a November 8 Presque Isle hearing. "Until we can develop a stable labor force of Americans willing to harvest the wood which has got to be cut in remote areas, Canadians are the only people available to cut substantial amounts of wood needed by Great Northern and other companies —- large and small.... Without the Canadian timber harvesters, the forest industries would face a staggering wood shortage," Deabay told Senators Bill Hathaway of Maine and Robert Packwood of Oregon.

Deabay was the only speaker to refute Wayne Birmingham's unfounded statements that woodcutters are poorly paid and the paper companies deliberately favor Canadians in an effort to keep costs down. Copies of Deabay's statement and a fact sheet were distributed to other members of the Maine Congressional Delegation, the Governor's Office, newspapermen and broadcasters, and legislators. Stories on the hearing appeared in most Maine newspapers and also on radio and television, balanced by Great Northern's views.

Meanwhile, editorials continue to appear questioning Birmingham's creditability in the wake of the Maine Woodsmen's Association joining forces with the Carpenters union. Jim Thompson, editor of the Piscataquis Observer in Dover-Foxcroft, said he told Birmingham: "Wayne, I used to think you were a leader, but I see things have changed." Birmingham, guided by an organizer from the Carpenters, ousted Thompson from a meeting. Up north, a vote is scheduled November 18 on the Paperworkers' bid to represent Irving woods workers. The only other vote since the picketing saw St. Regis woods workers reject the third union trying to represent woods workers, the Machinists.

IN WASHINGTON

Senator Hathaway, who increasingly seems to be the leading advocate of spruce budworm control in the Maine Congressional Delegation, won support from Senator Robert Byrd of West Virginia last week in his efforts to have Federal funds made available as quickly as possible. The West Virginia senator is chairman of the Interior Appropriations Subcommittee. He agreed to ask colleagues to amend a money bill to make available an undetermined sum for the protection of Maine's forests. Four million acres need to be sprayed.
In Washington (continued)

......Hathaway now says he is optimistic of quick action in the Senate....Opponents of the Common Situs bill won a first round victory November 14 in the Senate when attempts to block a filibuster were defeated. The next attempt will be made November 18. GNP has opposed the legislation in letters to Senators Hathaway and Muskie....New drafts of amendments to the Clean Air Act were distributed....Bob Rose of Senator Muskie's staff was provided information on oil costs and the impact of decontrol by Jerry Perkins.

In Augusta

Ed Schlick, the member of Governor Longley's staff who dealt effectively with the woods labor issue, has resigned. He joins a growing list of people who have come and gone in the Executive Department....Secretary of State Mark Gartley has issued a ruling, still not backed up by the Attorney General, a person providing information requested by a legislator or group of legislators does not have to register as a lobbyist. Attorneys question the legal standing of the ruling. It does, however, permit limited communication between now and the time when the controversial lobbying law dies on January 1. It came as a result of GNP's protest to Senator Howard Trotzky....Senate President Joe Sewall has appointed Trotzky, Senator Alton Cianchette, R. Leon Williams, a Clifton lumber dealer, and Frank Peltier, manager of a Huber mill in Patten, to the Forest Resources Council which will embark on a broad study of the state's forest resources. Speaker Martin has named Representatives Douglas Smith, the sponsor of the bill, and Jim Wilfong along with Joseph Lupsha of the Maine Forest Products Council, and M. M. (Mike) Collins of the Pinkham Lumber Company. The study originated with John Sinclair of Seven Islands Land Company and was promoted by Lupsha, the executive secretary of the Maine Forest Products Council. Now Governor Longley will name four persons to participate. A report isn't due until the next regular session.

Public Affairs

In addition to coordinating the distribution of Bob Hellendale's letter to employees, copies were provided members of the Congressional Delegation, the Governor, Legislators, businessmen and others (including the news media for their background) with an interest in GNP's affairs.

Sincerely,

[Signature]

Paul K. McCann
Manager-Public Affairs

pmc/b

Enclosure (PIIO Newsletter)
November 21, 1975

Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine  

Dear Bob:

The Public Affairs Office newsletter for the week ending November 21:

**SPRUCE BUDWORM**

There was good news in Washington. The Senate on November 20 approved a supplemental appropriations bill including $10 million for insect control in the nation's forests. It was pushed by Maine's senators because of the necessity of federal financial support for spruce budworm control. The $10 million is five times as much as has ever been provided in the past, according to John Crawford of Senator Hathaway's staff. Crawford also pointed out that the supplemental bill contains $450,000 for budworm research.

