January 2, 1976

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

Dear Bob:

The Public Affairs Office newsletter for the period ending January 2 follows:

THE LEGISLATURE

The special session of the Legislature opens January 19. The inability of the state to live within its income is the immediate problem Governor James B. Longley and the members of the Legislature must face. While there are several sets of figures bouncing around on the scope of the deficit, the big hurdle requiring quick fixing is a $6 to $9 million dollar short-fall in this year's school budget. Savvy Joe Sewall says it's unlikely new taxes can be avoided in Maine. The American Paper Institute reports 20 states increased taxes last year -- half boosting, or tightening up business taxes. While every businessman hopes solutions can be found without adding costly new burdens, Great Northern's priorities for the session will focus on three bills:

1) A 1976 budworm financing proposal filed by Representative McBreachy of Perham;

2) A proposal for long-range funding program for budworm control sponsored by Representative Garsoe of Cumberland;

3) A bill co-sponsored by House Speaker Martin and GOP House Leader Palmer which would return to the Company stumpage originally a part of the public lands agreement. The stumpage was deleted to permit GNP to qualify for a tax exemption under IRS regulations.
The Legislature (continued)

On the tax front, issues are already taking shape. Governor Longley said he favored restoring the inventory tax. (It would net the state an estimated $11 million.) Paul Emerson of the State Chamber of Commerce wrote the Governor: "Taxes should relate to profits... further, business agreed to pay increased income taxes to offset the lost revenue from the inventory tax and these taxes have been paid for two years." In addition, the Governor's Tax Policy Committee has produced a controversial set of proposals. One conclusion of the group was that "property owners are not paying their fair share of taxes" in the unorganized territory and that the tax formulas should be revised upward to the cost of services -- and the uniform tax for education. (The chairman was John Salisbury, the able executive secretary of the Maine Municipal Association. The communities he represents are struggling with school budgets.) Acknowledging inadequate study of this subject, the Committee has recommended no action be taken on timberland taxes without further study. Associated Industries of Maine is pushing a bill providing income tax credits for capital investments creating jobs. There would be no revenue loss to the state. Democratic Leader Neil Rolde and Palmer will co-sponsor.

**THE SPRUCE BUDWORM**

An appropriations bill making federal funds available for spruce budworm control was signed December 24 by President Ford. Now the fate of funding program depends on decisions to be made in Augusta. Governor Longley told United Press International earlier this month: "If we do spray, I am determined that the people who own 90 per cent of the land pay for 90 per cent of the spraying. The state would pay for the 10 per cent the state owns." The Governor cited the budworm problem as one of two examples of issues on which he is ready to buck powerful special interest groups.

The new Commissioner of Conservation is going to play a key role in advising the Governor on this problem. Dick Barringer told Bob Bartlett, Bob Hellendale and me on December 30 that he does not oppose spraying. But he's undecided on how the spraying should be financed. Barringer also believes the year-to-year "crisis" approach must be eliminated to satisfy objections from Legislators. He and his advisors are seeking to determine if steps such as salvage and silvicultural variations should be incorporated into the state program. Great Northern's views were packaged in a memorandum prepared by Bartlett. Copies will be distributed to the news media, legislators and others interested in the Company's thinking on the issue.

**AIR POLLUTION**

Senate and House committees will go back to work on amendments to the Clean Air Act when Congress reconvenes. Senator Muskie, a member of the Senate Public Works Committee and a key figure on environmental matters, has exchanged letters again with a Maine union leader who protested that Muskie's approach is going to cost the state jobs.
Air Pollution (continued)

Muskie says he will not allow Maine to be put at a disadvantage. The American Paper Institute, standing its ground in the face of criticism from Muskie, is urging Congress to kill "nondeterioration" proposals which it says doesn't take into consideration the energy situation, economic pressures or the job implications....The National Commission on Water Quality is holding hearings this month on proposals for attaining 1983 goals....The House Commerce committee has published a long-awaited draft of solid waste legislation....The paper industry was praised by Bangor News writer Dennis Mills for its opposition to the energy bill signed by the President as a "major industry willing to back up its philosophical convictions with its pocketbook." API opposes price controls.

STUDY OF FOREST RESOURCES

"....it is desirable to establish for the first time a statewide forest policy for Maine and the region, to insure the health of the forest and to meet the demand for wood fibre and nonwood fibre resources....such study shall include an analysis of present governmental services and regulations, consequences and control of natural disasters, private and public management of activities, ownership structure, markets and utilization, regional, natural and international trends, taxation and land use...."---study order approved by the Legislature, sponsored by Representative Smith of Dover-Foxcroft.

The need for a state forest policy has been pushed by John Sinclair, president of Seven Islands Land Company. During the legislative session, it was the top priority of the Maine Forest Products Council. But no one moved to get the sweeping study started until Barringer took charge in the Conservation department. He wants to see guidelines and goals established "for the rest of this century."

The study committee which is charged with reporting in 1977 is composed of 11 members:

Commissioner Barringer*  
Wayne Birmingham, Patten*  
Sen. Alton Cianchette, Pittsfield***  
Michael Collins, Ashland**  
Fred Hutchins, UM-Orono*  
R. Leon Williams, Clifton***

* appointed by Governor  
** appointed by House Speaker Martin  
*** appointed by Senate President Sewall

Collins, production manager of the Pinkham Lumber Company, adds forestry operations experience to the panel. Peltier, Huber Corporation manager in Patten, recently toured GNP operations in the West Branch.

Barringer says the Governor named him to the Committee so that the full resources of the Conservation department will be made available to the committee. He's optimistic the study can be productive. If that's the case, it will be contrary to most such ventures authorized by the Legislature. Most consume lots of time. Reports end up collecting dust. But Barringer is a new force in Augusta and he may change things -- although he's already hinting it may take more than a year to do the job.
WOODS LABOR

Wayne Birmingham, the former president of the Maine Woodsmen's Association now an organizer for the Carpenters Union, is still commanding considerable attention from the press and legislators. So far he is doing better in winning attention then he is in winning recognition for the union. His views occupied a full page in the December 14 Maine Sunday Telegram: "...let's get the Canadians out of here, give the Americans a job, pay them a decent salary and we'll have a great state to live in." On December 22, Henry Deabey told a subcommittee of the Legislature Great Northern's side of the story and disputed Birmingham's facts. Birmingham, Lou Pelletier of Fort Kent, Morris Wing of International Paper Company and Bill Malloy of the State Department of Manpower Affairs were others involved in the 5-hour meeting. When the hearing was over, Birmingham summed things up: "I don't think the Legislature can do anything -- it's a federal problem." But the Jobs Committee now has invited Dana Saucier to discuss training of woodcutters at a January 12 meeting.

PUBLIC AFFAIRS

Photographs of 24 GNP employees are on the cover of the University of Maine Pulp & Paper Foundation guide distributed at a committee meeting December 18 in Augusta. It was voted to approve continuation of the program for high school juniors. The 40 who participated last year rated their visit to the Millinocket mill and the woodlands as the highlight of the four-week course.

At a meeting, December 18, the public relations committee of the Paper Industry Information Office completed plans for the annual industry meeting January 9 in Bangor. Progress in pollution abatement will be the 1976 meeting theme.

PUBLIC RELATIONS

A news release on the scholarship program appeared in all editions of the Bangor News and on local radio stations and in weekly newspapers.

Transportation Manager Phil Paul discussed the future of the Port of Searsport in an interview on WABI-TV, Bangor.

We responded to a request from Bob Cummings of the Portland papers for information on GNP plans to store pulpwood in the Penobscot. He wrote a story on BEP approval of the permit -- first granted in Maine. Cummings also was sent a copy of our comments on material in his recent budworm story and invited to visit with Woodlands Department personnel in Millinocket. He's agreeable to making the trip.

A release on the Pak-Well acquisition by GNN was distributed to Maine newspapers.

The rising cost of newsprint and the GNP announcement of a price increase was covered in a chart and a story in the Maine Sunday Telegram.

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 Department newsletter for the period ending January 12:

**THE POLLUTION "NUMBERS GAME"**

"Maine's paper industry will have spent more than $110 million by October to remove 90 per cent of the pollution it once poured into the state's rivers....And an industry pollution control expert said in Bangor Friday another $110 million might have to be spent to meet the 1983 standards, even though the resulting reductions in pollution would only be five per cent of the 1967 pollution level, instead of 90 per cent, as with the first $110 million expenditure."

--- Dennis Mills, business reporter, Bangor News

"The greatest pulp and paper expansion in Maine's history has occurred at the same time the industry is dramatically reducing water pollution, the annual meeting of the Paper Industry Information Office has been told. Spokesman said the industry has spent more than a half billion dollars in new plants and equipment while spending $110 million reducing water pollution. William R. Adams, commissioner of the Maine Department of Environmental Protection, cited the two sets of figures as showing that Maine can have both a clean environment and reasonable prosperity."

--- Bob Cummings, environmental reporter, Maine Sunday Telegram

The annual meeting of the Paper Industry Information Office was devoted to (1) the achievement member companies will make in 1976 when they reach water pollution abatement goals and (2) the problems down the road with the federal goal of "best available treatment" by 1983. There is an industry consensus emerging that without a breakthrough in technology, the money to get the 1983 target can't be generated. The meeting showed just how difficult it is going to be to convince people that is the case and not just another industry smokescreen.

Representatives of the United Paperworkers International Union, the Maine AFL-CIO and newspaper and television reporters joined representatives of the eleven companies which support the Industry office at the meeting.
"Numbers Game" (continued)

"The programs you have put together reflect the same pride that made you a great industry," Adams told the paper industry group. Stuart R. Cooper, Oxford Paper Company's director of pollution control and chairman of the Associated Industries of Maine water and air improvement committee, warned that the "best available" systems on the market today would be prohibitively expensive, both in terms of dollars and in terms of scarce energy. Finally Bill Casamo, assistant to the president of the UPIU, said that while pollution abatement facilities create new jobs "the industry should resist cosmetic environmental programs in the present economic climate. When our economy is feeling better, we can afford the luxury of new eye shadow." But in addition to these expected remarks, there were others. The UPIU leader pointed out that pollution abatement is also creating a lot of jobs and questioned if the paper industry is pushing the "closed-cycle" paper mill concept hard enough. Adams urged that we profit from confrontations of a decade ago when "industry tried to bluff government and government tried to bluff industry" in tackling any new steps. The DEP Commissioner also made it clear he isn't satisfied yet that the "most available" or "zero discharge" approaches can be attained.

A new 13-minute 35 mm color slide presentation on the paper industry in Maine was premiered. It contains 250 slides in a presentation which employs two projects synchronized by inaudible tones on an accompanying tape recorded narration. Pat Welch of GNP was one of eleven paper industry pollution abatement specialists honored with awards. The company delegation at the meeting also included Jim Adams, Ralph Currier and Bob Hellendale. Keith Ruff of Georgia-Pacific is the new PIIO president and Earland Sleight of Diamond International is vice president.

THE LEGISLATURE

Lynwood Hand, Great Northern's legislative representative, reports that the two bills covering the spruce budworm programs and another providing the Company with stumpage from T6 R11 were approved for consideration at the special session by leaders of both parties. The special session convenes January 19 in Augusta.

The state's financial picture may be cleared up when the Appropriations Committee meets January 13 to determine how much revenue this session must raise to keep the state in the black.

Senator Howard Trotzky, chairman of the Natural Resources Committee, doesn't expect his group to report on its land use study at this session. (There is talk of a bill which would transfer from LURC to the Bureau of Forestry control over timber harvesting permits.) The Natural Resources Committee will recommend a major solid waste bill.
LAND USE REGULATION COMMISSION

At a January 8 meeting, the Land Use Regulation Commission voted to cancel a January 29 public hearing on its latest revision of the Comprehensive Plan. The redraft includes amendments suggested by Governor Longley who reluctantly approved the first draft. New LURC controls over utility lines have been distributed to interested GNP departments.

PUBLIC RELATIONS

A year-end review story with photographs of the new Pinkham expansion, the Dolby rebuild and the East Millinocket clarifier was sent to the Portland newspapers for its annual Industrial Review Edition. We'll again focus on water pollution in an advertisement in the issue.

Sincerely,

Paul

Paul K. McCann
Manager-Public Affairs

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January 23, 1976

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

Dear Bob:

The Public Affairs Department newsletter for the period ending January 23 follows:

THE LEGISLATURE

When legislators returned to Augusta on January 19 for the opening of the special session, they were greeted by Governor Longley who told them:

"We must stop misleading people into believing that government can give more than it takes...."

"We have gone as far as we can go in taxation unless we want history to record that this legislative session made Maine's level of taxation, based on ability to pay, the highest in the nation."

Reaction to the speech, televised statewide, was predictable. Advocates of social services, mainly legislators from urban areas, charged the Governor was ignoring the needy. The lack of specifics in the speech irked a lot of legislators. But both the President of the Senate (Joe Sewall) and the Speaker of the House (John Martin) quickly pointed out that nobody wants a tax increase, if one can be avoided. They questioned how it was going to be possible to balance the budget without new revenues. An Ellsworth legislator (Harvey DeVane) best summed up the speech when he told a reporter for the Ellsworth American: "Once again he's (Longley) on the side of the angels in a speech obviously intended for the general public."

Where is it going to end?

The same "pros" who said Longley couldn't be elected now continue to say a tax increase is inevitable. They also said that the Governor would drop his pledge of "no tax increases" once he had been in office for a year, or so.

While not widely reported, the Governor also had some things to say about taxes and business:
The Legislature (continued)

"Not only should we be concerned with the levels of local and state per capita taxation, but we also should be deeply concerned with the level of business taxation. We have one of the highest tax indexes in the nation. Our level of business taxation is more than a third higher than the national average and is higher than every New England State except Massachusetts, higher than all but one of the industrial states and is twice the average level of business taxation in Southern states....the major competitors for industrial and economic development."

It was also interesting to note that the Governor made no mention of the environment in his entire message. The subject, the passionate issue of a few years ago, was also ignored that same day by President Ford in his speech to Congress.

**ON OTHER MATTERS**

After a January 20 hearing before the Legal Affairs Committee, the legislation (L.D. 1962) providing Great Northern with stumpage from T6 R11 advanced in the legislative process. The Committee gave the bill a "unanimous" ought to pass, with only a minor amendment. It was approved on two readings in the House without opposition and will go to the Senate Monday, January 26. Lynwood Hand and Bob Hellendale attended the public hearing. The bill will return to the Company the stumpage originally agreed upon---and approved by the Legislature last year---as part of the public lands exchange between GNP and the State, but deleted to permit a tax deduction. Speaker Martin and Republican Majority Leader Linwood Palmer are co-sponsors.

Copies of 62 pieces of legislation had been received by January 23 and distributed to interested managers. A master file is available in the Public Affairs Office.

Legislative leaders did not permit Senator Trotzky to introduce his proposal for transferring from LURC to the Bureau of Forestry the administration of timber harvesting permits.

The big news next week will be generated January 29. Hearings are scheduled on four bills which try to solve the educational financing dilemma. And everybody, but everybody, who lives in the northern Penobscot River valley will be interested in a hearing at 1:30 p.m. Wednesday on a proposal to appropriate funds for research on "environmentally safe insecticidal control of blackflies."

**SPRUCE BUDWORM**

Lynwood Hand says we face another uphill fight to win approval of state financial participation in a spruce budworm spray program for 1976. The newspaper in Maine's capitol city said "This could be the year in which Maine woodlands owners face the Hobson's choice of financing their own spray program or watching the budworm decimate the spruce. The Legislature has been told by its leaders to shuffle spray financing to the bottom of the priority deck. If such a bill surfaces and is approved, there is a strong likelihood that Governor James Longley will veto it. He has expressed opposition to any state participation in spray financing despite the history of such a practice."
Spruce Budworm (continued)

While the editor made the mistake many of his colleagues make of thinking the budworm's target is spruce, he did point up the problems the forest industries face. Hand further says many legislators appreciate the problem but are asking "how can we help?" when faced with the Governor's opposition to new taxes. As far as we know, the Governor has said he is only interested in the state paying a fair share of the total bill and has not committed himself beyond that point.

Two bills have been filed to provide financing, one for the 1976 spray and another to provide a starting point for a long-range approach. In addition, Conservation Commissioner Barringer is circulating a 20-year approach to the problem which will likely become a part of the Governor's legislative program at some point. Bob Bartlett has commented on the Barringer concept on behalf of GNP.

Copies of a Great Northern position paper on the budworm problem have been distributed to all legislators north of Bangor and others who have been interested in the matter, editors, broadcasters, members of the Maine Congressional Delegation, union leaders and businessmen. The editor of a Lincoln newspaper used it as a guest editorial. Dan Aiken has been a critic of state participation in the program but said Bartlett "makes some hard to refute points" in the position paper.

GREAT NORTHERN'S HISTORY

In company with W. C. (Bill) Langzettel of Falmouth, retired chief of The Associated Press for Maine, we traveled to Calais January 21-22 for two days of meetings with John McLeod. McLeod is a retired GNP executive who has been working on the history for approximately 15 years. The writing is now completed with only the retyping of three chapters remaining to be completed. Langzettel has been retained to boil the more than 500,000 words down into a text for a publication which could be a gift for customers, public officials, libraries, etc.

We are also considering making copies of the entire history available for the public libraries in Millinocket, East Millinocket and Bangor, the University of Maine and the State of Maine Library in Augusta.

PUBLIC AFFAIRS

I attended my first meeting as a member of the board of directors of Associated Industries of Maine, January 13 in Augusta. Most of the meeting was devoted to discussing the special session of the Legislature. AIM for the first time will employ an attorney to analyze and report on tax and labor legislation. This new service has been financed through a special assessment. Bill Bullock of Merrill Trust, Bob Fairburn of Keyes Fibre, Fred Kneeland of Jasper Wyman & Sons, Milbridge, and Dick Morrill of Brunswick Coal and Lumber are other new directors.
Public Affairs (continued)

Contributions were approved for the March of Dimes, National Multiple Sclerosis Society and the Salvation Army.

A draft environmental impact statement on the proposal to make the Penobscot a part of the national Wild & Scenic Rivers System has been received from the U.S. Bureau of Outdoor Recreation. We plan to meet with the BOR staff at some point in the near future to clear up errors of fact in the draft report. The BOR is running into financial problems. Herb Hartman, the new director of the State Bureau of Parks & Recreation, says he thinks federal money for such projects is drying up. But Hartman and Commissioner Barringer still want to make an attempt to convince GNP that some management policies can be worked out between the State and the Company to provide long-term guarantees for the public that the beauty of the river will be preserved. Hartman isn't personally against further hydro-electric development.

PUBLIC RELATIONS

Advertisements were prepared for the Katahdin Journal, the St. John Valley Times (Madawaska), the Aroostook Republican (Caribou), the Presque Isle Star Herald, the Houlton Pioneer Times and the Lincoln News highlighting the improved safety records compiled in the pulp and paper mills and in the woodlands operations in 1975.

Advertisements for use in the Lincoln, Dover-Foxcroft, Dexter and Milo newspapers were prepared for publication in conjunction with a luncheon planned to publicize the woodlot management assistance program of the woodlands department's Penobscot District.

The GNN release on preliminary earnings for 1975 was distributed to the Portland Press Herald, Bangor Daily News, WMKR and the Katahdin Journal.

Two releases were distributed on promotions.

The University of Maine on January 15 announced the new forest research program which will be financed by companies in the forest industry, including Great Northern, which has pledged $60,000 a year for five years. We will attempt to acquaint the public with who is financing the new program. This wasn't clear in the newspaper stories based on the University release.

PHOTO LAB

Roger Boynton spent two and a half days working with photographers on the 1975 Great Northern Nekoosa annual report. Pictures were taken in Millinocket, East Millinocket and at the new Pinkham mill near Ashland.

Three books of photographs of Great Northern Paper Company operations in Maine have been redone and returned to the guest house.
ENCLOSURES

With this newsletter we are providing copies of the revised budworm folder published by the State Bureau of Forestry and the January edition of the Paper Industry Information Office newsletter.

Sincerely,

Paul K. McCann
Manager-Public Affairs

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

Dear Bob:

The Public Affairs Department newsletter for the period ending January 30 follows:

**Spruce Budworm**

Governor Longley on January 28 announced he has endorsed a policy developed by the Department of Conservation "to provide what we feel is a more equitable, and reasonable long-term resolution to Maine's continuing Spruce Budworm problem." We mentioned in our January 23 newsletter that this long-term program was being developed by Commissioner Barringer and that Bob Bartlett had commented on a draft of the proposals. Barringer now says he plans to unveil the entire plan at a public meeting within a week or ten days.

Governor Longley said he was "excited" about the new approach because:

"(1) It shows that we have outstanding, dedicated people like these within State government who have the talent and expertise to come up with solutions to major problems confronting our State."

"(2) It had become obvious that our year-by-year spraying program within itself was not resolving this problem and there was some feelings that it was adding to the problem."

"(3) This will mark the first time we come to grips with the issue of the public interest and determine what the State's fair share of the costs should be."

"(4) While spraying will continue under this program, it is also designed to provide incentives to landowners to more effectively salvage timber from infested areas...to seek new markets for timber...and to step up research efforts to develop species which will not be as susceptible to infestation."

"(5) While the financial impact on the State was only one of many considerations in the development of this plan, it is encouraging, in light of our financial problems, to note that this plan could be implemented this year either without additional State appropriations or with a minimal additional outlay."
Spruce Budworm (continued)

Longley credited Barringer, Nancy Ross, a member of Barringer's staff, and John Joseph, an economist for the State Planning Office, with developing the new budworm program. He did not mention Forestry Director Fred Holt, who January 30th submitted his resignation to Barringer. One Portland newspaper columnist was asking legislators about reports that Barringer was unhappy with Holt, the man who has coordinated the budworm spraying program in the past. While Barringer said that the new program will be submitted to the Legislature, he set no timetable. Two bills on the subject of budworm control have been printed. It is expected that all bills on the subject will be heard at one time.

Barringer told Representative James McBreairty of Perham that he expects the state share of the cost of the new program to be approximately seven per cent, instead of the 12.5 per cent approved last year. That means an additional burden will be put on landowners. But in a year when there is a money crisis in Augusta, the Barringer approach has produced an endorsement of a spray program from the Governor and left maneuvering room on the question of finances.

The Mood in Augusta

No legislation of major consequence dealing with pollution has been filed, or is anticipated.

Matters such as land use regulation and forest practices are on the back burner.

Only a few labor bills are anticipated.

The issues of recent years have been shelved. The second week of the special session of the Maine Legislature was a quiet one, except for a day-long public hearing on the question of how to finance education --- and how much the State can afford to pay. Nearly 600 persons turned out to debate the merits of a three-year old law designed to equalize educational opportunities throughout the state. It has produced a string of multi-million dollar deficits. Within a week the Education Committee hopes to send the proposals for revisions to the Legislature for debate. Once this issue is resolved, the legislators can turn to the root problem they face: balancing the budget.

The Appropriations Committee meanwhile reported that the Legislature will probably end up with two choices: (1) a tax increase or (2) an across-the-board cut of nine per cent in state spending in the 1976-77 budget year.

If a tax increase is needed, one idea being tossed about is a one-time one per cent increase in the state sales tax for four summer months. The plan would quickly produce needed revenues during the tourist season when visitors crowd the state. And, too, it would self-destruct before the November elections.
Augusta (continued)

The fact that many of the legislators will be seeking re-election is a real one and Governor Longley isn't letting them forget that as he argues against a tax increase. Phyllis Austin, writing in the January 30 issue of Maine Times, said she found legislators "in a mood to slash as many state services as necessary to balance the budget." Maine Times has been a harsh critic of the Governor but Miss Austin says legislators now have an "overwhelming sense that voters would rather endure reduced services than have to suffer higher taxes."

On other matters, Lynwood Hand anticipates that a new law will be enacted which will exempt full-time employees of companies such as Great Northern from the necessity of registering as lobbyists if they appear before a committee of the Legislature.

**STUMPAGE APPROVED**

The Legislature on January 30 sent to Governor Longley a bill which will permit Great Northern to cut and remove wood from T6 R11. Great Northern had specifically disclaimed the right to cut the timber when it turned the deed for the Town over to the State as part of the recent land exchange. The Company did so to comply with Internal Revenue Service requirements covering tax deductions. But the Legislature felt the State should live up to the original deal. Under the bill, Great Northern will have until May of 1979 to cut 100,000 cords of spruce and fir --- paying the state for 25,000 cords. Commissioner Barringer welcomed the original agreement because he said it would make the Bureau of Public Lands practically self-supporting.