Now the bill goes to a conference committee. If the Maine Delegation achieves its goal, Congress will pass the package and send it to the White House before the Christmas recess. After that the money can be spent on the basis of the U.S. Forest Service recommendations and with approval of the Office of Management and Budget.

The Conference Committee must iron out the differences between the House version and the Senate bill. The House did not include the $10 million for insect control. The Committee is expected to meet after the Thanksgiving recess. Senate members have been named. We contacted Representatives Bill Cohen and Dave Emery earlier this week, asking their help in convincing House conferees of Maine's needs. Emery personally took a look at the budworm infestation this summer. So did Tom Heyerdahl, Cohen's chief legislative assistant. Cohen's office said the Congressman is planning to personally contact all of the conferees. One of the House members will be Sidney R. Yates of Illinois who is aware of the spruce budworm problem and sympathetic to Maine's needs. Yates is House chairman of the Interior Committee.
Spruce Budworm (continued)

Meanwhile in Augusta on November 21, Governor Longley and legislative leaders agreed to call a special session starting February 16. Legislators will deal with school financing and other high priority items (hopefully the spruce budworm appropriations bill) at that time and recess until April when they'll return to Augusta for six or eight weeks to take care of other business.

IN WASHINGTON

"The environmentalists don't like us, you guys don't like us and now I understand the auto industry is getting ready to blast us again," joked a member of Senator Muskie's staff this week. Barbara Reid Alexander of Bath, environmental quality chairman for the Maine League of Women Voters, on November 19 told reporters in the Senate press gallery, "for the Senator known as 'Mr. Clean' in the nation, Senator Muskie has performed miserably." She said Muskie had reversed himself on strong auto emission controls he had earlier advocated. Mrs. Alexander is the wife of a former member of Muskie's staff. Actually we understand the Maine senator is finding out that "the votes are just not there" for passing strong new Clean Air Act amendments. Amendments crucial to the paper industry haven't yet been acted upon by the Public Works Committee.

On another issue, the Common Situs picketing bill, labor scored a major victory. Hopes that the bill would die in a Senate filibuster didn't pan out. Proponents collected enough votes on a second try to shut off debate. Maine Senators joined in voting for passage. The bill, already passed by the House, will give the construction trade unions an exemption from the ban on secondary boycotts and permit them to shut down an entire construction site when they have a dispute with one employer.

THE WOODS BUSINESS

"Logging State's Most Hazardous Industry, Report Finds"

---Portland Press Herald

Headlines in most Maine newspapers and reports on radio and television highlighted the findings of a study by the State Bureau of Health, the American Pulpwood Association and the University of Maine at Portland Gorham Center for Research and Advanced Study. The November 18 stories cited statistics indicating 81.5 injuries for each million hours of logging activities. (Great Northern's rate in 1974 was 19.9 and is 13.6 thus far in 1975, according to the woodlands personnel department's safety reports.)

Other headlines of the week told of the rejection of the Papermakers Union by employees of Irving Pulp and Paper Company logging operation in the St. John valley. Organizer David Lutes quit after the workers rejected the union. He was quoted as saying "things are right back where they were last summer." He blamed Canadian bonded timber harvesters for the setback.
**Taxes**

The Governor's Tax Policy Committee, November 17 released its report, and as expected, suggested increases in the corporate income tax as well as reimposition of the inventory tax. A one per cent boost in the corporate income tax could cost Great Northern approximately $100,000 in 1975. The Company will pay this year $80,000 under the inventory tax which was scheduled to be phased out. The Committee also called for coupling the lowering of property tax rates with the elimination of the Tree Growth Tax Law and other "tax breaks" for land owners. Senator Philip Merrill, a Portland Democrat, and others on the committee said they want to see more tax revenues come from the unorganized territory.

**Public Affairs**

Revised picture books covering the spruce budworm problem have been prepared by the Paper Industry Information Office and distributed. A set of 35 mm slides also have been put together by the PIIO staff and the State Department of Conservation. Both are available from this office.