**WATER QUALITY HEARINGS**

The final public hearings of the National Commission on Water Quality were completed January 19-20 in Washington, D.C. The Commission is completing a three-year study of the Water Quality Act of 1972. With the first phase of the clean up ordered under the law nearing completion, the paper industry is urging the Commission to recommend revisions in the 1983 goals.

Some quotes:

"...we have many mills, especially in the northeastern part of the country, which are very old. Their profitability is so slim that a sizeable drop in prices or rise in costs could put them out of business virtually overnight...They should not be sacrificed unnecessarily for the sake of a relatively small improvement in water quality...The members of the United Paperworkers International Union want clean air and clean water --- but we also want jobs."

——Joseph P. Tonnelli, president
United Paperworkers International Union
Water Quality (continued)

"The clean up program accomplished to date was, however, overdue and the environment has benefited greatly as a result of our expenditures. Real progress in water quality has been made. It now appears certain that when the 1977 technology is all in place the 1983 fishable and swimmable goals of the act will have been achieved for most waters. It is most important therefore that Congress reexamine how and where we go from here."

----Eugene E. Ellis, Jr., vice president
International Paper Company

"The overall costs, measured by the Commission staff in the meaningful terms of economic impact are, with few exceptions, not nearly as bad as we were told they would be... There are many major decisions that the Congress needs to make for the next phase of our water pollution control program. Although the first phase is working well, it will not be enough to restore and maintain our waters --- an objective supported by the American people in poll after poll. Whether that phase will be the one in the law --- best available technology for industry, best practicable technology for municipalities, with upgraded water quality standards, is the central policy question. It is a question which does not require resolution until 1977, or 1978 when the first phase is in place, and we are sure of its accomplishments.

----Senator Edmund S. Muskie

PUBLIC AFFAIRS

First District Congressman Dave Emery asked Great Northern advice on the amendments to the Clean Air Act. The House Commerce Committee resumed work on the final draft of the legislation January 27.

E. Bart Harvey discussed spruce budworm control and forestry at a meeting of the Presque Isle Rotary Club. We were asked to provide a speaker on this subject by John Bishop, a newspaper publisher.

The annual meeting of the Economic Resources Council of Maine is set for February 4 in Augusta. This group was organized to balance the environmental lobbying groups in the state.

Working with County Commissioner Bill Cox we set up a February 2 meeting in Millinocket on needed repairs to Medway Road to accomodate trucks hauling sludge from the Millinocket clarifier to East Millinocket.

PUBLIC RELATIONS

Advertisements inviting owners of woodlots to take advantage of the new forest management assistance program were published in Lincoln, Dover-Foxcroft, Milo and Dexter newspapers. We also helped Ray Goody, district superintendent, in planning a luncheon January 28 in Dover-Foxcroft for community leaders to acquaint them with the program.

Sincerely,

Paul K. McCann
Manager-Public Affairs
February 6, 1976

Mr. Robert J. Shinners
Vice President-Operations
Great Northern Paper Company
Millinocket, Maine 04401

Dear Bob:

The Public Affairs Department newsletter for the period ending February 6:

**THE LEGISLATURE**

Governor Longley on February 3 signed into law a bill which authorizes Great Northern to harvest wood from a township (T6 R11) acquired by the state last year in an exchange involving public lands. It was the second time this has happened. A provision providing for the Company to cut and remove wood from the township was part of a bill approving the overall exchange last year. But in turning the deeds for the township over to the state, the Company specifically excluded the right to cut and remove the wood in order to comply with IRS requirements for a tax deduction taken as a result of the trade. But Speaker of the House Martin and Republican Floor Leader Palmer, as well as Conservation Commissioner Barringer, thought the State had a "gentlemen's obligation" to make it possible to permit the Company to acquire the wood.

Lynwood Hand, Great Northern's legislative agent, said the bill had overwhelming support in both houses of the Legislature. Terms of the act permit GNP to "cut and remove 100,000 cords of fir wood of all sizes and spruce wood in excess of 12-1/2" d.b.h. from Township 6, Range 11, W.E.L.S., said company paying therefor $8 per cord as stumpage for 25,000 cords, the remaining 75,000 cords to be removed free of any stumpage cost to said company."

It was the only matter of interest to the Company in the third week of the special session.

Next week the Legislature will drop other issues and turn to the school funding controversy.

Two bills (one being promoted by Scott Paper Company) amending the state's water pollution laws and a third extending the state's oil conveyance law to spills into inland waters will be heard February 11 by the Natural Resources Committee.
THE BUDWORM

If you can believe all that you hear, it looks like Dick Barrirnger was hurried by the Governor or his staff into the January 28 announcement of a six-year program to combat the spruce budworm. He had hoped to have details of the plan firmed up by today but so far there has been no announcement of the specifics or of the date for the public meeting when Barrirnger plans to personally explain the program and ask for comments. Hank Magnuson of the Paper Industry Information Office quotes Barrirnger as saying the Conservation Department will propose that the state share "be greater than the bare percentage of outright state ownership in the (spray) area, which the Governor wants....but warned that he has not been persuaded by the industry argument that the public has a big stake in the health of private forests."

Meanwhile this week Fred Holt announced he was resigning as Director of the Bureau of Forestry. At a meeting of the directors of the Maine Forest Products Council February 3, Holt expressed apprehensions over the new approach of the department. He apparently feels that spending money to encourage salvage and silver-cultural practices is only going to dilute (and possibly jeopardize the federal share) of funds available for spruce budworm spraying. Holt feels much of the salvage and silver-cultural work Barrirnger is proposing is getting done without cost to the taxpayers. The Council took a "wait and see" attitude on the proposal.

A delegation from Maine went to Washington this week to see if some of the federal funds could be spent on a matching basis for projects other than spraying.

And Jim McBreairty kept the topic alive in the legislature. He's a spray advocate. The Caribou representative criticized the Barrringer approach. Like Holt, he wants to see more spraying.

"A FEW GOOD MEN"

A year and a half ago Great Northern started distributing a Maine-made film, "A Few Good Men." The movie was produced for the Company to (1) encourage interest among young people in jobs in the woodcutting field and (2) to acquaint the general public with the changes taking place in the business. Most people in Maine hear and read a lot about the subject but few ever get into the woods.

Thousands of people now have seen the film. It was shown five times in prime early evening time on WAGM-TV in Presque Isle without charge. "A Few Good Men" has also been shown on one or more occasions in every high school in northern Maine. It has also been shown in others areas of Maine and in Canada, Connecticut, Massachusetts, New Hampshire and in New York.
A Few Good Men (continued)

Some reactions:

"Excellent, held student interest...."

"Wonder if the noise is as deafening (skidders) as it seemed to be..."

"Our students empathized with the young men in the film, thus reinforcing their own interest in this area of work."

"The biggest negative was in regard to the weather. The students were wondering what happens when the snow is five feet deep...."

"The general impression was that the work demands skill, much physical exercise, healthy bodies and in return provided clean living conditions, good jobs deserving the respect and interest of American youth."

"Very poor response...they couldn't see the relevance of our (GNP) program as a natural follow up to a high school forestry program."

And from a group of second grade pupils:

"I liked the big logging truck"...."I liked the bulldozer best"...."I liked the machine that pulled the giant trees out"...."I liked the old fashioned way best and the big trucks."

PUBLIC RELATIONS

A release on GNN earnings and election of a new member of the board of directors was distributed to Maine newspapers and radio station WMKR.

GNP will sponsor basketball tournament games involving Stearns and Schenck teams on WMKR and on WABI-TV (Bangor) and those of Ashland on WAGM (Presque Isle).

A release on the appointment of a new assistant supervisor of personnel for woodlands was distributed to Maine newspapers and the trade press.

Full page advertisements highlighting Great Northern progress in abating water pollution have now been scheduled or published in industrial editions of the Bangor, Portland, Lewiston, Waterville and Augusta newspapers.

Fred Knight, director of the School of Forest Resources of the University of Maine, was provided a list of publications which would be interested in receiving stories on the new research program to be funded by GNP, other companies and landowners. The publicity resulting from the original announcement by the University was disappointing. We hope to generate some more. If Legislators know the industry is going to put $1,000,000 in budworm research and other aspects of forest management over the next five years, it should provide a better atmosphere for considering the legislation in Augusta.
PUBLIC AFFAIRS

County Commissioner Razor Crosman and David Rand of the county government staff met with a group of Great Northern representatives February 2 in Millinocket. Crosman said he would provide Transportation Manager Phil Paul with a letter pledging improvements in Medway road over which trucks hauling sludge from the Millinocket clarifier to East Millinocket were scheduled to travel. The long-range solution to getting the road up to necessary standards may be getting it designated for state aid and Mr. Crosman said he would seek such action from the state.

The Maine Forest Products Council voted at a February 3 meeting to oppose designation of the West Branch of the Penobscot River as a part of the National Wild & Scenic Rivers System. They plan to write a letter of opposition to the U.S. Bureau of Outdoor Recreation.


Charles Wyman, a veteran member of the Board of Environmental Protection, is expected to be renominated another term. The retired Navy captain recently was rejected for the post of Commissioner of Marine Resources by the Executive Council. Now he may be in for another troublesome period. Some members of the industrial community have told Associated Industries of Maine they will not support Wyman. That's where he has gathered support in the past.

Sincerely,

Paul K. McCann
Manager-Public Affairs

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February 14, 1976

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

Dear Bob:

The Public Affairs Department newsletter for the period ending February 13:

**THE WASHINGTON SCENE**

"Don't hold your breath and assume it is going to be an ice cream view....there's nothing to cheer about...."

Those words sum up how Jim Quigley of Champion International reacts to the findings of the National Commission on Water Quality. Quigley is a former chief of the Federal Water Quality Administration, forerunner of the Environmental Protection Administration. His comments came at a February 10 meeting in Washington of the Government Affairs Committee of the American Paper Institute. Al Duval, Hammermill's chief executive officer, is the new committee chairman. Representatives of over 20 companies were included among the 40 persons at the session.

When Congress passed the Water Quality Act of 1972, it also established the National Commission on Water Quality. In the next few months, the Commission will report on the impact of the law on industry, municipalities, and on the economy. Industry has been hoping the Commission's findings and recommendations would help in convincing Congress to revise or abandon the 1983 requirement for standards attainable by "the best available technology economically achievable." Those hopes are fading among representatives of paper companies based in Washington, men such as Quigley. Most think the report will provide documentation for all the arguments -- for and against -- the Congress backing off from the 1983 goals. It isn't likely Congress will act in this election year. The controversy might last for two or three years.

While many believe the environmental movement is on its last legs, Congress hasn't got that message. The Senate Public Works Committee will report out in early March amendments to the Clean Air Act, including the nondeterioration proposal which the paper industry has opposed. The House Interstate and Foreign Commerce Committee continues its markup of its version of the Clean Air Act amendments and is moving along in the same unfavorable manner as in the Senate. The paper industry lobby hasn't gained an inch.
The Washington Scene (continued)

When the amendments reach the Senate floor, a lengthy debate is predicted and Senator Muskie of Maine is likely to take a key role. He remains a leading advocate of stringent environmental controls.

On other matters, it was reported:

Energy -- The Federal Energy Administration has resolved an in-house hassle over priorities in implementing the law. The FEA will give top priority to establishing guidelines permitting companies to continue reporting through voluntary systems, such as the API program. Some people in FEA wanted to first start seeking data directly from individual companies.

Monongahela -- Industry expects Congress will find the job of coming up with a whole new law governing timber harvesting in the national forests too complicated a task to handle in 1976. If that's the case, it'll be easier for the U.S. Forest Service to obtain approval for an interim guidelines. Congress so far hasn't done anything about the problems created by the Monongahela court case and won't until recommendations are made by the administration.

Natural Gas -- The paper industry went all out in support of decontrolling prices of natural gas, and thought the battle was won. Instead the House (by four votes) expanded controls. The House action differs widely with the broad decontrols measure approved by the Senate, so there's still hope for some progress this year -- or maybe the whole issue will die for 1976.

In Augusta

The Legislature spent most of this week trying to find solutions to the school financing puzzle. Needless to say, the ramifications of the final solution hold the key to the tax picture. If the legislators decide more money is needed, at least three of the revenue sources being talked about would have an impact on Great Northern -- an increase in the corporate income tax, reinstitution of the inventory tax or another $1\frac{1}{2} mill being added to the state property tax. Governor Longley took to the road, making a speech in Presque Isle reaffirming his opposition to any tax hikes.

On other fronts:

Spruce Budworm -- Dick Barringer at week's end finally distributed a copy of a new draft of the Conservation Department's long range plan. It is being analyzed by the woodlands department. He plans legislation to implement the plan but it hasn't been drafted. Meanwhile the Legislature is holding up two other bills. (In Washington this week I talked with Jim Case of Senator Muskie's staff and Tom Heyerdahl of Representative Cohen's staff on budworm financing. They both feel the federal share will remain at 50 per cent this year although some House members from urban areas are prodding the Forest Service to cut it back to 33 per cent.) The Maine Audubon Society endorsed the Conservation Department's search for new approaches to the budworm problem. The Association has supported spraying in the past -- and will again.
In Augusta (continued)

Unemployment Compensation -- The Labor Committee next week will release a study of the unemployment compensation system. Several steps will be urged to tighten up benefit payments. The committee feels people who quit jobs are collecting benefits when they shouldn't be. The study also will recommend that dependency benefits be denied wives when their husbands are employed. Maine this week had to borrow $8 million more from the Federal government to finance the benefits.

Pollution -- Scott Paper Company asked the Legislature to delay until June 1, 1977, the requirement it treat the waste it is dumping into the Kennebec River. The Company said it wants to be sure it will not have to close down if "acts of God" delay the pollution abatement system being constructed for its new pulp mill. A spokesman for the Department of Environmental Protection opposed the bill as unnecessary saying the board would never close down a plant when a firm is making an honest effort to meet deadlines. All the bill will do, the DEP spokesman said, is open loopholes for other polluters to continue to pollute. Spokesman for the oil industry opposed a proposal to extend provisions of the state's oil conveyance law to inland waters. Hearings on the bills were held February 11.

STUDY UNDER WAY

State Representative Doug Smith of Dover Foxcroft was elected chairman of the Forest Resources Study Committee when the group met for the first time in Augusta February 12. Mike Collins of the Pinkham Company is one of the 12 members. A five man steering committee was established to recommend how the committee will proceed. Barringer has said he hopes this study will lead to a policy which will guide the state for the next 20 years.

ENTER JOHN WALKER

Dick Barringer picked the man who has been his guide on trips in the state's forests to head the Bureau of Forestry in the Conservation Department. John Walker has been with the State as a forester for over 20 years and before that worked for International Paper Company after graduating from the University of Maine. He worked closely with Barringer in the Bureau of Public Lands, participating in the negotiations that led to the agreement with Great Northern. He's in his early fifties. Walker succeeds Fred Holt who retired February 13.

SCALE HEARING

The State Department of Agriculture on February 17 will hear comments from the public and the forest industries on the wood scaling standards it has reluctantly proposed. The department said it needs more time and a lot of money to do the job. Under pressure from legislators sympathetic to disgruntled woodworkers, the Department issued standards. Ray Goody and Lynwood Hand will represent Great Northern.
PUBLIC RELATIONS

The staff of the woodlands department on February 13 briefed Bob Cummings of the Portland newspapers on Great Northern's approaches to the spruce budworm epidemic.

Questions from Dennis Mills of the Bangor Daily News regarding complaints by two employees were answered with guidance from the woodlands and personnel departments. Two workers in the Lobster timber harvesting operation took a long list of complaints to the State Manpower Affairs Department. GNP was cleared by state investigators of all but one minor charge -- a matter of collecting money owed the company. No story has been printed.

Kirk Bradford of the Bangor Daily News is doing a story on the paper industry's water pollution program. We are arranging an interview with Pat Welch.

Jon Levine of WABI-TV requested approval to do a story on "The Golden Road" -- a human interest type of thing. We made arrangements with the Woodlands Department for a film crew to visit the Millinocket end of the road February 16 and talk with Logging Engineer Tom Wildman.

Three news releases were distributed on Pinkham Company employees.

Copies of GNN quarterly report was distributed to managers, the news media and businessmen.

PUBLIC AFFAIRS

Lynwood Hand will discuss the special session at a meeting of the Western Maine Forest Forum in Lewiston, February 16.

ENCLOSURES

Enclosed is a copy of the new official Maine transportation map. We have additional copies.

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 Department newsletter for the period ending February 20 follows:

**SPRUCE BUDWORM**

While the Legislature is expected to be still agonizing over how to deal with school costs, the Appropriations Committee next week will turn to the spruce budworm problem. Hearings have been scheduled at 1:30 p.m., Thursday, February 26, on two bills.

Representative Jim McBreaity of Perham has filed legislation authorizing the 1976 spray program (L.D. 2050). Representative Bill Garsoe of Cumberland has filed a bill (L.D. 2090) designed to reduce the cost of spraying by requiring the state to budget a year in advance for budworm control. Garsoe says this will permit the State to negotiate the purchase of chemicals and aircraft services at substantially lower costs.

While the hearings will specifically deal with the two bills already printed, Conservation Commissioner Barringer is expected to introduce amendments reflecting the department's new approach which has been endorsed by Governor Longley.

Lynwood Hand, Great Northern's legislative counsel, reports that there is growing concern in Augusta that Barringer's tactics may jeopardize the entire 1976 program.

McBreaity is of the opinion that Barringer is on the wrong track and says the Commissioner should be concerned with protecting more acres by spraying rather than concentrating on trying to find other approaches.

Garsoe got a memorandum from State Entomologist John Chadwick one day endorsing his proposal and the next day got another from Barringer saying Chadwick did not speak for the department which would not support the Cumberland legislator's proposal.
Spruce Budworm (continued)

No one has yet seen the amendments to McBreaity's bill which Barringer plans to introduce.

As you know, Bob Bartlett's analysis of the latest version of Barringer's six-year plan for dealing with the budworm was discouraging. The Bartlett conclusion that "I hope Mr. Barringer isn't planning to become a hero at the expense of Maine's spruce/fir forests" sums up the sentiment last week in the state capitol. Barringer is quoted as saying the plan is still being revised and the legislation still being drafted. He has already scheduled a briefing for the press on the plan Thursday before the legislative hearing.

The Governor further complicated matters this week. During a meeting with legislators, the Governor dropped a remark that he was convinced that major landowners in the Unorganized Territory are not paying their fair share of taxes. (The Governor's Tax Policy Committee in a recent report was critical of the Tree Growth Tax Law. It had been expected the issue would be debated during the next session when tax reform will be considered.) But the Governor's remarks are expected to be followed up by members of the Appropriations Committee asking questions next week about the Tree Growth Tax Law during the hearings on the budworm legislation.

THE LEGISLATURE

The special session's fifth week ended February 20. The day before the House passed the buck to the Senate on the school financing issue. When members saw a compromise going down to defeat, several switched their votes to salvage the legislation and move it to the upper house. The bill which survived would raise income and cigarette taxes and lower local property taxes. But the 74 votes in favor fell far short of the 101 needed for final passage. The House devoted two weeks to debating the issue. Senate President Sewall hopes to see final action next week. But Governor Longley has reiterated his opposition to any tax increases and claims he has 65 House members pledged to sustain a veto. All industry can do is watch, and hope that the final outcome will not included unnecessary new tax burdens.

On other matters:

Labor -- Representative Tierney of Durham, considered one of labor's strongest supporters in the Legislature, filed a bill which would do away with the law cited by the courts in ordering members of the Maine Woodsmen's Association to quit picketing mills last year. It's scheduled for public hearing at 1:30 p.m., February 26. Another bill scheduled for hearing at the same time before the Labor Committee would revise the Workmen's Compensation Law provision that a claim must be filed within two years of the time of an accident. Tierney proposes people have 15 years to file. Both bills will be opposed by industry.
The Legislature (continued)

Environmental -- The Natural Resources Committee on February 24 will consider amendments to the state's air pollution laws. Standards in the Portland area would be relaxed.

Taxation -- The Taxation Committee Tuesday will consider former Nader Raider Dick Spencer's proposals to treat farmland in the same manner that forest land is treated under the tree growth tax law.

THE BACKLASH

In the most recent Public Affairs newsletter, we reported on Scott Paper Company asking the Legislature to extend the deadline for compliance with the state's water pollution laws. Scott believes it will meet the deadline but argues that should it fail to do so the state might close its Winslow plant and put 1,500 people out of work. The Portland and Augusta newspapers jumped on the paper company in editorials. Commenting on the Scott contention that people might be thrown out of work, the Evening Express in Portland said: "Fat chance. The board of the state's Department of Environmental Protection would never take into court a company obviously working to alleviate pollution. On the other hand, extending a pollution control deadline established 15 years ago might have the effect of encouraging other polluters in Maine to take full advantage of the nine month extension, thereby avoiding for almost another year the cost of operating waste water plants."

In reporting on a Bowdoin College talk February 19 by John McClennon, regional administrator of the EPA, the Bangor Daily News said: "McClennon said that industry, especially the Maine paper industry, has made great 'sacrifices' to meet the demands of the EPA....

"He credited Maine paper companies, which spent a reported $80 million in pollution abatement equipment, along with the state's senior senator, Edmund S. Muskie, with keeping the environmental movement alive."

You win some, you lose some.

PUBLIC AFFAIRS

Bob Hellendale will speak at a Husson College Business Breakfast February 26. His topic will be "A Paper Company's Need: Dollars and Sense."

Paul Firlotte will meet with Ted Potter, staff assistant for the Energy Committee of the Legislature, in Augusta on March 2. Potter is drafting a Committee report on the potential for hydroelectric power development. The Committee toured the GNP system last fall.
Public Affairs (continued)

Lynwood Hand and Ray Goody represented the Company at a February 17 public hearing in Augusta when the Department of Agriculture announced plans to adopt March 1 standards for converting weights of wood to cord volumes. A department official said the state did not have the time (2 years) or the money ($96,000) to conduct the studies that would lead to reasonable and accurate standards.

The Committee to Study the Forest Resources of Maine will meet March 10th or 17th when representatives of the U.S. Forest Service will discuss the status of the state's forest resources. The steering subcommittee made that decision this week. Harold Young of the University of Maine, Ted Tryon of the Sewall Company and Bud Weiland of Dead River will also be invited to participate. Weiland will represent the participants in the new University research program.

PUBLIC RELATIONS

With help from Tom Wildman of the Woodlands Department, we assisted a WABI-TV crew in making a short piece for television on the "Golden Road" which was used on the station's news broadcast February 16.

The quarterly GNN financial summary was distributed to governmental officials, businessmen and the news media.

With help from Henry Deabay we answered questions from Dennis Mills on a woods labor question.

Sincerely,

Paul K. McCann
Manager-Public Affairs

Distribution:

February 27, 1976

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

Dear Bob:  

The Public Affairs Department newsletter for the period ending February 27:  

"A PAPER COMPANY'S NEEDS: DOLLARS AND SENSE"  

Copies of Bob Hellendale's speech at the Husson Business Breakfast have been distributed to all managers. His speech resulted in a page one story February 27 in the Bangor Daily News and was reported on at some length in the Portland newspapers. All Bangor television stations covered the speech. Copies have been distributed to all members of the Governor's office, all members of the Maine Congressional delegation, state legislators, Maine businessmen and local officials as well as the news media.  

IN AUGUSTA  

Governor Longley said February 27 he was going to spend the weekend drafting a veto message which he will send to the special session of the Legislature Monday. Unless the unpredictable Governor changes his mind, he says he is going to veto the compromise school financing bill. This bill boosts the income tax and reduces the state uniform property tax.  

It's possible that the Governor may attack the Legislature for lowering taxes of landowners in the unorganized territory. He told some people a few weeks ago they were not paying a fair share. Great Northern has sought no such tax relief, nor have any of the trade associations pushed the idea.  

The state uniform property tax rate is now $13\frac{1}{2}$ mills and would go up to $14\frac{1}{2}$ mills this year under the present law. Longley favors holding it to $14\frac{3}{4}$ mills. The compromise bill facing the Gubernatorial veto would cut the rate to $13$ mills this year, $12\frac{1}{2}$ next. Most of GNP's land in the unorganized territory is assessed under the Tree Growth Tax Law formula.
Too Much? Too Fast?