**Public Relations**

An advertisement for the America/East Building Materials Exhibit edition of the Commercial Bulletin was prepared for the Pinkham Lumber Company. Background material was provided the Katahdin Journal for a story on the public lands exchange.

In response to questions from the Journal, WMKR, the Bangor Daily News and the Lincoln News, we commented on the Environmental Protection Agency's news release concerning the agency's "ordering" Great Northern to close down its Millinocket sludge incinerator at the end of the month. We told the press that the EPA was simply going along with GNP plans approved some time ago by the State Board of Environmental Protection. The news release, we said, was just another chapter in the agency's "grandstanding."

We prepared an advertisement highlighting the Pinkham expansion, but also pointing out the scope of GNP's involvement in the county's economy. It will be published in a guide book authorized by the county commissioners to promote Aroostook.

With guidance from Carl Reed, we rewrote a draft of brochure material proposed by Northwest Engineering Company.

The Great Northern position paper on woods labor presented by Henry Deabay at a hearing of the Senate SBA Committee in Presque Isle, November 8, was printed in its entirety in the St. John Valley Times.
Public Relations (continued)

The monthly Paper Industry Information Office radio report included coverage of the international meeting on spruce budworm control held in Millinocket and Bob Hellendale's criticism of the EPA's handling of sludge incinerator matter.

We started looking for a writer, or editor, who might be assigned the task of excerpting portions of John McLeod's history of the Company for publication.

Sincerely,

Paul K. McCann
Manager-Public Affairs

pmc/b

Distribution:


December 5, 1975

Mr. Robert J. Shinners
Vice President-Operations
Great Northern Paper Company
Millinocket, Maine

Dear Bob:

The Public Affairs Office newsletter for the period ending December 5:

NEW LOOK IN CONSERVATION DEPARTMENT

Richard Barringer, new commissioner of conservation, continues to reshape the leadership of the State Department of Conservation.

Here is the present lineup:

```
Barringer
   (Commissioner)
    ----
   Bowen
       (Deputy Commissioner)

Holt
   (Forestry)
Schepps
   (Public Lands)
Hartman
   (Parks & Recreation)
Doyle
   (Geology)
Stratton
   (LURC)
```

Bowen, formerly deputy director of the Bureau of Forestry, takes over as the second in command. He is a forester. It is a new full-time position. Barringer served as both deputy commissioner and director of the Bureau of Public Lands under Donaldson Koons.

Lee M. Schepps replaces Barringer as chief of the Public Lands bureau. Schepps, as an assistant attorney general, wrote a controversial report supporting the theory that the state owned the timber and grass rights on public lots. Kenneth Stratton, a soil scientist in the Maine Soil & Water Conservation Department, will replace Richard Billings on January 1 as director of the Land Use Regulation Commission. He is an East Millinocket native who is well acquainted in Northern Maine. Earlier Herbert Hartman had replaced Thomas Dickens as director of the Parks & Recreation bureau. Hartman, active in environmental and conservation efforts for several years, has been a close associate of Barringer in the Public Lands branch of the department.
Conservation Department (continued)

The hold-overs from the Koons era are Fred Holt, director of the Bureau of Forestry, and Robert Doyle, state geologist. Neither has been reappointed as yet.

Writing in the bulletin of the Natural Resources Council of Maine this month, Koons predicted:

"Increased coordination between the various Bureaus, and establishment of regional offices which will be truly departmental, with field staff performing functions defined by regional needs rather than Bureau designation; increased attention to the problems of management of the forest resources, especially by the smaller owners, a ground which is not now adequately represented; recognition of the second and third order impacts of regulation, especially in the unorganized towns, which may have undesirable long-term social effects." Koons, now back at Colby College as a faculty member, also commented: "Some things have not gone as well as we would have liked; the spruce budworm problem has been, and continues to be, a problem for which there is no easy solution. Research that should have been conducted 15 to 20 years ago is only now getting underway. Meanwhile, we have to deal with the problem as best we can, knowing that we will probably wish, no matter what we do, that we had done something else."

Barringer has appointed a task force composed of representatives of the University of Maine and state agencies to evaluate the Conservation Department's approach to the spruce budworm problem. The group goes to work December 18. Some of Barringer's thinking may emerge in a December 9 speech before the Maine Forest Products Council in Waterville and also in a December 15 talk at a Northern Maine Forest Forum in Presque Isle.