"Before we dissect this thing we will be ready for the 108th," was the greeting Representative Jalbert of Lewiston had for Conservation Commissioner Barringer's 42 page amendment to the spruce budworm legislation. The 108th convenes in January of 1977. The amendment implements the much-publicized six-year plan developed by the Conservation Department. The new team which has been developing the plan came to the hearing with Barringer -- Nancy Ross, a planner, John Joseph, an economist, and Dave Flanigan, an attorney. John Walker, the new director of the Bureau of Forestry, was also there and introduced by Barringer. None of them wanted to associate with Representative Jim McBreairty, sponsor of the original bill.

Barringer said "spraying is absolutely necessary" but alone is insufficient. He said the Conservation Department's six-year program is a "new, more sophisticated approach." The Commissioner said his plan had the support of the U.S. Forest Service. The plan includes incentives for silvicultural practices which reduce the forest's susceptibility to the budworm, incentives for salvage and new markets, additional research programs, help for small landowners and a full-time staff in the Bureau of Forestry to handle the new program. The program will cost $9.2 million and would cover 3.5 million acres.

When the hearing was over, Legislative Counsel Lynwood Hand said that most members of the Appropriations Committee agreed with John Sinclair of Seven Islands Land Company. He said "a special session isn't the place to consider a hurriedly drafted six-year plan." (Sinclair incidentally says the per acre price tag is too much for the owners of the land he manages. They would prefer to skip spraying for a year to paying a tax of $.59 an acre on softwood and $.30 an acre on hardwoods.) Next week the Appropriations Committee will go to work, merging the Barringer proposals into the McBreairty bill. When the redraft emerges, it will be a lot less than 42 pages in length. The prediction is that the state will pick up at least 7 per cent of the total cost, maybe a bit more if there's a few extra dollars around.

Although Flanigan told the committee that the approach had already saved money with the help of John Godfrey and Tom Knight of GNP, the Conservation Department opposed a second bill. The bill permits the Legislature to budget a year in advance for the budworm program. If passed, it would permit earlier purchase of chemicals and contracting for the services of spray planes. Barringer finally conceded he hadn't studied Representative Garsoe's bill. The Commissioner promised to take another look at the idea.

Key Labor Bills

Next week the Labor Committee of the Legislature is scheduled to hear three bills designed to "tighten up" on benefits available under the Unemployment Insurance System. The bills result from a Labor Committee study of the system. All have the support of Associated Industries of Maine.
Key Labor Bills (continued)

One of the bills reduces benefits available for a person fired for misconduct, the second eliminates supplemental benefits for a husband or wife when one or the other has a full-time job, and the third cuts the cost to employers of the dependency allowance.

The Labor Committee hears the three at 1:30 p.m., Tuesday.

Last week the Committee saw Representative Tierney back off from objectionable portions of two bills. He agreed to forget for now the proposal to extend the period of time for filing claims under the Workmen's Compensation law. There is now a general two-year statute of limitations. On another matter, Tierney told people he wasn't pushing the cause of the Maine Woodsmen's Association with a few lines he added to a housekeeping measure. Attorney Tierney's clients have included the Maine Woodsmen's Association. The objectional portion would broaden the definition of a "labor dispute" to say "whether or not the disputants stand in approximate relation of employer and employee." If this had been on the books last fall, Great Northern and other companies could not have won an injunction from the courts, forcing the woodsmen to leave the mill gates. Tierney now sees a need for "more work" on this part of the bill. The Labor Committee seems cool to the whole idea.

PUBLIC RELATIONS

Questions from Chris Spruce of the Bangor Daily News were answered regarding closing of the Pinkham logging operation before workers had a choice to favor or reject union representation.

Phyllis Austin called saying Maine Times is doing a story on "hazardous materials" used by industry in Maine. She wanted to know how much chlorine gas we use, what safeguards we have for its use, etc. Phyllis says the story idea came from the recent accident at Jay when a railroad car of chlorine tipped over in the International Paper Company yard.

WEST BRANCH

With guidance from Paul Firlotte, we filed a letter commenting briefly on the West Branch study by the U.S. Bureau of Outdoor Recreation. We further commented on the environmental impact study. A copy of the letter went to the State Director of Parks & Recreation Herb Hartman who at this time opposes federal designation of the river as a part of the National Wild & Scenic Rivers System.

WYMAN REAPPOINTED

The same Executive Council which balked at approving Charles Wyman as commissioner of Marine Resources will hold a public hearing at 10 a.m., March 10, on his reappointment to the State Board of Environmental Protection. His reappointment was announced this week by the Governor.

Sincerely,

Paul K. McCann
Manager-Public Affairs
Great Northern Paper
a company of
Great Northern Nekoosa Corporation

March 6, 1976

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

Dear Bob:

The Public Affairs Department newsletter for the week ending March 6 follows:

**WASHINGTON CRISIS**

The paper industry is marshalling its forces for an all-out attempt to kill the nondeterioration section of proposed amendments to the Clean Air Act. A bill approved by the Public Works Committee is expected to reach the Senate floor within a week or 10 days.

Hank Van der Eb, chairman of the American Paper Institute has written member companies:

"At issue is a proposed bill aimed at the 'prevention of significant deterioration,' now proceeding through Congress in the form of amendments to the Clean Air Act of 1970. To begin with, the nondeterioration provisions of the bill are extraordinarily severe, making the building of new mills or the expansion of old mills much more difficult and costly and in many cases impossible. Also, under the bill's provisions, the State agencies charged with carrying out the policy would be given authority to deny an applicant a permit to construct, even though the applicant complied with the Act's stringent limitations on increased pollutant concentrations. In addition, the legislation would result, among other things, in a Federal mandate for land use planning based on the single other criterion of air quality. We do not believe that this back-door approach through the Clean Air Act is the appropriate vehicle for Federal land use planning, especially since the Congress has rejected land use planning at the Federal level in each of the last four years. For these reasons we oppose the Clean Air Act amendment proposed by the Senate Public Works Committee to establish a national nondeterioration policy.

"The impacts of this legislation would fall particularly heavily on the pulp and paper industry. The industry is generally located in clean air areas where nondeterioration would apply. Our plants must be located near timber lands and water where terrains tend to be hilly. Such terrain would further reduce the level of emissions allowable under the proposal."

Millinocket, Maine 04462. (207) 723-5131
Washington (continued)

On the House side, the Interstate and Foreign Commerce Committee is continuing work on another version of the amendments also including a nondeterioration section. The House is lagging a month behind the Senate in getting a bill to the floor.

Congressman Emery writes "it looks to me as if this legislation is overly restrictive, especially the section on nondeterioration." Mike Hastings of Congressman Cohen's staff writes "I am sure Dr. Mattson's memorandum will be helpful to Congressman Cohen as he continues to study the proposed Clean Air Act amendments." Great Northern is going to have to depend on the House side of the Maine delegation for support on this issue unless Senator Hathaway again splits openly with Senator Muskie, and that's unlikely in an election year. With guidance from Vic Mattson, we have been communicating with members of the Maine delegation on this issue for several months. In the memorandum which Mike refers to in his letter, Vic said that had the proposed nondeterioration section been on the books, Great Northern probably couldn't have even considered building a kraft pulp mill in the Millinocket area in 1975.

Congress, apparently pleased with the work of the National Commission on Water Quality, may take the same approach on the air pollution issue. The Senate amendments include a proposal to establish a National Commission on Air Quality under orders to make recommendations no later than March of 1977 on the consequences of the Clean Air Act.

WHAT NEXT?

With the school financing problem taken care of for the time being, the Legislature will turn to other problems. The special session which started early in January isn't likely to end until mid-April. Committee chairmen have been asked to report out all bills by March 19.

When the Legislature overrode the Governor's veto of the school financing compromise, Lynwood Hand said it could be just "the first little firecracker" of the session. Great Northern's legislative counsel said the Legislature now must deal with other interests seeking funds -- vocal state workers who want a pay raise, the University of Maine which is requesting $6.3 million and, of course, the advocates of spruce budworm spraying who think the state should pick up more than a token share of the expense. State House financial analysts say the state is going to run $6 million in the red by the year ending June 30. Legislators are going to face again the tough question" do we cut programs, or do we raise taxes? The first time they faced the question in this session, they raised taxes.

On March 4, the House overrode Governor Longley's veto of the compromise school financing plan, 99-50. Harvey DeVane, a Democrat representing a conservative Hancock County district and a frequent critic of Longley, switched his vote at the last minute to provide the margin. It takes two-thirds of those present to override a veto.
What Next? (Continued)

The Senate followed the House with a 22-10 vote. The bill which becomes law despite the Governor's veto increases the state's revenue from income taxes by 33 per cent in the next fiscal year and may permit some reductions in property taxes. Income taxes will go up for those making over $15,000 a year.

Here's what taxpayers will be paying this year:

<table>
<thead>
<tr>
<th>Taxable Income</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,000 but not over $15,000</td>
<td>$315 plus 6% of excess over $10,000</td>
</tr>
<tr>
<td>$15,000 but not over $25,000</td>
<td>$615 plus 6.5% of excess over $15,000</td>
</tr>
<tr>
<td>$25,000 but not over $50,000</td>
<td>$1,265 plus 7.5% of excess over $25,000</td>
</tr>
<tr>
<td>$50,000 or more</td>
<td>$3,140 plus 8% of excess over $50,000</td>
</tr>
</tbody>
</table>

The rates change again in 1977 but the fact remains, according to knowledgeable people, that 8 per cent of the Maine working force is going to pick up almost all of the income tax increase.

On Other Matters....

Elsewhere in the Legislature:

Spruce Budworm -- Lynwood Hand says members of the Appropriations Committee are considering ways to combine the bills filed by Representatives McBrairty and Garsoe and a few of the amendments offered by Conservation Commissioner Barringer. A draft being circulated for comments by a paper industry lobbyist suggest the state provide $816,000 in money carried over from last year and $480,000 from the general fund. The $480,000 would be justified because the Legislature in 1973 tacked a mill and a half on the state property tax to provide funds for a budworm control program. Total cost of the 1976 program will be $8,600,000, with half to come from the federal government. Owners of timberlands will be taxed to provide $3,222,000. This week Seven Islands Land Company called the Barringer plan "shallow, deceitful and not knowledgeable in the area of forestry..."

Bonded Labor -- The Jobs Committee reported out a surprise bill which proposes the state duplicate federal regulatory controls over bonded Canadian labor working in Maine woodlands. Great Northern is the only paper company employing bonded cutters. We'll fight it because it's unnecessary bureaucracy.

Labor -- The Legal Affairs Committee holds a public hearing at 1:30 p.m. March 11 on a bill which would require an employer to allow his employee to examine his personnel file upon written request. At 1:30 p.m. March 9, the Labor Committee will be considering three bills regarding Unemployment Compensation. One of the three proposes that employees as well as employers contribute to the fund.

Education -- The Education Committee will consider at 1:30 p.m. March 11 a proposal requiring the State Department of Education to submit a plan to the next session of the Legislature to speed up training of timber harvesters at vocational institutes in Aroostook and Washington counties.
HYDROELECTRIC POWER

With Paul Firlotte, we spent an hour briefing Ted Pottle of the staff of the Energy Committee of the Legislature March 2 in Augusta. Pottle was completing a draft of a report the committee will make to the Legislature covering a study of the potential for hydroelectric power development in Maine. A copy of the 50-page draft arrived in the mail today and is being distributed.

"NEWS MEDIA ALTERNATIVES"

That was the topic for the panel highlighting the winter meeting of the Public Relations Council of Maine. With representatives of the New England Telephone Company, the Maine Teachers Association and the Maine Central Railroad, I talked about avenues of communications open to people in the public relations business in addition to the press, radio and television. I covered Great Northern's community relations efforts in northern Maine -- our attempts to communicate with state and local officials, businessmen and employees. The luncheon speaker was the Northern New England Bureau Chief for The Associated Press. Dave Swearingen quoted from Bob Hellendale's Bangor talk in which Bob said the people of the news media are spending a lot more time on local news, "They ask a lot of questions, and they are professionals. You had better be prepared to answer them. If you don't, people may get the idea you do not want to answer because you have something to hide -- which isn't true."

PUBLIC RELATIONS

The news release on the proposed GNN stock split was distributed to managers and the Maine media on March 3.

On February 29, in response to a question from Chris Spruce of the Presque Isle Bureau of the Bangor Daily News, we confirmed that Pinkham Lumber had reached agreement with workers on a new three-year contract. The next day a representative of the United Paperworkers International Union disclosed full details of the contract. The UPIU is also seeking to organize woods workers in the region.

The Company donated a series of radio announcements to promote Red Cross blood collections in Millinocket March 23 and in East Millinocket March 30.

An advertisement was scheduled for the local weekly newspaper congratulating the Town of Millinocket on its 75th birthday March 16.

A new set of 35mm slides on the East Millinocket mill was provided the mill manager.

Dennis Mills of the Bangor Daily News took three routine news releases covering the hiring of West Coast men by the Pinkham Lumber Company and turned it into an item for his March 6 business column.

Sincerely,

Paul K. McCann
Manager-Public Affairs
March 12, 1976

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

Dear Bob:

The Public Affairs Department newsletter for the period ending March 12 follows:

**THE PENDULUM SWINGS**

Congress should postpone the requirement that the "best available technology" be adopted by industrial polluters, the National Commission on Water Quality will recommend.

Senator Muskie was the only dissenter in a March 2 vote of the 15-member commission.

Great Northern estimates the additional cost of "best available technology" at over $30 million, and questions if the benefits justify the expense.

Climaxing a three-year study, the Commission report will say:

1. Congress should authorize extensions and in some cases outright waivers, of the July 1, 1977, secondary treatment requirements for publicly owned treatment works and of the July 1, 1977, best practicable technology requirement for industry.

2. While retaining the 1983 water quality goal of "fishable/swimmable" waters, Congress should postpone for five to ten years the 1983 requirement of best available technology for industrial dischargers. However, the Commission recommends that effluent limitations to eliminate discharge of toxic pollutants in toxic concentrations be implemented "as soon as possible," but no later than October 1, 1980.

3. Congress should authorize certification of states for planning and administering the municipal sewage treatment construction grants program and the National Pollutant Discharge Elimination System, once the states meet certain specified criteria.

4. Congress should assure 75 percent federal financing under the construction grants program of between $5 billion and $10 billion over five to 10 years.

5. Congress should "redefine" the 1985 goal of zero discharge of pollutants to encourage recycling, reuse, land applications, and other means of waste management.

6. Congress should "authorize flexibility" in applying water pollution control measures to irrigated agriculture.
The Pendulum Swings (continued)

The Maine man is one of five senators on the Commission. He also chairs the Senate Public Works Subcommittee on Environmental Pollution which will consider the recommendations. Muskie continues to question the Commission's authority to make recommendations. If Congress does away with the 1985 zero discharge goal, Muskie also said "We're going to be very busy running around locking the stable after the horse is stolen." Dr. Edwin A. Gee, a commission member and a senior vice president of duPont, differed. "Without exception," Gee said, "the 41 environmental impact studies performed by the staff show no significant gain from the universal application of the 1983 requirements."

A member of Muskie's staff compared the Commission's recommendations with the contents of Bob Hellendale's February 26 speech in Bangor. He added, "We don't think it's fair to modify the 1977 goals now. States such as Maine which have done a good job will suffer competitively." Muskie plans to file by March 15 his dissent to the recommendations.

**Spruce Budworm**

While Dick Barringer was trying to convince people that the State needs a long-range plan to combat the spruce budworm epidemic, two new and very necessary pieces of the 1976 spraying project hit snags on the Federal level.

The regional director of the U.S. Forest Service questioned plans to use large aircraft for spraying. He said there had not been sufficient testing. Use of carbaryl in less than the usual amount (three quarters of a pound per acre instead of a pound) hasn't been justified, he also told the Commissioner. With information from Tom Knight who has been advising the State on obtaining aircraft and chemicals, we took the problem to the offices of the Maine Congressional Delegation in Washington. Jim Case of the staff of Senator Muskie went to John McGuire, chief of the U.S. Forest Service, with the two problems. McGuire said Maine hasn't yet convinced the Forest Service. Barringer, who earlier had protested, said the State Bureau of Forestry would provide the U.S. Forest Service with additional information. It went out Thursday but Great Northern will follow up next week to make sure it is sufficient and that the Congressional Delegation gets all the facts it needs. If the reduction in the chemical dosage isn't approved, some 900,000 acres will not get sprayed in this year.

In Augusta, Lynwood Hand and Bob Bartlett attended a March 9 meeting of major landowners and state officials. The next day Barringer and an aide met with members of the Appropriations Committee. Now Don Perkins, a paper industry attorney, and Nancy Ross of the Barringer staff are working on a redraft of legislation providing for the 1976 spraying program. It is scheduled to be ready for the Committee March 15.

**On the Washington Scene**

Two issues -- air pollution and Monongahela -- dominated discussions during the March 9 meeting in Washington of the American Paper Institute's Government Affairs Committee.
WASHINGTON (continued)

Senate action on the air pollution issue has been delayed until at least April. A bill sent to the floor has not yet been printed. In cooperation with other industries, paper companies are waging an all-out fight against a non-degradation section included among the amendments. An API sampling of Senators so far shows a dozen who would support killing the section, over two dozen others who would join in sending the section to a study commission. The industry will probably have to settle for a two year study. When the amendments finally hit the floor, the first big environmental debate in a decade will start in the Senate. It comes as Senator Muskie bids for the Senate leadership. His chances of succeeding Mike Mansfield could rest on his ability to deal with the air pollution issue.

The Senate Agricultural Committee holds hearings March 15, 16 and 22 on the President's assessment of the national forests and will face the Monongahela complications. The House Agricultural Subcommittee on Forests holds hearings March 22, 23 and 24. So far the administration hasn't proposed action to solve problems resulting from the spreading ban on sale of timber from the National Forests. Individual members of Congress, including Senator Hubert Humphrey, are trying to fill the void. With only 70 working days left for Congress, the 1976 solution is likely to be a temporary one. (A copy of a National Forest Products Association handout on the issue is attached.)

IN AUGUSTA

A proposal that the state virtually duplicate federal regulations covering Canadian harvesters working in Maine will be given a public hearing March 16 by the Labor Committee of the Legislature. The bill is the product of the Jobs Committee. Great Northern will oppose it as an unnecessary layer of government. It can be expected that others depending on the 1,500 Canadians who cut wood in remote areas of the state also will speak out.

Lynwood Hand says the session may wind up in three weeks.

Next week will also see a divided State Government Committee report on proposals for a new lobbying law. The industrial lobby will support a version advocated by veteran Senator Hollis Wyman. If approved, the Wyman bill would satisfy GNP's concern that full-time employees should be able to get involved in the legislative process without having to register as lobbyists -- and disclose their salaries.

REACTION

Reaction to Bob Hellendale's speech at Husson College included an invitation from the president of Canal Bank in Portland. Scott Hutchinson offered to invite 100 Portland businessmen to a reception to hear the subject discussed. In the Bangor Daily News, a March 9 editorial on water pollution agreed with the Great Northern position: "The time has come to assess the full measure of our initial success against water pollution before embarking on further and vastly more expensive projects." The Hellendale speech is being printed in booklet form and additional copies will be available in a few days.
WEST BRANCH

Maurice (Red) Arnold has paid his annual visit to the offices of the Maine Congressional Delegation. The man in charge of the West Branch study says the Bureau of Outdoor Recreation will propose that the State of Maine request designation of the upper Penobscot as a Wild & Scenic River. Arnold told Congressman Cohen no Congressional action will be requested by the Bureau of Outdoor Recreation. Commissioner Barringer will soon seek Great Northern's cooperation in a state study of the region.

PUBLIC AFFAIRS

Contributions were approved for the Salvation Army, Rochester Institute of Technology and the Maine Audubon Society, and also for 10 scholarships for Millinocket area youngsters to attend a conservation camp.

Dues were paid to Associated Industries of Maine.

PUBLIC RELATIONS

A GNN release on redeeming Series B preferred stock was distributed.

GNN annual reports were distributed to managers, the news media, businessmen, public officials and others in Maine.

Sincerely,

Paul K. McCann
Manager-Public Affairs

Distribution:
J. R. Adams        T. H. Flanagan        W. E. Lloyd        T. S. Pinkham
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R. F. Bartlett     J. R. Goody          V. F. Mattson      W. A. Saucier
S. A. Casey        L. E. Hand           E. V. Maxfield     E. M. Schwerin
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A. B. Danforth     P. D. Hubbe          R. W. Noyes        O. K. Tripp
A. E. Dentremont   R. R. Johnson        J. F. O'Handley    R. A. Venditti
B. P. Ellen        T. W. Kelly          P. P. Paul         G. E. Veneman
R. K. Elston       T. M. Knight         J. D. Perkins      P. H. Welch
P. I. Firlotte     D. J. Krohn          I. P. Phelps       P. F. Yacavone
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine  

Dear Bob:

The Public Affairs Department newsletter for the period ending March 19 follows:

THE ELECTION YEAR

New Hampshire...Vermont...Massachusetts...Florida...Illinois...the parade of primaries continues in an election year.

So far in Maine, it has been dull.

The year's biggest political story may turn out to be the decision of Congressman Cohen not to challenge Senator Muskie. Muskie is unopposed in his bid for renomination. Bob Monks now looks like the man who will oppose Muskie on November 2. Monks, the millionaire who was crushed by former Senator Margaret Chase Smith four years ago, has only token opposition in the June 8 Republican primary. Opposing Monks is Plato Truman, a Saco businessman, who has repeatedly sought and failed to win a major public office. Monks, who has already been in Millinocket and at East Millinocket shaking hands at the mill gates, will give it a good try but isn't given much of a chance of knocking off Muskie.

Cohen is unopposed in his quest for renomination in the Second District. No Democrats have yet indicated they will challenge the popular young Republican although State Representative Cooney of Sabattus is expected to do so. In the First District, Republican Congressman Emery is unopposed. There are seven Democrats seeking the nomination of their party. Peter Kyros, the veteran upset two years ago by Emery, isn't likely to run again although he has been holding off formally saying no. Emery would prefer Kyros. Instead the Democratic nominee is likely to be State Representative Bustin of Augusta, an official of the Maine Teachers Association, or Senator Reeves of Pittston, the legislator who has won headlines by advocating stiff lobbying controls. Representative Rolde of York, major leader in the Maine House of Representatives, is also in the race but doesn't seem to be picking up support. Jim Mitchell of Vassalboro, former chief of the State Housing Authority, is showing strength in the polls taken by Emery's supporters.
Election Year (continued)

The entire Legislature (33 Senators, 151 Representatives) also turns over this year. Republicans, who lost control of the House two years ago, will be fighting hard to regain a majority. The key to the outcome of the Legislative races may rest with Jim Longley. The independent Governor has indicated he will be getting involved in the campaign, supporting those who have backed him. Senate President Sewall of Old Town and Senate Democratic Minority Leader Conley of Portland, House Speaker Martin and House Republican Minority Leader Palmer are all candidates for re-election. There may be new faces but the leadership isn't likely to undergo much of a change.

THE LEGISLATURE

Landowners and Conservation Commissioner Barringer today continued to seek agreement on a spruce budworm program.

Bob Bartlett joined Lynwood Hand on the Augusta scene for a meeting of woodland managers. They considered a redraft of proposed legislation. With time running short in the special session, the paper industry's lobbyists are pushing to get agreement. While Barringer is holding out for passage of his "new approach," he is also responding to objections made by the industry to portions of the program. The next move is up to Barringer. A bill will probably be reported out by the Appropriations Committee next week.

On other matters:

Public Lands -- The State of Maine on March 15 acquired 5,261 acres of land on Bigelow Mountain and 6,000 acres bordering Squa Pan Lake in Aroostook County from the J. M. Huber Corporation. The agreement had the approval of the Legislature and Governor Longley. The Huber company became the second forest industry to work out a deal with the state to solve the "public lots" issue. Great Northern was the first.

Jobs -- The investment and job creation tax credit bill put together by Associated Industries of Maine was labelled another tax loophole by a Bowdoin economist at a public hearing March 18. It still looks good to a majority of the legislature's Taxation Committee.

Labor -- Lynwood Hand reports that Representative Connolly of Portland agreed March 18 to withdraw the proposal to put the state in the business of regulating Canadian bonded timber harvesters. (Henry Deabay and Tom Pinkham opposed the bill at a March 17 public hearing. We helped Henry draft a statement of opposition.) The Labor Committee has killed the controversial section of a bill which would have broadened the definition of a "labor dispute" to permit members of a group such as the Maine Woodsmen's Association to get away with what the courts prevented them from doing last fall. Next week several key bills come out of the Labor Committee and AIM is pushing for approval of three which would tighten up on benefits and hopefully reduce costs of Unemployment Compensation to employers.
Pollution -- The bill which Scott Paper Company is pushing to extend the water pollution clean up timetable for eight months won surprising support in the House where it was approved and sent to the Senate. Scott wants the guarantees contained in the bill so that its Winslow plant wouldn't be closed down if the new mill at Hinckley doesn't start up on schedule.

Lynwood says the session will end in two or three weeks.

**That Barringer Letter**

**Opprobrious: scurrilous...infamous...**

The word stumped Representative McBreairty of Perham this week when he got a letter from Barringer. Barringer used the word to describe McBreairty's conduct and further accused McBreairty of trying to intimate people and engaging in a "witch hunt." Barringer, generally credited with being one of the brightest people on the Augusta scene blew his top when he found out the soft-spoken McBreairty was writing people asking opinions on the Conservation Department's new approach to the spruce budworm problem. McBreairty used a list he got from Barringer when he asked about the background of people involved in drafting the new program. McBreairty says Barringer provided background material on his staff and also sent him a list of others who had been contacted.

McBreairty is a leading advocate of spraying to save the trees. In a guest column in the March 19 edition of the Bangor Daily News, McBreairty wrote:

"I'm not pleading for the paper companies of the state. I'm sure they can look out for themselves. I'm pleading for the thousands of small landowners who cannot afford to spray. I'm pleading for the thousands of sportsmen who have unlimited free use of this land. I'm pleading for the fish and wildlife of our state which cannot survive in a burnt land or forest which has died off."

"I'm pleading for the State of Maine. After all, 90 per cent of the State of Maine is forestland."

**Coming Events**


April 1 -- Canal Bank, Portland, reception for 100 businessmen sponsored by the bank to hear Bob Hellendale's talk entitled "A Paper Company's Needs: Dollars and Sense."

April 2-3 -- Colby College Management Seminar, Waterville. Speakers include Treasury Secretary William Simon.

April 14 -- 5th Anniversary celebration of Maine High Adventure Area, Boy Scouts of America, Bangor.
PUBLIC AFFAIRS

On behalf of Great Northern, we accepted a bicentennial flag at a Millinocket ceremony March 16th marking the town's 75th birthday.

We attended a Husson College Business Breakfast at which Sid Hawkes of the Mead Corporation discussed "Capital Formation: The Role and Responsibility of Government." Copies have been distributed.

Great Northern representatives were among 100 businessmen who attended a March 17 Augusta seminar on Unemployment Compensation. AIM Attorney Bob Moore called for increased support for legislation to tighten up on benefits.

With tax reform shaping up as a major issue in the 108th Legislature, the directors of the Paper Industry Information Office has authorized a study of the state's tax picture. It'll be the basis for considering strategy.

"The budworm poses a threat, but Maine's best chance for prosperity continues to rest with its abundant forest lands," was the way Bob Cummings of the Portland newspapers summed up a daylong hearing of the Forest Resources Study Committee in Augusta March 17. Mike Collins of the Pinkham Company, a Committee member, says the group has put off field trips until June.

PUBLIC RELATIONS

A story and a photograph on Great Northern's $300,000 pledge to the University of Maine for forest research and the Company's plans for a tree planting program were distributed to Maine media and all northern Maine members of the Legislature.

MOUNTAIN MEN AND WILD RIVERS

When Congress designated the Chattooga River as a Wild and Scenic River this spring, the mountain men in Georgia went on a rampage. One weekend they burned eight hundred acres of timbers, according to the Greenville Sun. "Their form of protest is to burn the woods," said a U.S. Forest Service official.

Sincerely,

Paul K. McCann
Manager-Public Affairs
April 5, 1976

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

Dear Bob:

The Public Affairs Department newsletter for the period ending April 3 follows:

**SPRUCE BUDWORM**

In Washington on April 1, the U.S. Forest Service said it will approve a reduction in the amount of chemical to be applied per acre in the 1976 spruce budworm spraying project.

In Augusta the next day, Conservation Commissioner Dick Barringer was told by the Governor that he (Longley) will sign into law the revised bill authorizing a 1976 control program. Lynwood Hand, Great Northern's legislative counsel, expects the bill to be quickly approved by both branches of the Legislature before the special session ends in a week or ten days.

John McGuire, chief of the U.S. Forest Service, told Jim Case of Senator Muskie's staff that use of Sevin-4 at the reduced 3/4 pound per acre dosage will be sanctioned by his agency if the change is also permitted by the U.S. Environmental Protection Agency. EPA officials have said they will do so. Protection of 900,000 acres hinges on this decision. Top executives of all companies operating in Maine (including Bob Hellendale) appealed to the Maine Congressional Delegation for assistance in convincing the Forest Service that the State proposal to reduce dosage be approved.

When the Governor assured Barringer he would sign the bill providing for the spruce budworm control project, Longley also told the Commissioner he isn't convinced that owners of timberlands are paying their fair share of property taxes. He has been saying this ever since one of his study committees raised the question. Longley said any tax provisions incorporated into the budworm legislation will have to stand the test of complete review next year. The Governor is pushing for overall tax reform in 1977.

The "Maine Spruce Budworm Suppression Act" which the Governor will accept is the joint product of Barringer's call for a long-range program and essentials sought by industry. It provides for an $8.9 million program to cover 3.5 million acres. The Federal government will pick up half of the cost. The State share will come for a special tax on owners of land in a new Spruce-Fir Protection District, and from money left over from last year.
Spruce Budworm (continued)

The week also produced word from Washington expected for some time: McGuire formally told State officials that Federal support will be less than 50 per cent next year.

A news report from Canada said the Nova Scotia government has cancelled plans to spray 100,000 acres. Researchers have suggested a link between the spruce budworm spray program and an often-fatal children's disease called Ray's Syndrome. The researchers say the disease might be connected with a number of widely used petro-chemical solutions used to dilute insecticides used in forest spraying. It's too early to tell if this development is going to create problems in Maine. We are seeking more information on the Canadian development, however, and it appears the suspected chemical is not used in Maine.

November Purge?

Governor Longley told 250 persons in Oron March 31 that industry will come to Maine "if you elect a fiscally responsible Legislature" in November. The Governor says he's going to get actively involved in the campaign. He's out to oust those who voted to override his veto of the income tax increase. Governor Longley told the businessmen, bureaucrats and educators at the conference on economic development "to hold out for what you stand for in the fall election." He left no doubts about what he is "for". He says Maine can't increase taxes without economic growth justifying the new burdens.

Maine, Governor Longley said, must clearly indicate to new industries that they are welcomed. He scored those who would see things remain as they are. He also said people must understand that "quality industry is going to come to Maine to make a profit." Longley said industrialists "don't want to come to a state which socks it to the successful executive." The Governor says economic development would share top ranking in the next session of the Legislature with tax reform and steps to reduce the size of government.

The conference program was devoted to the report of the Governor's Economic Advisory Committee headed by Casco Bank President Jack Daigle. (Tom Pinkham was a member of the committee.)

The West Branch

"The Bureau of Parks and Recreation has recently begun a planning effort to develop a priority strategy for Maine recreation programs for the next decade. Among other things, this undertaking will identify those resource areas which the Department should acquire and/or develop, or otherwise protect. Among the areas studied and considered will be the Penobscot, of course. This study, along with the anticipated BOR study of wild rivers in Maine scheduled for this Spring, will help us form a strategy for submitting legislation in the near future. This legislation could include a protection plan for the Penobscot."

---Richard Barringer, Commissioner
State Department of Conservation
The West Branch (continued)

So, while Barringer brands the Federal proposal for designating the West Branch as a Wild & Scenic River as "impracticable", he and his colleagues also want to make sure that the river is protected for future users. Barringer, however, favors hydroelectric development on the river. He's already told a State Senator that the Legislature will be asked for funds in 1977 to finance a recreation study of the Penobscot. Great Northern can expect to be again asked to participate. The focal point of the Penobscot issue is going to shift from Philadelphia to Washington to Augusta before the end of 1976.

Great Northern has filed two statements in the last two months with the U.S. Bureau of Outdoor Recreation commenting on the Federal study which will be published this year. We've continued to emphasize Great Northern's desire to keep the options open for hydroelectric power development. We've continued to say that there's adequate laws on the books to safeguard the Penobscot. Our statements were the basis for a Maine Sunday Telegram story April 4 by Bob Cummings. The Penobscot report will go to the President and the Congress, recommending that the Governor of Maine request designation of the West Branch as a part of the national system.

The precedent for a State study may be the Machias River Watershed Study. This study resulted in a 200 page report. Herb Hartman, now recreation chief under Barringer in the Conservation Department, sparked the Machias study while working with Barringer in the Bureau of Public Lands. Hartman, who once worked for Scott Paper Company, has long contended that business can't provide the guarantees needed to protect natural resources and that only government can do it. Copies of the Machias report will be distributed to departments involved.

Just before the presidential primary in North Carolina, President Ford designated the New River as a part of the National Wild & Scenic Rivers System. The action blocks hydroelectric development. The President's action won him praise on the editorial pages of the New York Times:

"If that is really how the Administration reads the public mind on the subject of the environment, so much the better for the country—and so much the worse for those who would make the environmental movement the political goad for energy shortages and economic difficulties."

The conflicting pressures will probably result in changes in the management of recreation in the West Branch region. The river may be saved from Federal designation. If Great Northern doesn't become the total manager, the State appears ready to welcome a partnership role—or ready also to go it alone with the cooperation of Great Northern.

Meanwhile in Augusta, the Legislative Committee on Energy published a report on its study of Maine's hydroelectric power potential. (During the study, committee members toured the Great Northern system. Paul Firlotte also commented on the first draft of their report.) In the final report dated March 26, the Committee says "Firms like the Great Northern Paper Company could utilize hydroelectric power to substantially reduce the present demand for oil...Financial incentives such as tax exemptions or tax deductions could further encourage development of hydroelectric power in the State."
PORTLAND SPEECH

More people showed up to hear Bob Hellendale speak April 1 than were actually invited by the president of the Canal Bank, nearly 125 business leaders in the Portland area.

The speech got wide coverage with stories in the Portland, Augusta and Waterville newspapers the following day. Bob was also interviewed by a WCSH-TV reporter. In an editorial in the Portland Evening Express, the newspaper said "Hellendale's contention which is supported by the National Commission on Water Quality makes sense."

Questions brought out the fact that only Senator Muskie of Maine dissented from recommendations of the National Commission on Water Quality which would delay 1983 standards -- the step urged by Great Northern's president. In an election year, the Senator can be expected to reply in more detail on the subject. (A copy of the text of the speech was sent to the Senator in February.)

Building Progress Magazine will use portions of the speech as an editorial in a forthcoming issue. The New Englander Magazine also is considering publishing the talk.

PUBLIC RELATIONS

In his weekly column, business reporter Frank Sleeper had kind words for the GNN annual report although stating reports in general remain "as they always have been, basically quite dull reading. I'm waiting for the day when we have a cartooned annual report, something like 'Superman Visits Scott Paper' or 'Batman Comes to Great Northern Nekoosa'." Sleeper said the language in the GNN report "is excellent for an annual report, clear, crisp and concise." The column appeared in the Portland, Augusta and Waterville newspapers.

A Great Northern advertisement appeared in a Millinocket Journal supplement promoting open house at the new Stearns High School.

Bill Langzettel reports that he has condensed John McLeod's history of Great Northern from 659,500 words down to 59,860 words. He has 40,000 words (Dot Laverty's history of Millinocket contains 73,000 words). A decision on publication will be made once we get a boiled down version circulated for consideration.

An advertisement for the Commercial Bulletin was prepared on behalf of the Pinkham Company. We also agreed to help Art Reynolds design a new information log to be distributed to all Pinkham customers.

Roger Boynton and Arthur Michaud escorted a photographer from the National Geographic Magazine through the mills. He asked for the tour while on assignment in Baxter State Park.

PUBLIC AFFAIRS

The special session will end April 9 or 10, Senate President Joseph Sewall predicted during the annual Colby Institute for Management April 3. He conceded that the recent jump in the income tax wasn't well thought out. Both he and Representative Leighton Conney found the tax unpopular with their audience in Waterville. Cooney, for example, couldn't answer a question directed to him asking "who will pay...what percentage of the people?" Sewall says it will be reconsidered during tax reform discussions next year. Treasury Secretary Bill Simon was the featured speaker.
Public Affairs (continued)

In Augusta, legislators were getting ready to face the critical issues: pay raises for state employees, money for the University of Maine and the spruce budworm program. Sewall predicts further the special session will close without new taxes being approved. Last week Representative Hall of Sangerville tried and failed to get another bill introduced on the scaling of wood.

In Washington, the Senate isn't expected to debate amendments to the Clean Air Act until after the Easter recess for Congress.

Sincerely,

Paul K. McCann
Manager-Public Affairs

Distribution:

J. R. Adams  T. H. Flanagan  W. E. Lloyd  T. S. Pinkham
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P. I. Firlotte  D. J. Krohn  I. P. Phelps  P. F. Yacavone
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462

Dear Bob:

The Public Affairs Department newsletter for the period ending April 9 follows:

THE LEGISLATURE

Delays in redrafting and in printing held up the Appropriations Committee's redraft of the legislation authorizing a 1976 spruce budworm control program. It did not reach the Legislature until April 9. The special session has turned into a marathon with the Democrats and Republicans divided over how to grant a pay raise to state employees. Instead of adjourning this week, the session will probably wind up April 14 or 15. Lynwood Hand does not anticipate substantial opposition to the budworm bill. The Bureau of Forestry has apparently satisfied the press that Maine doesn't use the chemical which is the suspected link between a fatal childhood disease and spruce budworm spraying in New Brunswick.

There were also these developments in Augusta:

Pollution -- The State Department of Environmental Protection said it was unnecessary. Newspapers urged that it be killed. Signed by the Governor, the bill gives the BEP authority to extend from October 1 to July 1, 1977, the deadline for the start up of industrial secondary treatment plants. To get a variance, a company must have treatment facility at least 75 per cent complete. Scott Paper Company said that if something happened to prevent the start up of its new mill there was no provision in the law to allow the Winslow mill to continue operating.

Lobbying -- At one point in 1975 the Attorney General was advising businessmen not to discuss legislation with members of the House or Senate unless they were prepared to register as lobbyist -- and disclose their salaries. The Company favors disclosure by hired lobbyists but vigorously objected to having to disclose the salaries of employees. We protested. We turned down invitations. Now we have a more reasonable law. Registration will be required only when a person spends more than eight hours lobbying in a month. Lobbying is defined as communicating directly with legislators for the purpose of influencing action on a bill. Lobbying does not include testifying before a committee. The Governor allowed the bill to become law without his signature.
The Legislature (continued)

Taxes -- Just when the Taxation Committee appeared ready to report favorably on creating an investment tax credit, members did an about face. The bill, originated by Associated Industries of Maine, is dead for the session with a "leave to withdraw" report approved.

Labor -- Three bills have been signed by the Governor which will revise the Unemployment Compensation Insurance laws. New employers will have to pay on the basis of an experience rating reflecting the statewide average (presently 3.1 per cent) instead of 2.0 per cent. The change saves the bankrupted fund $500,000 a year. Another change rules out dependents' benefits for any person whose spouse is "employed full-time." The third bill revises the law so that dependents' benefits will be charged against the Unemployment Compensation General Trust Fund. Now these benefits are charged against the claimant's employer's experience rating.

Once the session is over, we plan to again schedule a report briefing with Mr. Hand, Irv Faunce of AIM and Hank Magnuson of the Paper Industry Information Office participating in Millinocket.

PROSPERITY

Taxable sales in the Millinocket area increased 14 per cent in 1975 over 1974 according to the State Bureau of Taxation. Sales increased from $14,318,000 to $16,320,000. Only the Kittery area showed a bigger jump, 16.3%. Sales up 7.6% in Bangor, 2.4% in Madawaska-Fort Kent, 4.4% in Presque Isle-Caribou, 5.2% in Lincoln, 6.8% in Dover-Foxcroft, 3.2% in Dexter and 6.2% in all economic areas of the state on the average.

ON THE NATIONAL SCENE

Outspoken John Quarles, deputy commissioner of the U.S. Environmental Protection Agency, says the recommendations of the National Commission on Water Quality are "inconsistent, undesirable and hopelessly impractical." He told a reporter that adopting the Commission's proposal to put off the 1977 requirements on a case-by-case basis "would be totally unfair to the majority of companies which have made a good faith effort" to meet that deadline. The House Public Works Committee has started work on a bill extending deadlines for municipalities which have tried but failed to meet the timetable. While the Paper Industry is hoping to see similar treatment for industry, it is also urging that Congress wait until next year to consider the report of the National Commission. The Senate Public Works Committee finally filed on March 29 the long-awaited amendments to the Clean Air Act. Bob Shinners wrote Senator Hathaway putting Great Northern on record against the controversial nondegradation section of the bill. If Hathaway can be convinced the matter needs additional study, it would be the most we can hope for in the Senate. Senator Muskie's record speaks for itself.

FIFTH BIRTHDAY

Chief Scout Executive Alden Barber comes to Bangor on April 14 to attend a meeting marking the fifth anniversary year of the Maine National High Adventure Area.
Third Birthday (continued)

This Boy Scout program has been hailed as the best example of multiple use in the country.

If it has a flaw, it's the fact Scouts from all over America go home promoting backwoods recreation.

Since the first base opened on Grand Lake Matagamon in 1971, nearly 5,500 boys (and girls) have roamed over five million acres of forest lands in northern Maine. A second base opened at historic Pittston Farm, once the center of logging operations in the North Branch, in 1973. The Seboomook base is leased to the Boy Scouts by Great Northern. From Matagamon and Seboomook, led by a guide on the High Adventure staff, the Scouts disperse for ten days of canoeing, hiking, climbing, etc., from June through August.

John Sinclair, president of Seven Islands Land Company, has been a leader in this effort. The "pro" who spends full-time making the program work is Wallace "Bud" Jeffrey.

Next year Georgia-Pacific is expected to make land available in Down East Maine for a third base. The recession and the energy scares of 1974 and 1975 slowed down the growth of the program. But now Jeffrey sees a period of steady expansion with six or eight bases scattered through the woods and along the Maine coast and a headquarters north of Bangor off the Interstate highway.

TRAINING SESSION

With guidance from the training department, Roger Boynton and two representatives of the Polaroid Company conducted training sessions for users of this type of equipment April 8 in Millinocket. The two sessions were attended by 40 persons from different departments.

Sincerely yours,

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

Dear Bob:

The Public Affairs Department newsletter for the period ending April 16:

AIR POLLUTION

The paper industry is now supporting an alternative to the non-deterioration section of proposed amendments to the Clean Air Act. The Senate has put off debate on the amendments until members return from the spring recess on April 26. Industry is now supporting a proposal by Senator Frank Moss of Utah which would send the non-deterioration section to a National Commission on Air Quality. The Commission would be modeled after a panel which recently completed a three-year study of the Clean Air Act of 1972. It would not only take a look at the non-deterioration section but also evaluate all aspects of air pollution laws as well as their impact on employment, energy and the economy.

While it is unlikely Senator Muskie will agree to anything but stringent new legislation, we have asked him if Great Northern could build a new pulp mill in the Millinocket area if the non-deterioration section becomes law. Bob Hellendale put the Company on record with a letter to that effect. Muskie's staff says the Senator is asking the Environmental Protection Agency for clarification on this issue. The more receptive of the Maine senators is Senator Hathaway. Bob Shinners has been in contact with him. There are some reports from Washington indicating Hathaway will consider supporting the Moss study plan.

A House bill also containing a non-deterioration clause will go to the floor for debate in mid-May. It may be early summer before the dust settles on the first big environmental debate in the Congress in a decade.

SPRUCE BUDWORM

Governor Longley took time out on April 15 from his running fight with Democratic legislators to sign the bill authorizing a 1976 spruce budworm control program.
Spruce Budworm (continued)

The bill had overwhelming support in both branches of the Legislature, 106-15 in the House and 22-2 in the Senate. As an emergency bill which becomes effective immediately, the legislation required two-thirds support in both branches. The press continue to dwell on the new aspects of the program -- mainly the ideas of Conservation Commissioner Barringer. When the Governor signed the bill a year ago he said he did so reluctantly and criticized the "crisis" approach of the legislation. The Governor didn't have anything to say this time so Barringer's six-year plan was one which apparently satisfied him.

OTHER LEGISLATION

The issue of pay raises for state employees forced Legislators to give up plans for ending the special session this week.

The remaining matter of interest to Great Northern was the catch-all errors and omission bill. It contained a section rescinding the arrangements under which the Company would get wood from T6 R11, a township acquired by the State in the public lands exchange of last year. Tax attorneys advised the Company against accepting the wood because it would jeopardize the $2.7 million federal tax savings made possible by the agreement. So despite the fact that the Legislature twice approved the transaction and the Governor twice signed it into law, the wood will not come to Great Northern under terms of the 1974 agreement. Portland Press Herald Reporter Bob Cummings was asking if Great Northern is still interested in the wood -- considering budworm salvage priorities and the fact the Company would now have to pay for all of it, instead of acquiring three out of four cords as renumeration in the land exchange. The answer: "We don't really know at this time." The Portland Press Herald headlined the development "Unexpected Bonus Due State in Public Lots Deal."

ON THE AUGUSTA SCENE

Jack Roose, deputy assistant administrator for conservation of the Federal Energy Administration, will be in Augusta April 21 to explain new Federal laws to Maine businessmen. Abbie Page is arranging the program in cooperation with Associated Industries of Maine...Governor Longley is faced with making two appointments to the Board of Environmental Protection. The term of Norman Gleason of Fort Fairfield has expired. Mrs. Jean Childs of Westbrook, one of the most effective members, has resigned. She is going on the board of a bank which deals with major contractors, many of whom ask the BEP for approval of projects. State Senator Peter Johnston of Fairfield is being mentioned as a possible nominee...James Haskell, the one-time director of the Land Use Regulation Commission, has taken a $14,000 a year job as director of the Hancock County Regional Planning Commission in Ellsworth. His successor, Ken Stratton, says he is delighted that a lot of things are getting done without the necessity for the great debate that marked the Haskell era.

PUBLIC AFFAIRS

Dues were paid for the Economic Resources Council of Maine.

A contribution was made to the American Cancer Society.
NEXT NEWSLETTER APRIL 30

I will be mixing vacation with a Washington trip for the next several days. The next Public Affairs Newsletter will go out April 30. As usual when I am out of town, I can be reached at any time through Mary Bailey.

PUBLIC RELATIONS

Mary Bailey completed revising the first draft of the material for an information log for customers of the Pinkham Lumber Company. Art Reynolds is planning to distribute 500 copies.

A news release covering first quarter earnings of GNN was distributed.

With Dick Sprague of the Bangor & Aroostook Railroad, we visited Searsport. We plan an April 29 press conference when the first container shipment with paper from the GNP mills goes through the Port. Letters of invitation are going out today.

With several others, I attended the fifth anniversary meeting of the advisory committee for the Maine High Adventure Program, Boy Scouts of America. John Sinclair of Seven Islands is chairman.

Sincerely,

Paul K. McCann
Manager-Public Affairs

Distribution:

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P. I. Firlotte  D. J. Krohn  I. P. Phelps  P. F. Yacavone
May 1, 1976

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

Dear Bob:

The Public Affairs Department newsletter for the period ending May 1:

OPTIMISM IN WASHINGTON

Washington representatives of the paper industry were optimistic in reporting on several key issues at an April 23 subcommittee meeting of the Government Affairs Committee of the American Paper Industry. Some said they could see light at the end of the tunnel in the protracted Monongahela crisis. Several were hopeful that a House "housekeeping" amendment will be approved to the federal water pollution law redefining "navigable waters." If this happens, the Corps of Engineers isn't going to have to get deeply involved in forestry regulation. And on the air pollution issue, it was reported that support for the "Moss Amendment" is growing. The paper industry has endorsed the Utah senator's proposal.

On the three major issues, these additional points:

The Senate Agriculture and Forestry Committee, working with the Interior Committee, is now "marking up" (Putting in final form to be reported to the full Senate) new legislation to govern timber harvesting in the National Forests. The House Agriculture Committee has not yet established a timetable for the final drafting of its version. (Enclosed is a copy of a brochure published by the National Forest Products Association which goes into details.) While we can expect the drum-beating to continue to rally the necessary support, it appears Congress is convinced industry must have wood from the national forests.