THE WOODSMEN

"There is trouble in the Maine woods. Festering for years, it pits the poor, traditionally independent American woodsmen against the giant pulp and paper companies that dominate this state's land, economy and politics."---The New York Times, Saturday, November 29.

Written by John Kifner of the newspaper's Boston bureau, the article echoed Wayne Birmingham's views.

On the public affairs side of the issue, Mr. Birmingham has also been in Washington again to ask that laws be revised to require recognition of contractors as employees of the paper companies. He apparently is ignoring the Maine Congressional Delegation. Guided by the Carpenters' union, Birmingham is instead going to the ultra-liberal labor members of the House with his proposal. In Augusta, Senator Bruce Reeves, chairman of the Jobs committee of the Legislature, has scheduled a background briefing on bonded labor December 12. He is keeping his plans for the session close to his vest, but the Congressional candidate is no friend of the business community. Also in Augusta, the State Department of Agriculture is preparing a report to the Legislature saying that money will be needed if it is going to get into the field of regulating the scalin and weighing of wood. When the bill was being pushed by Birmingham and his associates, the department told the Legislature the job could be done without additional expense or manpower.
WASHINGTON

First District Congressman David Emery writes "I am working here to insure the passage of the appropriation for the (spruce budworm) appropriation"....John Crawford of Senator Hathaway's staff says the Conference Committee on the appropriations bill including funds for the spruce budworm program has not yet set a date for a meeting but plans to get the job done before the Christmas recess....His optimism is shared by Tom Heyerdahl of Representative Cohen's staff who says two key members of the committee, Yates of Illinois and Duncan of Oregan, appreciate and support the Maine effort.

THE WEST BRANCH

Frank Thomas, a Bureau of Outdoor recreation planner, tells us that another draft of the agency's proposal for designation of the West Branch as a wild and scenic river is due in the next several days. Not much change from the first, he says.

PUBLIC AFFAIRS

With Vic Mattson and Pat Welch, we went to Portland to confer with attorneys prior to the DEP hearing on the Company's proposal to continue to store logs in the Dolby-East Millinocket stretch of the Penobscot. The photo lab provided aerial photographs for the presentation. We attended the hearing. Despite the potential for precedents, the press has thus far ignored the application. The possibility that pulpwood still may remain left in Maine rivers is discussed in this month's issue of Down East Magazine. Pat Welch is quoted, apparently on the basis of a letter he wrote to the Maine Sunday Telegram, commenting on a story by Bob Cummings. Talking about Scott's move from the river to the highways, Down East commented "When the fleets of giant carriers loaded with logs start moving down Route 201, even the most ardent environmentalist, when he gets behind one, may wish the logs were back in the river."

Lionel Ferland, a dairy farmer from Poland, was reappointed to the BEP (Board of Environmental Protection).

PUBLIC RELATIONS

Several 35 mm color slides of Great Northern employees at work were provided the Cooperative Extension Service of the University of Maine.

We've provided Dennis Mills, the business reporter for the Bangor Daily News, with (1) information on the use of wood waste to generate power and steam and (2) background on EPA's order on the sludge incinerator. Mills plans to continue to explore the potential for using wood and wood waste for energy generation. We've invited him to Millinocket.
Russ Van Arsdall of WABI radio in Bangor called to confirm the closing down of the sludge incinerator. We taped answers to his question for broadcast.

Ernie Stallworth of the Maine Sunday Telegram called to ask questions and seek background for a series of articles he is writing. Stallworth toured the Soviet Union on a state department junket for the press. He visited a big new pulp mill and wood processing plant while in Siberia. (Stallworth says the highest paid people in the Soviet Union earn 1,000 rubles a month; a logger is paid 800 rubles a month in Siberia.) Bart Harvey talked with him regarding tree species in Siberia.

Questions from David Bright of the Bangor Daily News regarding annexation of additional land by the Town of Millinocket were answered with guidance from Fred Morrison. The idea captured headlines in most Maine newspapers. Not many towns in this day have the same potential. Legislation to implement the idea has been drafted by Lynwood Hand, GNP's legislative counsel. Information on plans for the development of additional housing sites in Millinocket and the possibility of the Town of Millinocket's using a GNP landfill were also provided the Bangor Daily News and the Katahdin Journal by Mr. Morrison.