If the amendments of the House Public Works Committee are approved by the full House, a federal court decision in ordering the Corps of Engineers to assume jurisdiction over all waters in the U.S. would be wiped out. The industry is urging support for the amendment authored by Congressman John Breau of Louisiana. In fact, the industry position is that the Committee bill, H.R. 9560, should be approved without amendment.
Washington (continued)

The Moss amendments to the proposals for changing the Clean Air Act will delete the non-deterioration section and establish a National Commission on Air Quality to study and report to Congress in a year on the effects of the controversial section. The Utah senator is telling colleagues he has 56 votes. Industry lobbyists sense growing support for the Moss position but didn't see that many favorable votes---yet. While it is unlikely Senator Muskie will ever change, industry is trying to convince Senator Hathaway of the merits of further study. Joe Tonelli, the president of United Paperworkers International Union, has come out in support of the Moss proposal. The great debate over air pollution will probably extend into June with the House following the Senate in considering the issue.

The Political Season

The primary elections in Maine will be held June 8. Delegates to national conventions are picked at party gatherings in Maine so the primaries focus only on nominations for Congress, state and county offices. In the March 19 newsletter, we reported on candidates for nomination to the major offices. Now it is possible to take a look at the legislative races. In Aroostook, Penobscot and Piscataquis counties, four of the seven senators (Minnette Cummings, Howard Trotzky, Ted Curtis and Charles Pray) are unopposed in quest of renomination. Two House members (Danny Martin and Mike Carpenter) are assured of promotion to fill the other Senate seats.

Twenty-nine incumbents are seeking renomination to represent the 50 House districts in the three counties. House Speaker John Martin is unopposed in the primary. Martin will be unopposed in the fall unless a write-in candidate qualifies for the GOP ticket in the Ashland area. There are only a few places where primary races appear likely. One is in Millinocket where both Laurette Rush and Nathalie McGibbon have filed for the Democratic nomination. Incumbent Floyd Powell (a strong backer of the bundworm control program) faces two challengers in the Fort Kent area. Frank Peltier, manager of the J. M. Huber plant at Patten, is being challenged by a young rival in his bid for the Republican nomination for the House in the Houlton area. Veteran Vaughn Walker has a race on his hands in the Island Falls region. Don Hall, who championed several causes of the Maine Woodsmen's Association, is being opposed for the District 86 Democratic nomination. (A list of all candidates is attached.)

Searsport

In cooperation with the Bangor & Aroostook Railroad, we invited representatives of the news media, legislators and state and local officials to Searsport, April 30, for the first shipment of paper in containers through the port. Jerry Perkins, GNP's spokesman at the press conference, was interviewed by Don Perry of WEMT-TV. Perry, Gordon Manual of WABI-TV and Mike Trudell of WLBZ-TV all covered the event and devoted a couple of minutes to the subject on television that evening. The Bangor News the next morning devoted a half page to the experiment and its implication for the Port of Searsport. J. Russell Wiggins of the Ellsworth American and Denise Williams of the Belfast Journal joined Herb Cleaves and Jack Loftus of the Bangor newspaper and the television reporters for the press conference held in a railroad car provided by the B & A.
Searsport (continued)

Great Northern has been criticized in the past for shipping out of St. John, N.B. The container shipment also should demonstrate again to the legislators that the thing Searsport needs to survive is a modernization program.

A press kit was developed for the Searsport sailing. It included a fact sheet, a news release, a list of those persons invited and a copy of the 1976 Port of Searsport year book containing a GNP advertisement. The material was also sent to members of the staffs of the Maine Congressional Delegation, the Governor and state officials, as well as other newspapers and associations with publications.

MR. BARRINGER SPEAKS

In an article in the Boston Sunday Globe on April 25, Conservation Commissioner Dick Barringer was quoted at length on the subject of the pulp and paper industry. John Wood wrote in conclusion:

"Even Barringer conceded that Maine's economic future is inextricably tied to pulp. His gripe with the paper and land companies, it seems, is not that they have grown too large, but that other industries have not kept pace.

"As long as Maine is dependent on pulp, we're at their mercy. A guy in Bucksport or Millinocket can't leave the mill and take another job if there aren't any other jobs. That is not a very healthy situation, for us or for them. It tends to put them in a very imperialistic position," Barringer says.

"That's not necessarily their fault; it is not every necessarily wrong. No one seriously believes that anything but pulp is going to be the basic fundamental of our economy. But it would be nice to have a little more freedom of movement for the people of the state."

Jim McBreairty is distributing copies. A while ago Jim had a letter to talk about, a letter written by the Commissioner.

PUBLIC AFFAIRS

Contributions were made to the Maine Heart Association, the Millinocket Community Hospital Auxiliary and the American Cancer Society.

PUBLIC RELATIONS

We placed an advertisement in the Katahdin Journal saluting the new owners of the Heritage Motel.

An advertisement was authorized for a Daughters of Isabella calendar in East Millinocket.

We answered questions regarding camp leases from John Bishop, publisher of Aroostook newspapers. A man had complained to him that his lease rate had been doubled. It wasn't so, in this case.

News releases and photographs were distributed covering several promotions.

Sincerely,

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

Dear Bob:

The Public Affairs Department newsletter for the week ending May 7:

**THE INDIANS MAKE NEWS**

In 1974 when the U.S. Bureau of Outdoor Recreation held public hearings on proposals to designate the upper Penobscot as a part of the National Wild & Scenic Rivers System, representatives of Maine's Indians spoke out. They challenged the right of the Federal agency to do anything with the land. The Indians said they were the legal owners of one million acres in the West Branch region and 500,000 acres in the East Branch watershed. They cautioned, too, that the issue -- whether the State of Maine had the right to sell the land -- was before the courts. The Maine tribes also were demanding Federal recognition which would make them eligible for many services long enjoyed by Indians in the West.

This week NBC News televised across the nation word of the success of the Maine tribes. The U.S. Bureau of Indian Affairs informed members of the Maine Congressional Delegation that it was preparing to recognize the Maine Indians as eligible for benefits. NBC also said the tribes are contending that vast acres of Maine were stolen from them, including millions of acres now owned by paper companies. The report included a view of the Millinocket mill and said Great Northern Nekoosa Corporation owned 2.2 million acres of timberlands in Maine. Maine newspapers headlined the development: "Full Recognition In Works For Maine Indians." But the headlines the following day, May 7, were more important to Great Northern: "U.S. Studying Suits To Aid Maine Indians."

From Washington sources came word that the strategy of attorneys representing the Indians may include seeking injunctions against owners of the disputed land, "individual landowners and paper companies." The courts would be asked to ban use of the lands until the Indians and the State of Maine had come to terms on a settlement. An attorney for the U.S. Department of the Interior was quoted by a reporter as saying that among other things the government must consider whether it will confine "its damage actions to the state or if it should sue the private owners of the rich timberlands and other natural resources involved."

Millinocket, Maine 04462. (207) 723-5131
Indians (continued)

Here is what has happened which has led to the Federal attorneys acquiring the Maine Indians as their clients.

The Indians four years ago asked the Federal government to seek $300 million in damages for land taken from them with little or no compensation. They said the State of Maine violated the Nonintercourse Act of 1790 which created a "trust relationship" between Indian tribes and the United States. In January of 1975, a Federal Judge said the old law did in fact cover the Passamaquoddy and Penobscot Indians. His decision was upheld in an appeals court. One result is the move by the Bureau of Indian Affairs to provide benefits (worth $5 million a year vs. $1 million now allocated by State) to the 2,500 Maine Indians. The other forces the Interior Department to do what it has refused to do -- seek compensation for the tribes for the land they say was stolen. Newspapers say the U.S. Department of Interior (responsible for the Indian Affairs bureau) will send a recommendation to the Justice Department in a couple of months.

Bob Hellendale on May 6 talked with Maine Attorney General Joseph Brennan. Lynwood Hand, Esq., is also looking into the matter on behalf of Great Northern.

All of the publicity was generated in a week when Tom Tureen, the Pine Tree Legal Assistance lawyer who has been handling the case for the Indians, was a speaker at a meeting of the Millinocket Chamber of Commerce. Tureen confidentially told members of the Chamber that the decisive court rulings made compensation for the Indians inevitable.

WASHINGTON NOTES

From Washington, these notes on issues of interest:

Air Pollution - Senator Muskie's illness has resulted in a delay in the Senate debate on amendments to the Clean Air Act. It'll be the middle of the month before the debate gets underway. Two members of the Senator's staff called this week to reassure Great Northern that there's nothing in the current version of the non-deterioration provision which would prevent Great Northern expansion despite its proximity to a state wilderness area, Baxter State Park. Earlier versions would have made it difficult, if not impossible to get permits for a Kraft mill such as the one studied in 1975. The Bangor Daily News in a May 3 editorial supported the paper industry's position that the non-deterioration issue should be sent to a National Commission on Water Quality and not passed by Congress.

Forest Management - Congressman Emery of Maine's First District devoted his weekly newspaper column to the crisis created by the Monongahela decision and ended up asking constituents which bill they favored, the industry-backed Humphrey-Johnson measure or the Randolph-Brown bill? George Meaney of the AFL-CIO has endorsed the Humphrey proposal and warned that "full nationwide implementation of the Monongahela Court Decision would be nothing short of catastrophe."
Bonded Labor - Congressman Cohen's offices in Washington and Bangor had to go to bat for several contractors this week and staff members were optimistic that applications for bonded Canadian woods workers would be quickly approved. Some of the contractors were late in filing. Others had their applications get bogged down in the bureaucracy. We talked with Senator Muskie's office regarding reports that he is considering sponsoring legislation to make it more difficult for Canadians with visas to work in the Maine woods. The Senator hasn't as yet. He may support a crackdown on illegal aliens.

BEP Endorsement

Associated Industries of Maine will write Governor Longley endorsing State Senator Peter Johnston of Fort Fairfield for appointment to the Board of Environmental Protection. The two vacancies on the BEP were discussed in our April 16 newsletter. Johnston is not a candidate for re-election. While approving Diamond International's plans for a wood chip mill in Milo, Board members April 28 expressed concern at a proposal to incinerate 14,000 pounds per day of waste bark. According to a BEP publication, "They urged the company to seek a market for the bark, or make some use of it. Bark has a potential as a fuel, and is used for landscape purposes."

Tax Reform

William H. Garside, legislative administrative director, will discuss tax reform at a May 14 meeting of the Paper Industry Information Office. Bill is the former legislative finance officer. He's one of the most knowledgeable men in Augusta on the subject. The Information Office is also polling industry lobbyists on what they anticipate in the way of tax proposals in the 108th Legislature opening in January. This report will be distributed at the May 14 meeting. Directors will consider the question of collective action on this issue.

The Muskie Speech

An April 23 speech by Senator Muskie to pulp and paper mill workers in Bucksport was almost ignored by the press. The Senator told the union members "It wasn't long ago that members of this union were deeply concerned that our environmental progress in recent years might cost them their jobs. Well, that didn't happen. In fact, quite the opposite happened." Muskie said the federal government's $31 million investment in water treatment construction in Maine since 1972, and an additional $81 million from the pulp and paper industry, have meant jobs in the construction industry. In addition, Muskie said jobs increased in the paper industry, worker pay has improved to an average annual wage of $10,392, and three major plant expansions were begun.
TELEVISION VIEWING

For those of you who watch Maine stations, consider "The Shanty Boys" to be shown at 8:30 p.m. Monday, May 10, on the public television network. Stills and movie footage gathered from the Northeast Archives of Folklore and Oral History, and International Paper Company are incorporated into the half-hour documentary, on logging in the old days.

PUBLIC RELATIONS

A news release on the Great Northern Nekoosa annual meeting was distributed to Maine news media.

Further clippings from the Ellsworth and Belfast newspapers reporting on the shipment of paper to Europe in containers through the Port of Searsport were distributed. A complete copy of all clippings in a report form was prepared for Joe Carena.

A picture and caption covering the three sales department trainees was published in the Millinocket newspapers.

Copies of the GNN quarterly report were mailed managers, newsmen and businessmen.

PUBLIC AFFAIRS

Two stories covering the St. Regis labor negotiations at Bucksport appear in the Bangor Daily News. In both cases, a spokesman designated by the unions did all the talking. There was no comment from management.

Sincerely,

Paul K. McCann
Manager-Public Affairs

Distribution:
TO: Distribution - Public Affairs Newsletter

FROM: Paul K. McCann

SUBJECT: Error - May 7, 1976 Newsletter

DATE May 10, 1976

In the Public Affairs newsletter for the week ending May 7, I incorrectly reported that attorneys for the U.S. Department of Interior must seek compensation for the land the Maine tribes say was stolen. The courts have only ordered the Federal government to consider, or investigate the matter. The complex legal situation is covered in the attached piece by Bob Cummings of the Portland, Maine, newspapers.

pmc/b
Enclosure

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D. A. Crippen R. Hellendale
R. W. Currier K. Y. Hodsdon
A. B. Danforth P. D. Hubbe
A. E. Dentremont R. R. Johnson
B. P. Ellen T. W. Kelly
R. K. Elston T. M. Knight
P. I. Firlotte D. J. Krohn
W. E. Lloyd T. S. Pinkham
O. J. Lombard C. H. Reed
V. F. Mattson W. A. Saucier
E. V. Maxfield E. M. Schwerin
F. C. Morrison J. H. Staples
C. L. Nelson A. J. Tozier
R. W. Noyes O. K. Tripp
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P. P. Paul G. E. Veneman
J. D. Perkins P. H. Welch
I. P. Phelps P. F. Yacavone
Indian Court Decision Raises Complex Questions

By BOB CUMMINGS
Staff Writer

The 2,500 members of the Passamaquoddy and Penobscot Indian tribes have won a major early victory in their court battle to reclaim their tribal lands in this state.

But barring an out of court settlement, no final decision on their claims seems likely for several years — and perhaps several decades.

The Indians are asking $300 million from the state for misusing Indian lands for almost two centuries. But in the words of their attorney, Thomas Tureen of Calais, this claim is only the "tip of the iceberg."

What's ultimately in question is ownership of 10 million acres of land — including all of the Penobscot River watershed and the land north and east of the Penobscot to the Saint Croix River.

If the Indians win all of their claims, they will own Baxter State Park and most of this state's newly rediscovered public lots.

They also will own the lands now claimed by Great Northern Paper Co., Georgia Pacific, St. Regis Paper, the vast land holdings of the Pingree family and the sites of 100 towns and cities.

Much of the public discussion since the Indians' recent court victory has focused on the possibility of getting up to $5 million a year from the federal government to promote economic development and to pay for education, law enforcement and other public services at the two reservations.

But clearly this new governmental largesse is just a minor "fringe benefit."

For the court decision upheld a key Indian contention that a law passed by the Congress in 1790 applies to the Maine Indians. This law, called the Nonintercourse Act, forbids states from usurping Indian lands without permission from the Congress.

The Maine Indian lands were taken over by

Gignoux's decision was issued a year ago. A U.S. Court of Appeals upheld the decision in late 1975, and the U.S. government and the State of Maine failed to appeal to the U.S. Supreme Court by the deadline this spring.

The court of appeals decision does not deal directly with the Indian claim that Maine and Massachusetts illegally took the tribal lands.

This question must be resolved by a suit filed in 1972 and held in abeyance while the Nonintercourse issue was resolved.

But the implications for the State of Maine and the state's private landowners are obvious.

Massachusetts took over the Indian lands four years after passage of a law forbidding it, and the courts have now specifically ruled that the law applied to the Maine Indians.

Tureen is reluctant to talk about it. "I don't want to try my case in the newspapers," he says. But he makes it clear that he thinks the weight of the law is now on the side of the Indian claims.

The closest legal parallel to the Maine situation occurred in Alaska. Elsewhere in the United States Congress had formally preempted the Indians' rights to their tribal lands many years ago.

The lands for the most part were simply confiscated by acts of Congress and given to white settlers, the same way as in Maine. The difference is that the U.S. Constitution gives this right to the Congress, not to individual states.

A major exception was Alaska. Congress a few years ago abrogated the Alaskan Indian claims, but it also awarded them a billion dollars and 40 million acres of land in compensation.

The Maine Indians got almost nothing.

Though the broad outline of the Indian's case is now clear, important questions remain.

Before the Indians can either recover their lands or be paid for their loss, they must prove to the courts where these lands were.

They must also demonstrate formally that the lands were taken from them in violation of the Nonintercourse Act.

Perhaps most important, the Indians must prove their major case is against the State of Maine rather than the private landholders.

Maine — and Massachusetts before it — rarely gave warranty deeds when it sold the lands taken from the Indians. The two states instead gave quit claim deeds, which give purchasers only the rights, "if any," the states owned in the land.

Thus, if Maine didn't legally own the Indian land, the paper companies and landowners of the north woods didn't legally buy any land.

In effect, the major legal battle could be therefore shifted from the state to the private owners.

The Indians might still claim Baxter Park and the public lots to which the state holds title but Maine is powerless to give back the bulk of the 10 million acres.

None of these matters, however, will be resolved quickly.

News Commentary

Massachusetts under an Indian treaty signed in 1794 — four years after Congress had declared such treaties illegal.

For the past 182 years Massachusetts and Maine, which took over jurisdiction in 1820, have claimed that the Nonintercourse Act didn't apply to the Maine tribes.

The courts have now ruled differently.

"The conclusion is inescapable that, as a matter of simple statutory interpretation, the Nonintercourse Act applies to the Passamaquoddies," declared U.S. District Judge Edward Gignoux. "The literal meaning of the words employed in the statute, used in their ordinary sense, clearly and unambiguously encompasses all tribes of Indians, including the Passamaquoddies."

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None of these matters, however, will be resolved quickly.
It took a court order to force the federal government to file its court suits against the state four years ago. Most of the federal effort since then has been to argue that it shouldn't be required to prosecute those suits.

There is no evidence that the government has begun working on the detailed preparations needed to press such a complicated legal battle.

The recent court decision made the Maine Indians wards of the federal government. But it did not specifically order that the land case be prosecuted.

The Maine Attorney General's Department has opposed the Indian claims for at least a decade and is expected to continue to do so.

The state has argued that time has erased any past errors.

Cities and towns have been built and major industries created on the former Indian lands. All this cannot be undone, it will be argued, without hurting thousands of persons who played no role in taking those lands.

Some wrongs cannot be made right without creating greater wrongs, the state will claim. And that would be the result, it will contend, of wresting away from the current landholders the territories taken from Maine's Penobscots and Passamaquoddiies by the State of Massachusetts 182 years ago.
May 15, 1976

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

Dear Bob:

The Public Affairs Department newsletter for the week ending May 14:

**TAX REFORM**

"Thank God for the corporations," said Bill Garside. He's the chief financial advisor to the Legislature. State of Maine income is exceeding estimates thanks to unexpected revenues from the corporate income tax. It now looks like the State will close the books in the black in June. Garside was the speaker at a May 14 meeting of the directors of the Paper Industry Information Office in Augusta. The session was devoted to tax reform because Governor Longley and the legislative leadership have been saying this issue will have top priority at the session starting in January. Also participating in the discussions was Portland Attorney Don Perkins who represents PIIO and several paper companies.

Garside complimented Governor Longley for doing something no other Governor has done, vigorously opposing growth of state government and seeking to cut costs. If the State needs more money, Garside thinks the place to get it would be the sales tax. A one percent increase in the five percent tax would net $30 million a year but he said it is doubtful if the Legislature would agree with him. Garside said the Legislature decided to repeal the Inventory Tax three years ago but only replaced $2 million of the $12 or $13 million revenue loss which will result. The phase out period terminates this year. That's going to create a shortage for the Legislature to deal with of $25 million over a two-year period. The probable solution: reinstituting the tax. Garside said there are only so many tax sources and at this point does not see tax reform as a complicated issue.

Perkins said that the Governor's staff and his special committee on taxation, the State Planning Office and the State Department of Finance are all devoting considerable time to tax reform. John Salisbury, the executive director of the Maine Municipal Association who heads the Governor's tax committee, is pressing this issue. All are asking:

Are paper companies paying their fair share of taxes?

Are the unorganized territories contributing their fair share of taxes?
Tax Reform (continued)

Perkins and Morris Wing, regional manager of woodlands for International Paper, said value added taxation is being discussed. Members of a Maine Forest Products Council Committee are talking about a tax on wood when it comes to a mill, because they feel property taxes have reached the point where the land can stand no more. Maine towns are complaining because timberlands assessed under the Tree Growth Tax Law formula are not generating the tax dollars other lands produce. Conservation Commissioner Dick Barringer has told Perkins the Conservation Department is getting involved and hopes the paper companies will do something besides fall back on the defensive. He's concerned because of the forest resource.

Finally, the PIIIO directors took these initial steps:

1) Ask the executive director to determine if retired State Tax Assessor Ernest Johnson or another would be available to do an analysis of taxes now being paid in Maine by the paper industry;

2) Voted to establish a committee to immediately seek the names of potential experts who could be retained to work with the Maine industry to develop a tax program and to advocate its adoption. Before this step is taken, directors will have to approve the project and the expense involved.

NEW PRESSURE ON THE WEST BRANCH

In acquisition of land for coastal parks and the Allagash Wilderness Waterway, State funds were matched on a dollar-for-dollar basis with Federal funds through the Land & Water Conservation Fund of the U.S. Bureau of Outdoor Recreation.

Provisions of the fund permit the State to use land donations as the basis for obtaining Federal matching funds. But technically the State must formally notify the Federal government before a donation is made. Herb Hartman, director of the Bureau of Parks & Recreation in the State Department of Conservation, is seeking such notification from landowners planning to donate land to the State as part of exchanges involving public lots. Did the State slip up in the case of the Great Northern exchange? And if they did are bureaucrats in Washington using it as leverage to push the State into seeking "protection" for the West Branch? That was the speculation this week.

Herb Hartman said May 10 he is getting ready to ask Great Northern's cooperation in planning for protection of the West Branch.

And the Land & Water Conservation Fund is scheduled to get a big dose of money approved by Congress despite President Ford's opposition. The House voted 392-3 to increase authorized funds from $300 to $800 million. The Senate version allocated $1 billion.

CONTROVERSIAL NOMINATION

Governor Longley's nomination of Mrs. Mary Sottery of Portland as a member of the Board of Environmental Protection is going to run into opposition at a May 19 public hearing scheduled by the Executive Council.
Controversial Nomination (continued)

She's considered anti-business. Mrs. Sottery, chairman of the Portland School Committee, would replace the capable Jean Childs. Mrs. Childs resigned a few weeks ago. The Governor also ignored recommendations from the business community and nominated Arlen Kinney to the board. Kinney operates a camping area in North Monmouth. The Executive Council will consider his nomination along with that of Mrs. Sottery. Industry had favored the nomination of State Senator Peter Johnston of Fort Fairfield for the seat being vacated by Norman Gleason, also of Fort Fairfield.

Troubles

The industry-wide Monongahela Task Group has alerted paper companies to the fact that the bill filed by Senator Humphrey has been drastically amended and is not unacceptable to the forest products industry. If approved as redrafted by the Agriculture and Interior committees, the new version would reduce the supply of federal timber needed to meet consumer requirements for paper and wood products. Industry lobbyists want the Committee to recall the bill and delete restrictions on timber harvesting. If this can't be done before the session ends, industry wants only temporary relief providing necessary timber for processing in Virginia, West Virginia, North and South Carolina. The original Monongahela decision in 1975 has reduced timber supply in those states.

Double Trouble

Will Governor Longley decline to reappoint the veteran Jimmy George of Waterville to the Maine Employment Security Commission? Will Longley decide to allow George to continue to serve, but without reappointing him to the Commission which administers the Unemployment Compensation Insurance program? Directors of Associated Industries of Maine were told May 11 that Longley isn't likely to reappoint George. If he decides to let him serve without appointment, the Governor may be indicating he will propose elimination of the Commission. That was a recommendation of the efficiency study of state government the Governor chaired before he jumped into politics. While AIM is in favor of efficiency in government, the directors want a representative of the business community on the MESC. It's natural they say to want representation when you are paying 100 percent of the costs. Candidates to succeed Mr. George include Senator Minnette Cummings and former State Representative Stanley Shaw of Farmingdale. The name of former State Representative Louise Lincoln of Bethel has also been proposed as a candidate. The job pays $19,500.

Air Pollution

Senate debate on amendments to the Clean Air Act has been put off now until early June. The American Paper Institute reports that approximately half of the Senate would not support the Moss amendments deleting the controversial non-deterioration section from the proposal changes in the law. Moss favors sending the issue to a Commission for study. So does Joe Tonelli, United Papermakers International Union president, who said in a letter to Senators "Our members are not opposed to clean air and fresh streams. We simply feel that there are other factors which must be thoroughly studied before enacting S. 3219. Even though modified, it will wreck havoc upon the paper industry and thereby upon the members I represent."
PUBLIC RELATIONS

Frank Sleeper of the Maine Sunday Telegram called May 7 to ask when Great Northern's labor contract expired and how many employees were involved. He was doing a survey.

Jack Alley of Maine Times called May 10 to ask if attorneys for Great Northern had been, or were looking at the Indians' law suit. Our answer was "yes."

Monday, a new Maine weekly newspaper devoted to covering the business community, appeared May 10. Stories on the GNN annual meeting, the Searsport container shipment and the paper industry's expansion in the State, were included in the first issue. Cam Niven, publisher of the Bath-Brunswick Times Record, is printing the new publication. Bruce Ellison, former business editor of the Cleveland Plain Dealer, is editor.

Releases on two appointments were distributed to the news media.

Copies of a new information log were provided the sales department of the Pinkham Lumber Company for distribution to customers.

PUBLIC AFFAIRS

A contribution was made to the fund being raised to honor retiring Millinocket Fire Chief Chris Clark. A GNP delegation will attend.

Annual dues were paid to the Maine Forest Products Council.

I discussed public affairs for a class of 75 seniors enrolled in the forestry program at the University of Maine.

Sincerely,

Paul K. McCann
Manager-Public Affairs

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

Dear Bob:

The Public Affairs newsletter for the period ending May 28:

**ECONOMIC EDUCATION**

With Dr. Arthur Johnson of the University of Maine, I visited in Madison, Wisconsin. We went there to explore the economic education efforts of Dr. Jon G. Udell, Irwin Maier Professor of Business. The Irwin Maier chair is dedicated "through scholarly activities, to improve and promulgate a fair and objective understanding of the American economic system and the role of business and society in that system." The chair is endowed with $700,000 raised by Udell. Dr. Johnson has been the leading advocate of a Maine economic education program which has never generated the financial support required to make it a winner.

Udell focuses a lot of his attention on the news media. He works closely with publishers to promote economic development. As a result of one study, Udell says the State of Wisconsin rethought its policy of business taxation. During the recent recession, the professor said, Wisconsin continued to grow.

Following our return, we met with Bob Hellendale, May 26 in Orono and Dr. Johnson outlined a proposal for consideration. If we get involved, it is going to cost money. If we don't get involved, we remain on the defensive. An effective economic education program aimed at the media, legislators and the young people of this state is needed.

**WASHINGTON**

The House is expected to take up amendments to the Federal Water Pollution Act on June 2. Bart Harvey of the Woodlands Department has written Congressmen Cohen and Emery urging their support for the bill, particularly the section limiting the jurisdiction of the Corps of Engineers over forestry activities. Harvey has escorted Congressman Emery and members of Cohen's staff on tours of the West Branch.... Attorney Gerald Rudman was asked to interpret the scope of two bills filed in Congress apparently creating new barriers for Canadians with visas who want to work in Maine....The Senate finally expects to start
Washington (continued)

debating amendments to the Clean Air Act on June 3. Senator Muskie has written Bob Hellendale that "The nondegradation provision allows very adequate growth for all areas of Maine." The Senator said the Federal legislation will not cover Baxter State Park thus creating a hardship for adjacent communities and industrial firms which want to grow.

**Spruce Budworm**

Finally on May 27, just as the spraying program was to be launched, the Office of Budget and Management released federal matching funds for the 1976 spruce budworm control project. Jim Case of Senator Muskie's staff said that OBM people were questioning the intent of the Congress in appropriating additional funds for pest control. The OMB staff was debating if the money were intended for use on private lands. It's consistent with past performances. The OMB has always questioned if the spruce budworm appropriation wasn't a subsidy to private landowners, Case said. It is one reason why Case and others in Washington expect difficulty in again obtaining 50 percent matching funds in 1977.

As the State of Maine got ready to spray again readers of the Bangor Daily News and Canadian television news were exposed to an intensifying controversy over spraying in New Brunswick. The mayor of one small town said children were sprayed while waiting for a school bus. Opponents charged deliberate spraying of critics of the program. They told of chest pains and burns as the result of spraying. They told of bees dead in their hives. Police are investigating attempts to sabotage spray planes by adding sugar to gas tanks. Maine Times told of a New Brunswick mother fleeing the spray area because of the possible link between Reye's Syndrome, a fatal children's disease, and the spraying in Canada. She said others are also fleeing. So far there has been no opposition develop in Maine. The geography of the state is different from that of New Brunswick. There are fewer small towns mixed in with the spray area -- except in Washington County.

Meanwhile Dr. Lloyd Irland, a Yale professor of forestry, was hired as Forest Insect Management by the State Department of Conservation. Commissioner Barringer has named Vladek Kolman, a consulting forester from Brewer; John Diamond, a University of Maine entomology professor; Ted Tryon, a Sewall Company forester; Morris Wing of International Paper; and Ms. Diantha Carrigan of Portland, the leader of the Friends of Bigelow organization --- a group trying to turn the mountain into a park; to the new Silvicultural Practices Committee for the program.

**"Dollars and Sense"**

A slightly condensed version of Bob Hellendale's speech in Portland April 1 was published in the May issue of Maine Business Indicators. The publication is sponsored by the Maine National Bank and is prepared by the Public Affairs Research Center of Bowdoin College. It goes to over two thousand people in business and government.
Governor Longley May 26 nominated a retired banker from Auburn to serve on the Board of Environmental Protection. Conrad Doucette was the Governor's choice after he withdrew the nomination of Arlan Kinney because of a possible conflict of interest. If approved by the Executive Council, Doucette will replace Norman Gleason of Fort Fairfield. Doucette will have the backing of the business community which never got to first base with its candidate, Senator Peter Johnston of Fort Fairfield.

SEARSPORT

At the suggestion of Jerry Perkins, we arranged a June 3 meeting with State Transportation Commissioner Mallar to discuss the future of the Port of Searsport. Great Northern's container shipments and the need for facilities to handle containers at Searsport were discussed in a Maine Times story of May 21. Information on the second shipment was also provided Davis Crippen who got questions from a trade publication and from the Paper Industry Information Office in Augusta who wanted it for the organization's newsletter.

ADVERTISING & PROMOTION

Name tags containing the new GNP logo have been distributed... Ad-Media, an Augusta advertising agency, is working on the design and construction of a float for holiday parades in East Millinocket and Millinocket...Revised editions of the mill tour guides have been ordered...A leaflet design by Ad-Media covering GNP environmental progress is getting final review...Containers have been ordered which will allow customers to take home a GNP seedling from Millinocket...The label for maple syrup used as tokens has also been redesigned to include the new logo.

PUBLIC RELATIONS

"You don't need a ticket to go down the West Branch today and there are no problems," wrote Wayne Hockmeyer of Rockwood in The Maine Sportsmen. Hockmeyer questions the need for Federal designation as a Wild & Scenic River.

PUBLIC AFFAIRS

Retiring Millinocket fire chief Chris Clark was honored at a testimonial banquet May 22. A delegation attended from GNP.

Great Northern contributed to the cost of jackets for Schenck High School's successful basketball team.

A Pinkham Company donation was recommended to the Ashland area Dollars for Scholars program.

ENCLOSURES

"Maine...a very special place" is a folder published by the Economic Resources Council of Maine. Ken Ramage, UPIU international representative, and three local union leaders are pictured in the brochure.

Sincerely,

Paul K. McCann
Manager-Public Affairs
June 4, 1976

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

Dear Bob:

The Public Affairs Department newsletter for the week ending June 4:

ELECTION DAY

June 8 is election day in Maine and Governor Longley is being credited with stimulating more voter interest than any of the candidates for office. The Governor this week came out in opposition to creating a 40,000 acre wilderness park. He said there is no money available to acquire the land. Further the Governor said that the best part (over 5,000 acres) has already been acquired. The Economic Resources Council of Maine had earlier put a $20 million price tag on the project. More than 55,000 voters signed petitions last year to force a referendum on the issue. But the proposal facing voters includes no funds. Conservation Commissioner Dick Barringer has feared that all available state funds for parks and other projections would be drained away if voters approve the Bigelow project. The Governor agreed.

Outside of the Bigelow issue, the only real race on the Maine scene is in the First Congressional District where seven men are running for the Democratic nomination. The winner gets to oppose incumbent Dave Emery in the fall. Dick Barton, a former assistant to Senator Hathaway, may be the victor in a fast finish. He's a 26-year-old liberal who says "Small is beautiful, at least where Maine industry is concerned." House Majority Leader Neil Rolde, State Senator Bruce Reeves, former State House Director James Mitchell and State Representative David Bustin are all given a chance to win.

Republicans are hoping to regain control of the House of Representatives on the State level but veterans give them only a slim chance of success. There are twenty-two contests on the Democratic side, 23 on the Republican. Seven Senate nominations are being contested by Republicans, six by Democrats. In Portland, 21 Democrats are competing for ten nominations. Lots of people are speculating on the outcome of a Washington County Senate race between the Senate's dean, J. Hollis Wyman and Abbott Greene. Both want the Republican nomination. Wyman, a blueberry grower and sardine packer, is chairman of the Tax Committee. Greene, an airlines pilot, is on leave. He ran unsuccessfully for Congress a few years ago and is an aggressive, intelligent candidate.
In Augusta

Charles Wyman of Lisbon Falls is resigning as a member of the Board of Environmental Protection to join the Governor's staff. An existing vacancy on the BEP will be filled June 16 if the Executive Council approves the nomination of Conrad R. Doucette, a retired Lewiston area banker. It looks like John (Jack) Daigle, the Portland banker who chaired the Governor's Economic Advisory Committee, is going to be the key man in putting together the administration's tax reform package. Daigle has been, or soon will be, named chairman of a committee which will meet weekly with the Governor to put the proposals together.

Roger Mallar, State Transportation commissioner, said this week that the Governor and Legislative leaders are aiming for the shortest possible special session in mid-June. Leaders of unions representing state employees have accepted a compromise pay plan structured by Mallar at the request of the Governor and legislative leaders. It looks like the Governor will emerge as the winner in the struggle over spending.

In Washington

An aide to Congressman Cohen says the forest industry got basically what it wanted when amendments to the federal water pollution laws were approved, 234-121, June 4 in the House. Cohen and his colleague from Maine, Dave Emery, would have preferred an amendment giving more protection to wetlands than the one finally approved. The forest industries have been seeking to eliminate the duplicating controls created by the U.S. Corps of Engineers being forced by court action to extend their traditional regulations into the logging field. Great Northern had urged the Maine Congressman to support restoring the traditional definition of "navigable waters." Senate debate over anti-trust legislation delayed action on amendments to the Clean Air Act. The American Paper Institute now expects the air pollution amendments to go to the Senate floor June 10. In an interview with a reporter for the Maine Sunday Telegram last week, Senator Muskie indicated he might in the end wind up supporting proposals to delay action for a year to permit study of the non-deterioration provision. The Maine Senator said he would still urge action, however, to provide auto manufacturers with the guidelines he thinks they need for the future.

Honors for the Paper Industry

The Pine Tree Council, Inc., Boy Scouts of America, June 2 honored the Maine paper industry for its "outstanding contributions to the economic and cultural betterment of the State of Maine, and their illustrious service to youth." Over 300 persons paid $100 each to attend the salute in Portland. Former Governor Curtis was the principal speaker. Awards were presented to Boise Cascade, Diamond, Fraser, Georgia-Pacific, Great Northern, International, Keyes, Lincoln, Pejepscot, Scott, St. Regis and S. D. Warren. Paul Firlotte accepted on behalf of Great Northern. The Scouts plan an annual awards night fund-raiser.

Searsport

With Jerry Perkins, Howard Cousins of the Bangor & Aroostook Railroad and Hartley Fraser, we visited Transportation Commissioner Maller in Augusta June 3. The needs of Searsport as a container port were discussed. The Commissioner agreed to explore ways of the state buying a crane needed to handle the new traffic.


C OF C RATINGS

The state representative seeking the Second District nomination to oppose Congressman Cohen in November ended up batting .000 in the State Chamber of Commerce annual rating of legislators. Leighton Cooney of Sabattus didn't find the businessman's side of the story appealing on any of the session's key issues. Representatives Bowie, Morton, Palmer (the Republican leader) and Rollins batted 100 percent. In the Senate, Berry of Cape Elizabeth, Graffam, Roberts and Wyman were 100 percenters. The chamber is the first Maine organization to try rating members of the Legislature.

TOUR

Directors of the Eastern Maine Development District from Penobscot, Piscataquis, Hancock, Waldo and Washington counties toured Great Northern woodlands and the Millinocket mill June 2. Ray Goody, Penobscot District superintendent, and Galen Lander, Millinocket mill plant engineer, guided the dozen directors and three staff members of the economic development and planning organization.

PUBLIC RELATIONS

Monday Editor Bruce Ellison called with questions regarding labor negotiations in the paper industry. Monday is the new tabloid reporting on Maine's business and industry. Publisher Cam Niven says the weekly needs 3,000 circulation to break even....Phyllis Austin of Maine Times was in Millinocket to do a story on the Fin and Feather Club. She stopped by to discuss the spruce budworm and other topics....Roger Boynton put together a page of pictures taken at the retirees banquet for publication in next week's Katahdin Journal....Gordon McKibben, Boston bureau chief for Business Week, called for background information on the newsprint scene. Business Week is exploring reports of a soft market. We filled him in briefly after talking with John Staples. McKibben is a frequent Maine visitor....Jack Gardner of the State Department of Conservation is arranging a June 9 press tour for Maine media. Reporters, legislators and others will be invited to Presque Isle to observe the spruce budworm spraying. So far Jack reports no national media have asked to visit....Maine Day will be June 25 on the NBC program "Today" and a series of slides on the state's paper industry have been requested by the producers.

Sincerely,

Paul K. McCann
Manager-Public Affairs

pmc/b
Distribution:
J. R. Adams T. H. Flanagan W. E. Lloyd T. S. Pinkham
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P. I. Firlotte D. J. Krohn I. P. Phelps P. F. Yacavone
June 11, 1976

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

Dear Bob:

Issues as well as the weather warmed up on the Washington scene in the week ending June 11. Some developments were encouraging, others were not. Those and other subjects are covered in the Public Affairs Department newsletter:

WASHINGTON

Members of the Government Affairs Committee spent an hour June 8 exploring how the American Paper Institute had, as Art Smyth of Weyerhaeuser put it, got itself on a "horrible hook." Chairman Al Duval of Hammermill kicked off the monthly session by explaining the API Executive Committee's decision to continue publicly supporting recycling incentives. Duval said API may have been hasty in taking the position several years ago but now was no time to back off -- just as Congress may provide such incentives. He said there are sharp differences within the industry. Fearful that Congress will kill capital gains treatment for timberlands as the price for recycling incentives, several major companies have indicated they will split with API and fight a bill recyclers hope will be enacted.

On other subjects, there were these reports:

Air Pollution -- Debate on the controversial amendments to the Clean Air Act could come in a few days but it looks more and more like the issue may be shelved. There is growing support for the industry-backed Moss amendment calling for a study of the non-deterioration section of the proposed amendment. (A yet to be released Environmental Protection Agency report will say "all new kraft mills and capacity expansions announced since 1971, covering the period through 1978, could be built as planned under the Senate and House non-significant deterioration proposals without additional control technology or altered fuel use.")

Monongahela -- The legislation going to the Senate is unacceptable to industry. The House is waiting for Senate action before taking any steps to solve the problem. A short range approach may be the only one which Congress can take before adjourning in October.

Unemployment Compensation -- Industry is anticipating an all out battle late in June over proposals to establish a national benefit standard.

Millinocket, Maine 04462. (207) 723-5131
Washington (continued)

Water -- Advocates of the Wright-Breaux amendment to the Water Pollution Act are now turning to the Senate in search of support. The Wright-Breaux provision restores the traditional definition of navigable waters and exempts forestry from control of the Corps of Engineers. A Senate bill already approved doesn't do the same things. Lobbyists are trying to figure out how to get a Senate vote on the House provision before the two pieces of legislation go to a conference committee. It's confusing but possible. Unless the Senate acts in the next month, the jurisdiction of the Corps will expand from 50,000 miles of rivers and harbors to over 3,500,000 miles and from 50,000 miles of lake front to 4.7 million miles.

Taxes -- More tax relief for pollution control facilities and extension of the 10 percent investment credit are two things which may happen. The Senate soon will start consideration of tax reform.

Representatives of 27 companies attend the meeting.

THE VOTE

"It highlights some immediate citizen preferences. It points to where emphasis should be placed further down the road. It lessens the guessing games and gives policy settlers and government decisionmakers some heretofore unavailable guidance in the never-ending hurdle of trying to do the right thing in the environmental-economic tradeoff."

--- Bangor Daily News, June 10, 1976

When they went to the polls June 8, voters had a choice:

(1) Endorse state acquisition of land for a 40,000 acre state park in the Bigelow Mountain area, or

(2) Turn it down as too expensive and unnecessary as urged by Governor Longley and Conservation Commissioner Barringer.

By a vote of 85,163--81,670, the people of Maine favored the creation of a park. The urban areas provided the margin. Towns such as Millinocket and East Millinocket in rural Maine opposed the proposal but communities such as Orono and Augusta generally saw voters favor the park. It leaves Conservation Commissioner Barringer with a job to do and without what he turns as adequate money to buy the land. One source is the U.S. Bureau of Outdoor Recreation. Bureaucrats in the BOR are pushing the State to do something to "save" the East and West Branches of the Penobscot.

The Bigelow vote was the highlight of the day. As expected, Bob Monks won the Republican Senate nomination to oppose Ed Muskie in the fall. Young Rick Barton won the Democratic nomination for Congress in the First District and will challenge Dave Emery.

On the legislative scene, the veteran Hollis Wyman of Milbridge survived a primary fight as a half dozen of his colleagues went down to defeat. Don Collins of Caribou defeated Hayes Gahagan in Aroostook. Senator Chuck Cianchette was upset by young Matthew Levine in Central Maine. Levine's father, Aaron, was rejected as Commissioner of Agriculture last year by the Democratic Executive Council on which Cianchette's brother serves as chairman. The elder Levine is a Senate candidate from Waterville.
The Vote (continued)

Interviewed by a reporter from the Bath-Brunswick Times Record after winning the House nomination in the Nobleboro area, one young Democrat said one of his top priorities was going to be researching "the question-
able land titles now held by paper companies."

ON THE AUGUSTA SCENE

Conservation Commissioner Dick Barringer has his staff working on a forest practices bill for submission to the next session of the Legis-
lature....Bob Hellendale has agreed to discuss "Capital and New Business" at a June 24 meeting of the Commission on Maine's Future at the Civic Center in Augusta....Ernest Johnson, retired state tax assessor, has agreed to put together a plan for a study of the impact of state taxes on the paper industry in Maine. He will outline his thoughts to a June 25 meeting of a committee of the Paper Industry Information Office....The Forest Resources Study Committee cancelled plans for a June 15 seminar at which Dr. V. F. Mattson and Lester Hazelton were going to represent Great Northern....The Committee will go through with plans for a tour of GNP forestry operations in the Ashland area June 21.

PUBLIC AFFAIRS

After reviewing two bills now before the Congress, Attorney Robert Sutcliffe advised GNP that if passed the bills would impose controls over Canadians with visas working in the Maine Woods. Cutters with visas con-
stitute a major portion of the work force. We will go to the Maine Congressional Delegation with Henry Deabay and alert them to the potential impact of the proposed laws.

In Orono we interviewed Wayne M. Leary on recommendation of Dr. Arthur Johnson. We are looking for a graduate student to go to work at once on a two-month tax study for GNP. Leary will come up with a proposal in a week or ten days. He is available in July and August.

In Bangor we talked with Curtis Hutchins of the Dead River Company who is promoting regional concerts by groups associated with the Bangor Symphony Orchestra.

PUBLIC RELATIONS

In Portland we heard Peter Thompson of Central Maine Power Company describe how the utility handled release of news covering the recent bombing of the Company's Augusta headquarters. CMP got the news out fast and its president, Skip Thurlow, dealt personally with the tele-
vision people at a news conference.

Aileen Roach of the PIIO staff showed the industry's new slide pre-
tentation to several GNP employees and also at the Middle School.

A contribution to the Allagash Logging Museum was recommended. The Museum recently was damaged in a twister.

A release on a GNN acquisition was distributed.

Sincerely,

Paul K. McCann
Manager-Public Affairs
Great Northern Paper
June 25, 1976

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

Dear Bob:

The Public Affairs Department newsletter for the period ending June 25 follows:

**COMMISSION ON MAINE'S FUTURE**

When legislators established the Commission on Maine's Future, they charged the 40 members with the job of coming up with a growth and development policy for the State. On June 24, the Commission devoted a day to the subject of "Capital and New Business." Bob Hellendale was asked to discuss "major investment activity in Maine."

In responding to a request for comments on ways the State could improve its investment climate over the next 25 years, the GNP representative urged "efficient government -- as efficient as intelligent people can make it -- and no more than we can afford." While talking about taxation, Bob distributed the following table, a State breakdown of properties and taxes incurred by Great Northern Nekoosa:

<table>
<thead>
<tr>
<th>Book Value of Properties (Cost less Depreciation)</th>
<th>Maine</th>
<th>Arkansas</th>
<th>Georgia</th>
<th>Wisconsin</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>44%</td>
<td>13%</td>
<td>27%</td>
<td>16%</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>State Tax Load</td>
<td>68%</td>
<td>6%</td>
<td>13%</td>
<td>13%</td>
<td>100%</td>
</tr>
<tr>
<td>State Taxes For Each Dollar of Book Value</td>
<td>6¢</td>
<td>2¢</td>
<td>2¢</td>
<td>3¢</td>
<td>4¢</td>
</tr>
<tr>
<td>Taxes Paid Per Sales Dollar</td>
<td>4.4¢</td>
<td>1.3¢</td>
<td>1.4¢</td>
<td>1.4¢</td>
<td>2.6¢</td>
</tr>
</tbody>
</table>

**NOTES:**
Tax Year 1975
Book Value 12/31/74
The four states shown above are those in which major facilities are located

On the subject of factors that favor or oppose a Maine investment, he explained why wood costs are higher in Maine than in Georgia, Wisconsin or Arkansas. "It takes more man hours to get a cord of wood out of Maine woods than in the South." The costs include road-construction and maintenance, camps for the workers and other factors, including a harsh climate.
Maine's Future (continued)

He said that for this reason he personally does not expect major industrial expansions in the next five to ten years.

Asked to comment on environmental regulation, Bob said water pollution laws are pretty much the same across the country -- or will be soon. But he said Maine's stringent air laws mean that it will be more expensive for polluting industry, such as pulp and paper, to do business here and the State will pay in social terms. He cited the costs of an incinerator versus a cone burner for the Pinkham Lumber Company. And while most people at the meeting said they hoped Maine would get more small businesses, Bob said that the air pollution laws and other regulations work against desires. Small companies can't gear up to contend with the paperwork and other expenses involved.

Approximately 50 persons attended the meeting held at the Civic Center in Augusta.

THE BAD NEWS

Personal income taxes go up in Maine July 1, the result of action by the Legislature earlier this year. With help from Wayne Hand of the Controller's Department, we offer this comparison of what a married taxpayer with four earned exemptions now pays and will pay in the future:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,000</td>
<td>$60</td>
<td>$32</td>
<td>$32</td>
</tr>
<tr>
<td>$15,000</td>
<td>160</td>
<td>126</td>
<td>128</td>
</tr>
<tr>
<td>$20,000</td>
<td>310</td>
<td>304</td>
<td>352</td>
</tr>
<tr>
<td>$25,000</td>
<td>460</td>
<td>540</td>
<td>674</td>
</tr>
<tr>
<td>$30,000</td>
<td>660</td>
<td>822</td>
<td>1,056</td>
</tr>
</tbody>
</table>

Other non-emergency acts of the first special session take effect on July 29.