Bill Turner of the Northern Logger magazine toured the new Pinkham mill and is planning an article on the plant when he gets a green light from Tom Pinkham. We provided him with aerial photographs and offered additional assistance.

With help from Paul Firlotte and Paul Hubbe, we drafted answers to questions from the State Energy Director, Mrs. Abbie Page, as well as the Energy Committee of the Maine Legislature.

Sincerely,

Paul K. McCann
Manager-Public Affairs

Distribution:

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E. E. Allain    J. R. Goody
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P. F. Yacavone  W. E. Lloyd
December 15, 1975

Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine

Dear Bob:

The Public Affairs Office newsletter for the period ending December 12:

"I'D LIKE LOTS OF MONEY"

In the December 12 issue of the Maine Times, a letter to Santa from "Jimmy" asked, in part:

"And for my special present, I'd like lots of money. I know you've been tightening your belt and I'm sure you can't spend, spend, spend just to give those incestuous elves everything they want; but Santa, I need ten million dollars on Xmas for sure to cover up a hole in the state treasury. I'd really like another twenty million before Special Session so I can squeak by another year without a tax increase. I've been kicking those nasty politicians in the shins ever since last Christmas, and if you don't bring me the twenty million, they may start to kick back."

Governor James B. Longley, who has been talking more about savings in state government than about potential deficits, admitted December 10 that the state has "serious" financial problems. He predicted state spending on education would result in a $36 million over-run. He said overall income lagged $3.7 million behind expenditures for the first five months of the fiscal year. Senate President Joseph Sewall, Legislative Finance Officer William Garside and other veterans on the Augusta scene have been saying that for months. They, as well as Democrats who tried and failed to get a tax increase through the Legislature earlier this year, have been saying that some kind of new money has got to be found in the special session early in 1976.

In past newsletters, we have reported the talk in Augusta that the scheduled phasing out of the inventory tax isn't likely to materialize. A one per cent boost in the corporate income tax is a good possibility. If the Governor sticks to his guns and tries to block any or all tax increases, the spruce budworm financing package could be in jeopardy. Most legislators agree with the knowledgeable Sewall that if a tax is going to be increased, it will have to be the five per cent state income tax. The Tax Committee of Associated Industries of Maine meets December 17 to take a look at the entire picture.
IN AUGUSTA

The Board of Environmental Protection has the Great Northern application for a permit to store logs in the Penobscot on the agenda for a December 17 meeting in Augusta....The Select Committee on Jobs of the Legislature has invited Henry Deabay to appear at a December 22 session in Augusta when the woods labor problem will be discussed (He'll attend if he does not have to register as a lobbyist.)....While money may be hard to find, some legislators are talking about providing financial incentives for new and existing industries which provide new job opportunities in Maine. There would be no loss in revenues....Rejected as the Commissioner of Marine Resources, Charles Wyman is expected to be reappointed to the Board of Environmental Protection when his term expires in the near future.

WASHINGTON

What will be accomplished before members of Congress go home for the Christmas holidays? The Maine Delegation expects final approval will be given the Interior Department appropriations bill containing funds for spruce budworm control. The $10 million allocation for pest control in the nation's forests was added in the Senate, and got a stamp of approval from a House-Senate Conference Committee. Tom Heyerdahl of Congressman Cohen's staff said he looked for House and Senate action no later than December 15 or 16....But both the Senate Public Works Committee and the House Interstate and Foreign Commerce Committee are not expected to beat the Christmas adjournment deadline on amendments to the Clean Air Act. The American Paper Institute is continuing to fight the non-deterioration amendment. API questions more stringent air quality controls until Congress works out a policy on energy....Senators Hathaway and Muskie are both devoting time to explaining the Common Situs picketing bill which they supported despite vigorous Maine opposition. The bill is expected to be approved in the Senate and sent to President Ford before the holidays. In talks and in mailings, the Senators report the final product isn't as bad as industry says it is, and isn't as good as labor hoped it would be.