WASHINGTON

The American Paper Institute now expects Senate debate July 19 on the amendments to the Clean Air Act. Dick Calkins of API has written Russell Train of EPA challenging the Federal agency's contention that the proposed non-deterioration amendment would have no impact on the kraft pulp and paper industry. API now expects the House during the week of June 28 to start debate on the Unemployment Compensation Bill, HR 10210. We wrote Congressmen Bill Cohen and Dave Emery of Maine to oppose any Federal standards. Congressman Corman of California is seeking to amend the bill to include such a standard.
AUGUSTA

On the same day that Bob Hellendale met with the Commission on Maine's Future, Bart Harvey attended a meeting of a committee being organized to deal with non-point pollution problems. It will be dominated by agricultural interests. Fred Hutchinson, vice president of the University of Maine, is chairing the committee....Fred says that the biggest problem faced by the Select Committee on Maine's Forest Resources is getting Dick Barringer to attend meetings. The Conservation Commissioner didn't get to Aroostook this week when the GNP woodlands department hosted a tour. Jim McBreaity was there and the repre-sentative from Perham continues to shoot holes in Barringer's long-range budworm program....Helen Ginder, the chief staff member for the Forestry study, attended the meeting of the Commission on Maine's Future....

PUBLIC RELATIONS

A news release on the contract impasse was distributed June 21 to the Bangor Daily News, WABI-TV, WLBZ-TV, the Katahdin Journal and radio station WMKR. Questions regarding contract negotiations also came from The Associated Press, United Press International and the Maine Sunday Telegram. With guidance from Jim Adams, we provided the media with answers to most of their questions.

Three news releases on promotions were drafted.

With Vic Mattson, we traveled to Rockport to help with the start of planning for the 1977 TAPPI Research Conference. It'll be held at the Samoset Resort. Vic is program chairman.

We agreed to sponsor, as GNP has in the past, publication of the history of Millinocket. Belle Rush, bicentennial committee chairman, is coordinating the project.

Don Koons, former Conservation commissioner and former chairman of the Board of Environmental Protection, attended a June 16-18 meeting of the Public Relations Committee of the Paper Industry Information Office. Koons says the industry has gained prestige by responding effectively to the pollution challenges. Industry programs of assistance for small woodlot owners was another area in which he praised the paper companies. St. Regis is balking over the legal fees provided in the budget for issues such as dealing with the Land Use Regulation Commission and directors will have to thrash out the matter at their next meeting. From GNP's point of view, the fund has provided a necessary service.

PUBLIC AFFAIRS

Contributions were approved to the Katahdin Jaycees for circus tickets, Pine Tree Camp for Crippled Children, Lumberman's Museum in Patten, Association of Aroostook Indians for a day camp for children, and the Maine Forest and Logging Museum, Inc.

Conservation Commissioner Barringer, members of the Land Use Regulation Commission and staff members are all urging industry spokes-man to stand up and participate in the current round of public hearings.
This time the subject is a revised comprehensive plan. GNP will do so in Greenville Monday. The last time industry was ignored. But LURC has a new commission membership and a new director. Maybe this time they will do more than listen to the industry.

Enclosure


Sincerely,

[Signature]

Paul K. McCann
Manager-Public Affairs

Distribution:

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

Dear Bob:

The third anniversary edition of the Public Affairs Department newsletter follows, covering events in the week ending July 2.

**THE LABOR FRONT**

It's a summer when labor negotiations are making news in Maine. Contracts covering all major companies are expiring. This week the focus was on Great Northern.

In Bangor on June 28, or from Millinocket the following day, we provided information to WABI-TV, WEMT-TV, WLBZ-TV, the Bangor Daily News, the Associated Press, WLBZ radio and WMKR radio in Millinocket. A news release covering the essentials of the June 28 agreement was broadcast starting at 8:30 a.m. the following morning as prime local news on the Millinocket station.

On July 1 when the contract was ratified we again dealt with the media. A reporter from WEMT-TV (Channel 7) came to Millinocket to film the voting. We made a tape of the results from WLBZ. United Press International joined the Associated Press in covering the story. Shortly after the results were known at 7 p.m., a bulletin was broadcast over WMKR.

When our first release saying eleven of 12 locals was challenged by a Bangor News reporter who said she was told by a union president that his members were still voting, we had to seek material for a correction. We did. It was provided all the media who had received the information.

In only one case all week did we find the essentials of the story (the economics) reported incorrectly by the news media although by and large reporters admit they know very little about industrial relations. The same man who takes an airplane ride with the Air National Guard the next day tackles the intricacies of negotiations. A girl just out of college follows him to bat. Details that seem important to men dedicated to achieving a contract unfortunately are not always appreciated by these people. Several of the reporters (apparently making less than $200 a week) volunteered the opinion that GNP workers earn a lot more money than people do in their business -- even if they have been working a few years.
A Strike & A Settlement & A Shutdown

Bath Iron Works Corporation in Bath, which employs more people than any other company in Maine except Great Northern, has been struck for three weeks. Some 2,300 shipbuilders have rejected a $2.07 hourly wage increase spread over three years and "a string of benefits a mile long" according to Federal Mediator John LaPointe....Boise-Cascade, a new name in Maine's paper industry, now that it has acquired Oxford Paper Company saw a new contract approved by a narrow margin on the day its old pact expired. The two year agreement provides an 11 percent wage increase in the first year, 10 percent in the second....Down East the Woodland pulp and paper mill of Georgia-Pacific Corporation shut down June 25 as a result of what the press described as boiler and electrical malfunctions, possibly the result of abnormal humidity. This week the mill was trying to start up but encountered operational problems. Management was also trying to get the unions to agree to pass up the traditional Fourth of July shutdown and offering triple time for working. The unions were balking-- citing procedural technicalities in preventing a vote.

The Indians

Deputy Attorney General John M. R. Patterson on June 11 wrote members of the Maine Congressional Delegation a letter bringing them up to date on the pending Indians claims litigation. In his letter, Patterson said:

"Clearly, this is a most sensitive and difficult problem. The Attorney General is acutely aware of the sincerity with which the Indian Claims are made and the social and economic problems which Indians in Maine have had and continue to have. In contesting the land claims in issue, we do not mean to denigrate the economic and social problems of the tribes or impugn their motives in seeking to recover what they believe to be their tribal lands. At the same time, Attorney General Brennan believes we have an obligation to the remaining citizens of Maine to vigorously represent their interests. Moreover, our evaluation of the facts and law is that the claims of the tribes are not likely to be sustained in any suit."

Meanwhile attorneys advise us that Patterson has been told that the staff of the Department of Interior had recommended that the Federal government proceed with the Passamaquoddy litigation. The recommendation did not deal with the subject of the Penobscot claims. No explanation was given of why one was recommended and one not. The deputy solicitor of the Interior Department is being replaced within a week and the change will delay a final recommendation to the Justice Department.

Copies of a summary of research on the subject and the letter written by Mr. Patterson have been distributed to departments involved.

"Yes" for a Wild & Scenic River

In the July issue of the Maine Sportsman, the results of the 1976 Sportsman's Opinion Poll was published. In response to the question "Do you favor the proposal to classify the Penobscot River as a wild and scenic river?", 75 percent of the 500 persons who replied said they support the idea. Representatives of the regional office of the U.S. Bureau of Outdoor Recreation in Philadelphia say they expect a final report on the Penobscot study to go to Washington in the next few months.
Augusta

Geffrey "Jeff Faux" who has been hired by Conservation Commissioner Dick Barringer to make a study of the economic impact of government relations on owners of timberlands co-authored a June 28 article in the New York Times. He started out by saying Americans "must begin to consider how we will replace the large corporations as the central institution of our economy."...... Ernest Johnson has been hired by the Paper Industry Information Office to coordinate a tax study in anticipation of tax reform becoming a major issue during the next session of the Legislature. The retired state tax assessor will design a questionnaire to compile statistical material. He'll prepare a summary of existing tax law impacting the industry ...... The Forest Resources Study Committee will hold a seminar July 13 at the University of Maine devoted to the marketing of forest products and resources. Les Hazelton and Vic Mattson will represent GNP..... Just as one bureau of the Department of Conservation finished a round of hearings, a new series was announced by another. The Land Use Regulation Commission has concluded a series of hearings on a comprehensive plan with written comments due July 14. Jim Carson spoke on the plan at Greenville June 28 on behalf of GNP. Now the Bureau of Forestry has scheduled hearings July 8 at Orono, July 13 at Greenville and July 15 at Presque Isle on silvicultural treatment regulations under the new spruce budworm control law.

Washington

A Congressional recess will continue until July 20..... The Senate beat off another attack on the DISC program just before going home. In a June 25 debate, Senator Kennedy charged that the DISC treatment for exports was a windfall primarily benefitting 109 major corporations. Great Northern Nekoosa was on his list. (Revenue cost: 1975: $1,551,312 ....cumulative revenue cost, 1972-75: $4,779,823)....... The president of the Paper Industry Information Office this week urged Senator Muskie to support Congressman Wright's amendment to the water pollution control act. Muskie and his colleagues on the Senate Public Works Committee will hold hearings July 27-28 on the proposal which would exempt forestry activities from the jurisdiction of the Corps of Engineers. The House-passed amendment faces a fight. Meanwhile the White House Friday ordered the Corps of Engineers not to implement Phase II of their program requiring permits...... The Senate now plans to consider the Clean Air Act Amendments July 22-23 and legislation resulting from the Monongahela situation August 23-September 6.

The High Cost of Wood

"We tend to emphasize the role of small business with too little emphasis on our large companies and their 'bottom line' problems. We are only beginning to become aware of the high cost of our wood, and I personally appreciated your pointing out the environmental costs of doing business in Maine. We seem to have accepted these costs (and perhaps our somewhat slower rate of development) in the interest of maintaining a way of life." Mrs. Roberta Weil wrote Bob Hellendale June 25 following his presentation to the Commission on Maine's Future. She's the vice chairman, a former Commissioner of Business Regulation and considered a liberal with no demonstrated appreciation of big companies.
PUBLIC AFFAIRS

Contributions were made this week to the Katahdin Jaycees for circus tickets for needy children, Hillcrest Golf Club for the Great Northern Open, the Maine Council on Economic Education, the Association for Aroostook Indians' camp for children, Lumberman's Museum in Patten and the Pine Tree Camp for Crippled Children.

PUBLIC RELATIONS

A Fourth of July advertisement saluting Millinocket on its 75th anniversary was placed in the Katahdin Journal.

Sincerely,

Paul K. McCann
Manager-Public Affairs

Distribution:

J. R. Adams  J. E. Godfrey  O. J. Lombard  C. H. Reed
E. E. Allain  J. R. Goody  V. F. Mattson  W. A. Saucier
R. F. Bartlett  L. E. Hand  E. C. Maxfield  E. M. Schwerin
S. A. Casey  R. Hellendale  F. C. Morrison  J. H. Staples
D. A. Crippen  K. Y. Hodsdon  C. L. Nelson  W. W. Tolley
A. B. Danforth  P. D. Hubbe  R. W. Noyes  A. J. Tozier
A. E. Dentremont  R. R. Johnson  J. F. O'Handley  O. K. Tripp
B. P. Ellen  T. W. Kelly  P. P. Paul  R. A. Venditti
R. K. Elston  T. M. Knight  J. D. Perkins  G. E. Veneman
P. I. Firlotte  D. J. Krohn  I. P. Phelps  P. H. Welch
T. H. Flanagan  W. E. Lloyd  T. S. Pinkham  P. F. Yacavone
Mr. Robert J. Shinners
Vice President-Operations
Great Northern Paper Company
Millinocket, Maine 04462

Dear Bob:

The Public Affairs Department newsletter for the period ending July 15 follows:

TAXES, TAXES, TAXES

Bureaucrats, politicians and businessmen have a common topic of conversation these summer days: taxation.

Tax reform will top his priorities for the 1977 legislative session, Governor Longley says. The Governor has two special committees working this summer, one considering tax changes and tax policy and another evaluating all estimates for the state's budget. (Jack Daigle, Casco Bank president and one of Longley's closest advisors, is chairing the tax committee. After reading a copy of remarks by Bob Hellendale before the Commission on Maine's Future, Jack wrote "I found it very interesting, especially the taxation statistics, and I have taken the liberty of sending a copy to Governor Longley." The Hellendale presentation was covered in the June 25 Public Affairs newsletter.)

There are these developments:

Companies belonging to the Paper Industry Information Office are being surveyed to determine the financial impact of existing state and local taxes. It is the first step in a study being conducted by Ernest Johnson, a retired state tax assessor. With a questionnaire, Mr. Johnson also provided all companies with a seven page summary of state and local taxes in Maine. The Johnson study will become the basis for the industry considering legislative strategy.

A special committee of the Maine Forest Products Council will meet July 22 to wind up its study of taxes on forest lands and consider recommendations. Triggered by the impact of the special tax to finance the spruce budworm spraying program, this study has been wandering over the entire picture. Members expect the Tree Growth tax law to come under fire during the tax reform debate. The MFPC has not in the past been effective in the Legislature.
Taxes (continued)

Getting more specific, the State Chamber of Commerce is having legislation drafted exempting from taxation fuel used in operating pollution abatement facilities. (Cost of energy required to operate the two GNP systems in full operation is estimated at over $800,000 annually.)

The Legislature in the special session this spring ordered a study committee appointed to consider tax recommendations for the next session and asked for a report by November 15. So far the leadership hasn't even appointed a committee.

Forest Resources Study

Representative Smith, the lame duck legislator from Dover-Foxcroft who is chairman of the Forest Resources Study Committee, says the group is behind schedule and the Legislature will be asked to extend its life. The Committee on July 12 visited timberlands in Eastern Maine and were briefed by St. Regis and Georgia-Pacific foresters. E. Leon Williams of Clifton, a committee member, was impressed by GP's tree planting program.

The next day in Orono the Committee heard a dozen speakers discuss the present and future demand for forest resources. Vic Mattson discussed newsprint and groundwood printing papers and Les Hazelton talked about the availability of softwood pulp and lumber. Les ran into questions on the availability of hardwood for lumber manufacturing -- mostly from Henry Saunders of Westbrook. Ted Potter, a staff member, praised the GNP contributions. He and Mrs. Helen Gider, an attorney who bosses all legislative staffers, are collecting considerable information for the committee...Bob Bartlett on July 1 provided Smith with additional information on harvesting costs. Jerry Perkins has been providing the committee with transportation information.

One thing committee members evidently have agreed on already is that the small landowners need help if their lands are going to be managed as well as those of the paper companies. Committee members will probably urge an expanded staff of service foresters for the Bureau of Forestry. State foresters now complain they spend too much time on regulatory matters and too little on helping out small landowners. The Committee still isn't sure how much it can package in a report, but wants to include recommendations on taxes, Smith says.

Visiting Newsmen

Out of state newspapermen visited the Aroostook timberlands July 13-15 and the West Branch operations of GNP July 16.

The Aroostook tour was sponsored by the American Forest Institute. Eleven guests toured the Levesque saw mill in Masardis, inspected a budworm devasted area on land managed by Seven Islands Land Company and saw an International Paper Company salvage operation. I had an opportunity on the eve of the tour to explain how Great Northern's road system and mechanical harvesting innovations had made possible the effective pre-salvage operations which so far have enabled the Company to get at fir which needs to be cut. Bob Bartlett joined the group for breakfast the day of the tour and Ed Chase was a guide on the tour.
Dick Stewart of the Boston Globe and Tom Ferschwiler of The Oregon Journal represented the only major newspapers on the tour. Stewart is the former press secretary of Senator Muskie. We spent time with both. But with representatives of Seven Islands and others also on the tour there remains the possibility for negative publicity in these papers.

I do not feel such tours are effective. If Dick Stewart is worth having in Maine, he's worth spending a day with on a one-to-one basis. Tours involving so many people expose the media to so much in so short a time that it is difficult to assimilate operations.

In the West Branch, the editor and a reporter for the French language weekly L'Eclaireur-Progress published in St. George, Quebec, visited the Lobster and Elm Stream camps and saw wood harvesting crews at work. They came to Millinocket and saw the mills. Bob Bartlett, Henry Deabay and Dana Saucier had met the reporter, Jasmin Gosselin, in St. George while there for a banquet for timber cutters. He had questions regarding the company's opposition to unions in the camps and company policies regarding woods workers. (Jasmin is the son of an assistant foreman, Arthur Gosselin at Lobster. His uncle is the foreman.) He and his editor, Pierre Dutil, had lots of questions but it turned out to be the usual press tour and not an advocacy situation. The newspaper has a circulation of 12,000 in an area where many of Great Northern's employees live. If they write a story, it will not get into print until after the elections are held in the camps July 20-21-22.

**Augusta**

Ken Cianchette's term on the Land Use Regulation Commission is running out and reports are that Conservation Commissioner Dick Barringer isn't going to recommend his reappointment. Cianchette has been an effective commissioner, one of the key forces in getting the controversial program out of the headlines....Ron Hiltz, the man who was responsible for State Police involved in the Maine Woodsman's Association strike last fall, has been promoted to deputy chief of the state police....Barringer says he and Ken Stratton of LURC were disappointed with the GNP attitude on the LURC comprehensive plan. He asks why we criticized instead of being constructive participants in the hearings. He apparently wasn't prepared for candor.

**Public Relations**

Two GNN releases on anticipated earnings and the earnings for the second quarter were distributed.

Three releases on promotions were distributed.

With assistance from Ad-Media, we put together a float for the East Millinocket and Millinocket Fourth of July festivities. Parts of the float will be sent to Ashland for a bicentennial parade. Any ideas for a 1977 float will be welcomed. It appears to be a necessary community relations effort in a town (Millinocket) which likes a big parade on the Fourth.
In the wake of the contract ratification, the Bangor Daily News on July 9 editorialized "there are many Maine workers who would gladly change places with those who talked about a walkout." (In a letter to the editor on July 14, an employee said "I feel the people here, myself included, earn every cent we get in wages."

PUBLIC AFFAIRS

Contributions were made to the Millinocket Little League and the Northern Maine Forest Forum.

Sincerely,

Paul

Distribution:

J. R. Adams J. E. Godfrey O. J. Lombard C. H. Reed
E. E. Allain J. R. Goody V. F. Mattson W. A. Saucier
R. F. Bartlett L. E. Hand E. C. Maxfield E. M. Schwerin
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T. H. Flanagan W. E. Lloyd T. S. Pinkham P. F. Yacavone
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine  04462

Dear Bob:

The Public Affairs Department newsletter for the period ending July 30 follows:

TAX THE PAPER COMPANIES

"Q. So the tax on paper companies' woodland should be more than that on privately-held forest, right?

"A. Right on.

"Q. OK, so why don't they go after this money, instead of raising the tax on wages, purchases, or our houses?

"A. Because John, Joe and Jim don't think this way. John Martin is the errand boy for Great Northern and the Seven Islands land people. Joe Sewall is a big landowner in his own right, and is so entwined with the Big Seven that he couldn't be fair if he wanted to. Longley, as he said, is a business man, and they don't like taxes. I think he made his fortune selling insurance to the paper companies. Not much hope!"

So wrote Bill Butler of Aurora in the July edition of Maine Issue, a publication for Maine's working people. A copy is attached. Butler is a vice president of the Maine Woodsmen's Association. He's long been a critic of St. Regis and other paper companies. (The Bangor Daily News reported that the annual meeting of the Association attracted only 30 people so it was decided to have another annual meeting September 12 when officers will be elected and future policies outlined. The story followed by a day another reporting the triumph of the United Paperworkers International Union which swept labor elections in Great Northern and Pinkham harvesting operations.)

In the developing tax issue, Butler's criticism of taxes paid by paper companies loses impact because it comes from a longtime critic. But one of the targets of others will be the system under which forest lands are taxed in the state.

Bob Hellendale's discussion of taxes before the Commission on Maine's Future got two additional exposures. He was quoted on the Paper Industry Information Office five-minute radio program broadcast over 30 Maine stations July 24. The high cost of Maine wood was also mentioned. In the
Tax (continued)

Maine Sunday Telegram of July 25, a story started with a paragraph "Great Northern Nekoosa Corporation is paying far more proportionately in state taxes in Maine than in the other three states where it has major facilities -- Arkansas, Georgia and Wisconsin."

In Augusta, legislative leaders finally got around to naming a tax policy committee which is supposed to report by November 15. Phil Hussey of Hussey Manufacturing Company (a producer of gymnasium and auditorium seating) is the industry representative. Hussey was backed for the job by Associated Industries of Maine. The legislative members include Representatives Ingegneri of Bangor, Post of Rockland, Najarian of Portland, Morton of Farmington and Susi of Pittsfield, and Senators Collins of Rockland and Merrill of Portland. Other members include James Keenan of East Sebago, representing consumers; Chip Bull of Presque Isle, representing agriculture; Irv Masters of Brewer, representing local governments; Ed Blackmore of Stonington, representing coastal interests and W. Scott Fox of Portland representing the Governor's Tax Committee. Still to be named is a committee to study how the state values property.

Wayne O'Leary, a University of Maine doctorate candidate, is researching on behalf of GNP a summary on Maine taxes which we will have ready to distribute early in September. It is designed to bring management up to date on the history of taxes with an impact on industry, a summary of what we have today in Maine and comparisons of how we stack up with other states.

Pinkham Open House

Invitations are being prepared for an Open House at the new saw mill at Skerry Siding. Pinkham Lumber Company guests will be invited to attend September 8, public officials and other special guests the next day and the people of Aroostook County on September 10. We will be publishing a newspaper supplement in Aroostook County weekly newspapers to focus public attention on the expansion. Roger Boynton spent two days taking pictures at the mill this week and a second planning meeting on the project is scheduled in Tom Pinkham's office August 2.

Washington

We've asked Senator Muskie's staff for a copy of a draft of legislation being written concerning Canadians working in the woods. The Ellsworth American says staff members are working with Maine House Speaker John Martin on a bill that would require persons with a work visa to return to their own country or become naturalized within two years...Senator Muskie has written Bob Hellendale that he has asked the Environmental Protection Agency for an explanation of why it is at odds with the State Department of Environmental Protection on the use of teepee burners by lumber mills such as the Pinkham Company and in bark burners by GNP at Portage. (Pat Welch was told by BEP Commissioner Adams he has asked the EPA not to cite the teepee burners as being in violation of the law. Tom Pinkham took the problem to House Speaker Martin. I talked with the staff of Senator Muskie and also with a staff member for the pollution sub-committee of the Senate Committee on Public Works.)...An amendment sending the nondegradation issue to a one-year study is expected to be voted on Tuesday in Washington. The Senate is concurrently debating amendments to the Clean Air Act and tax reform...Congressmen Cohen and Emery have been praised by Associated Industries of Maine for voting against the most costly amendments to the Unemployment Compensation law...The
Washington (continued)

House rejected a Federal benefits standard...Pressure is mounting in the Senate for early consideration of the Monongahela legislation. Meanwhile the House Agriculture Subcommittee on Forests is going to work on its version. The industry strategy seems to be to get the Senate moving but seek solutions in a House version.

IN AUGUSTA

Geoffrey Faux joined David Vail at a labor institute in Orono in June where they outlined their proposal to change Maine's tax system to make it more equitable. They propose making personal income and business taxes more progressive -- make the rich pay more. They call for getting rid of unfair loopholes for the rich. Faux has been hired by Conservation Commissioner Dick Barringer to do a study of the economics of the forest industry....The Natural Resources Council of Maine is launching a fund drive to fight the proposed Dickey-Lincoln dam on the St. John river. It's the state's largest conservation group....The Maine Audubon Society is gearing up for a statewide celebration on October 1, the day when the state's nine-year campaign to control water pollution climaxes. Most paper industry treatment plants will be in operation. Scott, as expected, has asked for a waiver. It's new pulp mill is reportedly two months behind schedule. It will seek in the meantime to continue to put untreated wastes from the old mill into the Kennebec.

"SEEN ANY MORE SUCKERS AROUND?"

"A guy coming to the Allagash from the north end of Baxter Park has to register at Mattagamon Gate and drop the registration slip at Telos Gate in the park. He then has to register again at Chamberlain, again at Lock Dam and so forth on down the whole Allagash system. It would seem unnecessary for anyone to register a half a dozen times just to travel a few days on the river. Once should be enough.

"Someone coming up the Millinocket 'Golden Road' does not have to register at Baxter Park, but does have to pay a fee to get through the North Maine Woods gate at Telos. This is a Seven Islands administered ripoff that is conveniently located just a mile or two from the access to the Allagash Wilderness Waterway.