"THE COUNTDOWN YEAR"

William R. Adams, Jr., State Commissioner of Environmental Protection, says "Maine's Environmental Countdown Year" is underway climaxing a ten-year clean-up effort. He will join with industry and union representatives to discuss the impact of the paper industry's pollution abatement efforts at the annual meeting of the Paper Industry Information Office, January 9 in Bangor. Every paper company in the state will have treatment facilities on line in the year ahead. Great Northern alone will have spent approximately $30 million. The annual meeting of the industry will kick off a program to acquaint the public with the results of the industry's clean-up program. A new 35 mm slide presentation telling the story of the industry will also be shown at the meeting. Final plans for the session were agreed upon at the monthly meeting of directors in Augusta December 12.
UP WITH HYDRO POWER

Central Maine Power Company last month put plans for a second nuclear power generating station on the "back burner." On December 10, the Company announced plans for a $13 million expansion of its hydroelectric facilities on the Androscoggin River at Brunswick. On the same day in Washington, a House-Senate Conference Committee approved funds for pre-construction studies of the Dickey-Lincoln project on the St. John River in Northern Maine and also provided $150,000 to revive the Passamaquoddy tidal power project.

From the Maine press came comments, including:

"It will not require the burning of fossil fuel with any accompanying air pollution or additional exhaustion of oil supplies. It will use what it uses now, the power of the Androscoggin River, but it will use it to greater advantage....on the face of it this seems to be the sort of power generation so feasible in Maine."---Portland Press Herald

"Approval by the Senate Appropriations Committee of more funds for the Dickey-Lincoln School Hydro-electric project and for re-study of Passamaquoddy is encouraging....If this country is serious about developing an alternative to oil --- and it certainly ought to be serious about it --- projects such as these must not only be studied but they must be immediately commenced. Waterpower, tidal power, wind power, and solar power must all be used to avoid the dissipation of fossil fuels --- and of uranium fuels for atomic plants."---Ellsworth American

Ellsworth Publisher James Russell Wiggins, former Washington Post editor and U.S. ambassador to the United Nations, has reservations on nuclear power but he pushes hard for development of water power.

The $13 million Burnswick project planned by Central Maine will increase the capacity of the plant from 2,300 kilowatts to 12,000 kilowatts. Maine Yankee Atomic in five days can equal the annual output of the planned project, 80 million kilowatts. When completed, the new dam will eliminate a need for 215,000 barrels of oil. Central Maine Power told the Energy Committee of the Legislature last month it had six potential hydroelectric sites available for development. The Company said three federal agencies, two state agencies as well as the towns of Brunswick and Topsham will have to approve the project prior to construction.

From Philadelphia, the U.S. Bureau of Outdoor Recreation mailed out the next to last draft of the Penobscot study. The agency recommends designating the West Branch as one of the nation's Wild & Scenic Rivers. If that's done, it is unlikely the power potential left will ever be developed. The report was received December 12 and is under study.
Public Affairs

Galen Cole, the trucking company executive, invited two dozen Bangor area businessmen to a December 8 meeting to hear University of Maine Professor Arthur Johnson talk about the changing times in the American system.

The High Adventure Program of the Boy Scouts of America will have a Maine headquarters, or gateway, located in the Howland area if plans materialize. The Scouts now have bases at Pittston Farm Matagamon and hopes for a third in 1976 in Washington County. Land for a fourth is being offered in the Rangley area.

Bob Moore, a young Portland attorney with the firm of Verrill, Dana, Philbrick, Putnam & Williamson, will represent Associated Industries of Maine on tax and labor matters during the special session of the Legislature. He was introduced to Bangor businessmen at a December 5 regional meeting of members of AIM.

We discussed voles, bugs and water pollution at a meeting of union leaders with Great Northern managers December 10 in Millinocket. The union leaders were urged to get acquainted with the impact proposed 1983 water quality standards would have on paper companies such as Great Northern.

Public Relations

A Christmas greetings advertisement was placed in the Katahdin Journal.

GNP will co-sponsor Christmas music on WMKR on the holiday.

Holiday greetings will be published in the Maine State Labor News, the AFL-CIO weekly newspapers.

Photographs of boats used by GNP in log driving days were provided Down East Magazine.

Sincerely,

Paul K. McCann
Manager-Public Affairs

pmc/b