"Registering here, registering there, opening your wallet here, opening your wallet there...doesn't sound much like a wilderness does it? Seems more like a night with Barnum & Bailey. Anyone seen any more suckers around?"


---Dave O'Connor of Sherman Station,

PUBLIC RELATIONS

We received a request from Merrill Bank to sell them 2,000 company seedlings to be distributed at a September open house for the bank's new Bangor headquarters. It would be a good opportunity to publicize the company's experimental planting program.

Monday, the business tabloid, published a story on the American Forest Institute tour of Aroostook County. It reflected GNP's position on the budworm problem. Ed Chase and I were quoted.

A St. George, Quebec, newspaper devoted its cover and four other pages to a report on GNP woods operations as a result of the tour we reported in the last newsletter.
Public Relations (continued)

The first edition of the Maine Paper Industry Directory, prepared by the Paper Industry Office, was distributed. It contains names of people in some of the key jobs in Maine mills.

The float used in East Millinocket and Millinocket will be used in an Ashland bicentennial parade.

Containers for sample seedlings for customers and other special guests of the company are now available at the green house in Millinocket.

PUBLIC AFFAIRS

Contributions have been made to the Maine Association of Conservation Commissioners, the Maine AAU cultural exchange program (a project bringing young Austrian wrestlers to Maine), the Millinocket Firemen's Auxiliary, the Fort Kent Open Golf Tournament and the Fort Kent High School sports calendar.

Sincerely,

pmc/b

Enclosure

Distribution:

J. R. Adams T. H. Flanagan W. E. Lloyd T. S. Pinkham
E. E. Allain J. E. Godfrey O. J. Lombard C. H. Reed
R. F. Bartlett J. R. Goody E. V. Maxfield E. M. Schwerin
S. A. Casey L. E. Hand F. C. Morrison J. H. Staples
D. A. Crippen R. Y. Hodsdon C. L. Nelson W. W. Tolley
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A. E. Dentremont R. R. Johnson P. P. Paul R. A. Venditti
B. P. Ellen T. W. Kelly J. D. Perkins G. E. Veneman
R. K. Elston T. M. Knight I. P. Phelps P. H. Welch
P. I. Firlotte D. J. Krohn T. S. Pinkham P. F. Yacavone
Q: If everyone pays their share of taxes, no one should complain, right?

by Bill Butler

Bill is a woodcutter in Aurora who has been cutting for thirty years. He is a vice-president of the Maine Woodcutters Association.

A: Right.

Q: And if everyone pays their fair share of taxes, there will be enough to pay for education, right?

A: Right.

Q: Then why isn't there enough tax money for education?

A: Because twelve million acres of forest, dominated by six paper companies and one family, is not paying its share.

Q: Isn't this land already taxed?

A: Hardly; the owners tell the State Assessor how much it is worth for taxation.

Q: How much does it pay?

A: Last year its tax for support of the community was thirty cents per acre.

Q: Well, how much should it pay?

A: Easily, ten times that amount.

Q: Well, if it could pay that much and get the government out of the hole we're in, why don't John Martin, Joe Sewall, and James Longley get the money there?

A: Because they (and we) are locked onto the idea that wood for making paper is the cheapest form. So then the Big Seven Landowners tell us (and the State assessor who taxes this land) how little this pulpwood is worth.

Q: And how do you know that pulpwood isn't of low value?

A: By putting together a few facts that bob up now and again, things like: Anyone who has cut pulpwood may have noticed that the paper companies spend far more cutting wood in their own operation than they will pay a small contractor or small landowner.

Another fact is that the value of timber for income-tax purposes, is in a special class, a tax shelter, such as you may have heard of for owners of oil wells. A third piece of the puzzle comes from a federal forestry manual. To encourage landowners to grow wood, a government economist explains that the value of the tree depends on who grows it. You or I might sell to a paper mill for $2 to $10 a cord and say, "That's what it's worth, 'cause that's what they'll pay." But, and a big but it is, the wood the
paper company grows on its own land can be valued to include most of their profits. Putting together the above two points, you see that owning the timberland enables the paper company to put its gross profits into a tax shelter, taxed not at 48%, the corporate rate, but at 12½%.

Q: But isn't that just circumstantial, and you can't prove it?
A: A bit, but you can learn about things by hypothesis. "Real" proof is on the Timber Schedule of the landowners' income tax, but we have had recently a little peak.

Q: You've been looking at the paper companies' tax returns?
A: Not directly, but almost as good. In the April '76 Fortune International Paper Co., the second landowner in Maine (after Great Northern) states officially that their 7 million acres of timberland in the U.S. were grossly undervalued on their books; they were carried at $316 million, whereas true market value was closer to $2 billion. They are admitting that $44 per acre is too low; $280 is about right.

Q: What is the present value of their land for tax assessment?
A: The State Assessor instructs local assessors, the ones we elect, that paper company land must be valued according to the sort of wood, at from $5.50 to $25.60 per acre. Not much of it is in the $25 class.

Q: We... if the paper companies wood is worth all that, how about the small woodlot owner? Isn't his wood worth this too?
A: It ought to be, but it is worth only what they will pay for it.

Q: So the tax on paper companies' woodland should be more than the tax on privately-held forest, right?
A: Right on.

Q: OK, so why don't they go after this money, instead of raising the tax on wages, purchases, or our houses?
A: Because John, Joe, and Jim don't think this way. John Martin is the errand boy for Great Northern and the Seven Islands land people. Joe Sewall is a big landowner in his own right, and is so entwined with the Big Seven that he couldn't be fair if he wanted to. Longely, as he said, is a business man, and they don't like taxes. I think he made his fortune selling group insurance to the paper companies. Not much hope.
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462

Dear Bob:

The Public Affairs Department newsletter for the period ending August 13 follows:

NEW PRIORITIES FOR AIM

Associated Industries of Maine is trying to gear up to face the era of annual legislative sessions in Maine. The Board of Directors (I am a member) on August 10 established the subjects of taxation, manpower affairs, safety-workmen's compensation and labor relations as the Association's major concerns in the 108th Legislature opening in January. A Portland law firm (Verrill, Dana, Philbrick, Putnam and Williamson) was retained to lobby on these subjects. The Association also will devote more time to a grass roots legislative action program. Bangor trucker Galen Cole headed the committee which put the package together. Now the Association is going to turn to the job of raising the money to finance the programs. It looks like the $1.25 per employee assessment now in force will double. Great Northern's dues of $2,500 will go to $5,000 -- the maximum level. Five companies (Scott, Bath Iron Works, Central Maine Power and Boise Cascade) are at this level. Bob Hellendale will join in a September 8 luncheon in Augusta when the drive for member support of the financial campaign will be launched.

THE CLEAN AIR AMENDMENTS

Why did the forces opposing the nondeterioration section of the Clean Air Act suffer an overwhelming setback in the Senate? (On August 4 the Moss amendment to send the issue to study was killed by a vote of 63-31.) "Several factors were at work against the Moss amendment -- the vote coming so close to the election, personal lobbying by Chairman Randolph for his Committee's bill and the announcement of the Court of Appeals decision the day before the vote which upheld the EPA's regulations regarding nondeterioration. The timing of the court's announcement was a surprise coming less than two months after oral arguments," says the Washington staff of the American Paper Institute. Senator Hathaway joined Senator Muskie in voting against the study proposal. Now the issue goes to the House where industry is urging support for Representative Chappell's proposal for a study prior to implementation of the nondeterioration section. Again API is optimistic.
Amendments (continued)

One of Congressman Cohen's top aides say, however, it is going to be very difficult for Congressmen to support Chappell. He questions the optimism. House action is expected late this month.

**NOMINATIONS**

Ken Cianchette of Pittsfield has been renominated to the Land Use Regulation Commission. Governor Longley made his selection despite talk originating in the State Department of Conservation that the Pittsfield contractor was frequently the "lone holdout" on Commission decisions. To the contrary, he had the support of at least four of the other six commissioners. The week also saw Raymond Mersereau of Mars Hill nominated to the Board of Environmental Protection. He will replace Charles Wyman who resigned to join Governor Longley's staff. Mersereau is sales manager for a well-respected packing company in Mars Hill.

**FOREST RESOURCES STUDY COMMITTEE**

The committee will hold more meetings as it continues its study. The agenda includes meetings August 24 in Lincoln and August 31 in Norway when woods labor will be discussed, another on taxation and regulation September 14-15 and another on ownership and management of forest lands September 28-29. Mike Collins of the Pinkham Company is a committee member. Dick Barringer, the conservation commissioner, has said he hopes the committee will emerge with a report which can guide his department in policy making for the next 20 years.

**PINKHAM OPEN HOUSE**

Roger Boynton spent two days in Aroostook County taking pictures for the newspaper tabloid to be published in conjunction with the September 8-9-10 open house at Skerry Siding. It will be published on Jet Standard and will be circulated to 30,000 readers of five Aroostook County weekly newspapers. Mary Bailey is working with the Pinkham staff on coordinating invitations.

**OCTOBER 1**

Environmental groups led by the Maine Audubon Society are planning a statewide observance of Clean Water Week from September 25 to October 1 to mark the climax of the nine-year state cleanup program. (Statler Tissue has become the fourth paper company to notify the DEP it may not meet the deadline but most will do so.) Paper industry public relations representatives will meet in Bangor August 24 to consider a special radio program, a special issue of the industry newsletter and other steps timed for October 1.

**PUBLIC RELATIONS**

An advertisement was purchased in the Millinocket Fire Department's calendar and a contribution made through the Pinkham Lumber Company for the Fort Kent Lion's Club Open Golf Tournament.

News releases were drafted on four promotions.

Booklets were assembled for two groups of stock analysts escorted by John Godfrey.
Public Relations (continued)

A news release on the East Millinocket tax issue was distributed in response to questions from the news media. It went to the Bangor Daily News, the Katahdin Journal and radio station WMRK.

WMKR was provided information on rainfall during July -- it was the wettest month in over a quarter of a century.

While doing a story on the Maine Central Railroad, the editor of Monday (the new business newspaper) found a car from Great Southern's Chattahoochee Industrial Railroad in the Portland yards and called to check on the spelling and for other information. We confirmed the spelling and provided other information from the handy GNN fact book.

ENCLOSURE

The August edition of the Paper Industry Information Office newsletter is enclosed.

Sincerely,

[Signature]

pmc/b

Enclosure

Distribution:

| J. R. Adams | T. H. Flanagan | W. E. Lloyd | T. S. Pinkham |
| E. E. Allain | J. E. Godfrey | O. J. Lombard | C. H. Reed |
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| R. K. Elston | T. W. Kelly | P. P. Paul | R. A. Venditti |
| P. I. Firlotte | D. J. Krohn | J. D. Perkins | G. E. Veneman |
|               |               | I. P. Phelps | P. H. Welch |
|               |               |               | P. F. Yacavone |
August 27, 1976

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

Dear Bob:

The Public Affairs Department newsletter for the period ending August 26 follows:

**MR. ROBINSON SPEAKS OUT**

John Robinson is a Farmington banker. He was Governor Longley's choice to be the administrative chief in state government. Conflict of interest charges resulting from Robinson's unwillingness to shed all connections with the Farmington bank resulted in Longley withdrawing the nomination. But Robinson has remained a key advisor to the chief executive. This week the banker stirred things up in Augusta.

Robinson told a special legislative committee that one example of big industry not paying its fair share of property taxes is the addition which International Paper Company is building in Jay. He said it is costing hundreds of millions of dollars. "The total assessed value of the Town of Jay is just $87 million," Robinson said. "Something is wrong."

That gave Representative Roosevelt Susi, long a critic of the pulp and paper companies, a chance to get involved. Susi said the paper companies are too powerful to be challenged on the issue. "No one is going to take them (the paper companies) on," Susi was quoted by newsmen as saying. "They (the paper companies) would rip the damm roof off this place in the first two weeks of the session." Robinson told him that "if you talk like that, you can forget equity in the tax system.

Taxes are going to be the major issue of the session opening in January if you believe the State House veterans. Wayne O'Leary is completing a study of state taxes for Great Northern and it will be distributed in three weeks. Another study is underway by the Paper Industry Information Office and a questionnaire was completed and returned this week by the accounting department. Beyond that, we have suggested that Bob Helliendale send Mr. Robinson (they are acquainted) a copy of the statement on taxes Bob put together after meeting with the Commission on Maine's Future. It showed that taxes paid in Maine by Great Northern were higher than those paid in Arkansas, Wisconsin and Georgia by other divisions of GNN.
IN AUGUSTA

Ken Cianchette's nomination to the Land Use Regulation Commission was approved by the Executive Council....The Council also has confirmed Raymond Mesereau of Mars Hill as a member of the Board of Environmental Protection....While the Land Use panel has at long last adopted a comprehensive plan for the unorganized territory, the staff isn't rushing to get the plan into print. They want Governor Longley's approval first. A plan, by law, isn't official until it has the Governor's OK....The Natural Resources Council of Maine is raising money to fight the Dickey-Lincoln hydroelectric project. In addition, the NRC is gearing up to probe the relationship between sulfates in the air and serious respiratory diseases. Attorney Edward Lee Rogers has joined the NRC....Irv Faunce has resigned as assistant director of Associated Industries of Maine to head up a group fighting the proposal to impose a refund system on non-returnable bottles. The issue will be voted on in November by Maine people. Faunce was recently named to the Human Rights Commission....Lloyd Irland, boss of the spruce budworm project, is going to Washington after Labor Day to talk with U.S. Forest Service officials and Jim Case of Senator Muskie's staff. Irland has agreed to a proposal we made to Barringer and in September or October he will set up a meeting between staff members of the Maine Congressional Delegation and Washington lobbyists for paper companies operating in Maine. It will be an attempt to improve communications in a year when the Federal funding may be the big hurdle.

AND IN WASHINGTON

Senator Muskie of Maine was in the minority when the Senate Public Works Committee August 26 approved, 10-3, a proposal which would exempt some logging activities from obtaining permits from the Corps of Engineers. The full Senate is expected to go along with the proposed revision. The House earlier approved a bill which would restore the traditional definition of navigable waters. So, a showdown will come in the conference committee with the forest industries plugging for the House version....Don Larrabee, the veteran Washington correspondent for the Portland and Bangor newspapers, will speak at a meeting of the American Forest Institute in Bangor September 17.

FEDERAL POWER COMMISSION

An advertisement required by the Federal Power Commission was prepared and published in the August 26 edition of the Katahdin Journal. Licenses issued for generating stations in the Great Northern hydroelectric power system require public notices outlining the recreational potential within the areas covered by the project. A model sign such as those also required to inform the public of the recreational potential of the projects has been completed by an Augusta advertising agency. The sign includes a map of Chesuncook Lake and the region covered by the Ripogenus Project. These steps were taken prior to Paul Firlotte's meeting August 25 with representatives of the Federal Power Commission and the Bureau of Outdoor Recreation of the U.S. Department of Interior.
Pinkham Open House

An eight-page tabloid was being printed today in Presque Isle. It will be the invitation as well as the tour guide for the Pinkham Open House, September 8-9-10. The tabloid will appear next week with weekly newspapers serving the Madawaska-Fort Kent, Caribou, Presque Isle, Fort Fairfield, Houlton and Millinocket areas. The tabloid consists mostly of photographs taken by Roger Boynton but also includes stories on the new saw mill and on the over-all Pinkham operation.

Public Affairs

Contributions were approved for the Millinocket Art Society, Hillcrest Golf Club, Portage Hill Country Club, Wisdom (St. Agatha) High School yearbook and the Chesuncook Village Church Fund.

With Bob Shinners and Fred Morrison, we have hosted two meetings with Millinocket and East Millinocket public officials and businessmen -- town managers, school superintendents, lawyers, bankers, druggists, contractors, etc. The August 18-19 and August 25-26 sessions included an open discussion of Company and community affairs, dinner at the Harrington Lake camps and a visit to the Ragmuff harvesting operations. Other trips and mill tours are planned.

With Paul Firlotte, we met with Wayne Hockmeyer of Rockwood. Wayne is getting out of the guiding business to promote white water rafting. This year trips down the Kennebec have exceeded his fondest dreams. He is considering trips next year on the Penobscot below Ripogenus Dam.

Public Relations

A public notice regarding the GNP application for approval from the Board of Environmental Protection for expansion of the Dolby landfill area was published in the August 26 Katahdin Journal.

A picture was taken and a release drafted for distribution to the news media on the 1000th visitor of the summer to the Millinocket mill.

A picture was taken and a caption prepared for distribution to the media on the secondary system construction in Millinocket.

With John Staples, we met with Jack Havey of Ad-Media in Augusta August 17 to get the advertising agency started on a proposal for publication of the GNP history.

In Bangor, we discussed the Indian land claims with Mrs. Ruth Cohen of Bangor, a journalism major, who hopes to write an article on the subject. She is finding it complicated.

Sincerely,

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

Dear Bob:

The Public Affairs Department newsletter for the period ending September 12 follows:

PINKHAM OPEN HOUSE

Hundreds of visitors toured the new Pinkham sawmill during a three-day open house, September 8-9-10. After a cloudy, chilly first day, the sun came out to provide a beautiful autumn setting for the program.

The event turned into a tribute to General Manager T. S. Pinkham and the men and women of the largest lumber producing firm in the northeast. State Development Director Hadley P. Atlass, House Speaker John Martin whose legislative district includes the mill site, Bob Hellendale and Bob Shinners participated in the open house ceremonies.

Hellendale pointed out that while 100 jobs had been created by spending $8 million for the new mill only a few jobs would be created by the $3.8 million being invested in an incinerator-boiler. The bark burner is being installed because environmental laws have banned new teepee burners. It is important that the public be provided these economic facts, the GNP president said.

On the first day over 100 customers heard Pinkham explain the features of the new mill with a 35 mm slide show. After lunch, they toured the facilities and enjoyed a clambake at Squa Pan Lake. Customers came from all over the northeast and from as far away as Florida and Ohio.

On the second day over 500 businessmen, local government officials, educators, federal and state agency representatives, legislative candidates and representatives of the news media were on hand for the ceremonies. Pinkham honored a group of retired Great Northern and Pinkham employees by presenting a check on their behalf to the Ashland Logging Museum.

"The number of people here tells the story. It is a great tribute to Tom Pinkham and all the others who work for the company," Atlass said in his talk. He cited the expansion as an example of the growth the state of Maine is seeking.

Millinocket, Maine 04462.  (207) 723-5131 Ext. 228
Pinkham (cont.)

On the final day nearly 1,000 visitors from northern Maine communities toured the facilities. The general public had been invited in an eight page tabloid distributed with six northern Maine weekly newspapers.

In addition to preparing the tabloid with guidance from the Pinkham staff, we provided the 35 mm color slides to illustrate Tom's talk. Before touring the mill, guests were invited to first hear the explanatory talk. Northern Maine weeklies and the Bangor Daily News covered the event. A follow up news release with a picture of the old timers is being distributed to trade papers and newspapers in northern Maine.

Associated Industries of Maine

Bob Hellendale on September 8, pledged Great Northern's support to a dues increase to finance expanded lobbying activities by Associated Industries of Maine. Nearly 50 Maine business leaders attended an Augusta session and gave unanimous support to a proposal by Vice President Galen Cole. It will mean that AIM dues will double for most members -- increasing from $1.25 per employee to $2.50. The maximum will go from $2,500 to $5,000 -- that's what GNP pays. The minimum, however, will stay at $150 for smaller firms. The Association's budget will increase from $73,000 to $108,000. The additional funds will finance the hiring of a Portland law firm and the hiring of a researcher. The project also includes a membership drive with 100 new members a year as the goal.

While it wasn't actually said, AIM got the go-ahead to represent virtually all Maine industry on tax and labor (Unemployment insurance, workmen's compensation and safety) matters.

Another, and unexpected result, of the meeting was the mandate AIM got to quickly seek more formal coordination, or consolidation, of trade associations representing Maine industry. This could mean another attempt to merge AIM and the State Chamber of Commerce. A comparable merger is taking place on the national level. In the past mergers have bogged down over trivia. This unexpected move was kicked off by Cole's distribution of a sheet reporting on budgets of associations representing special interest groups on the Augusta scene. The Maine Teachers Association has a $960,000 a year budget, the Maine Municipal Association $600,000 and the Maine State Employees $500,000. There were four industry groups listed -- Associated General Contractors, $200,000; Paper Industry Information Office, $140,000; Maine State Chamber of Commerce, $90,000; and Associated Industries of Maine, $73,000. It isn't likely that the contractors or paper industry people will want to abolish separate offices.

Although it is not unusual to have such thrashing around in an election year, this year's activities have an added sense of urgency. Annual sessions of the Legislature start in January. The workload of people involved in governmental relations is moving into a new era. AIM President Gus Clough (he works for Boise-Cascade) said in opening remarks:

[The rest of the text is not visible in the provided image.]
AIM (cont.)

"The destiny of the Maine business community and the capitalistic sector of our economy are inextricably bound up in politics. It may seem foolish to offer this observation since it is so obvious to all of you and yet there are business leaders who denied this fact to themselves and frequently to the public. In the meetings of your directors that I have previously referred to it has been generally agreed that business, meaning every entity engaged in the production and distribution of service, is involved in politics. Government's increasing intervention into the affairs of business has a very definite dollar and cent impact. In summary management's right to manage, the shareholder's right to share, are becoming increasingly more subject to political control."

ENTER LEIGHTON COONEY

State Representative Leighton Cooney came to East Millinocket and Millinocket September 9 to shake hands at the gates and tour the mills. The 31-year-old Sabattus school teacher is challenging Congressman Bill Cohen. Cooney is the underdog in the race. We have invited Cooney to a luncheon with managers when he returns to the area in a few weeks. In six years in the State House of Representatives, Cooney built up a record as an effective voice for the liberals.

DEERYARDS

Deeryards .... deer wintering areas .... call them what you want, one member of the Land Use Regulation Commission believes they are here to stay despite the objections of industry. Henry Saunders, a Westbrook forest products industry executive, says you have to listen to the biologists and sportsmen as well as industry. He thinks that sane policies can be worked out for management of areas critical to wildlife. In the next year, the Westbrook man feel LURC will adopt the permanent regulations needed to get the job done now that a comprehensive plan has been adopted. Like Dick Barringer, Henry feels that the input from the paper industry on the plan could have more positive than it was. He is elated to have Ken Cianchette reappointed as a commissioner although Cianchette has told Governor Longley he (Cianchette) will consider resigning in a year if the Governor thinks it a wise step. Henry hopes that industry spokesmen will be more positive in discussions on the proposed permanent zoning regulations than they were on the comprehensive plan.

PUBLIC RELATIONS

An aerial photograph of the 30 acres of lagoons in the Millinocket pollution abatement system was used in Monday, the weekly newspapers, the Bangor Daily News, the Katahdin Journal, the Lincoln News, and the Presque Isle Star-Herald. Business Editor Frank Sleeper of the Portland newspapers called up to rave over the picture but later couldn't explain why it didn't get in the paper.
PUBLIC RELATIONS (cont.)

A news release covering the probable closing of the Eagle Lake hardwood mill of the Pinkham Lumber Company was distributed and used by all of the weekly newspapers in Aroostook County and on WAGM-TV in Presque Isle. The copy mailed to the Bangor Daily News got lost and the newspaper never picked up the story.

Dale Phenicie answered questions of reporters from the Katahdin Journal and the Bangor Daily News regarding Great Northern's role in cleaning up sulphuric acid which leaked from a truck as it traveled from the mill through downtown Millinocket. While answering questions, Dale also told people the GNP staff has worked with local officials to develop a plan for handling such emergencies -- in or out of the mills.

We are planning to sponsor a five-minute daily radio broadcast by Bud Leavitt over WMRK. The outdoor editor of the Bangor Daily News appears daily on 17 Maine stations. It will provide a vehicle to promote safe and wise use of the Company's timberlands.

PUBLIC AFFAIRS

Frank Peters, president of Husson College in Bangor, George James, chairman of the trustees (he is a retired Mobil senior vice president) and Development Director Sharon Floyd toured the West Branch region as our guests September 30 and visited with Bob Shinners in Millinocket.

In Bangor on August 31, we visited with staff members in the offices of Senator Hathaway and Muskie and Congressman Cohen. We distributed copies of the tabloid tour guide for the Pinkham Open House.

We talked with Arthur Johnson at the University of Maine, Ed Mayo at Kennebunkport and Henry Magnuson in Augusta on plans for the sales meeting.

Sincerely,

[Signature]

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

Dear Bob:

The Public Affairs Department newsletter for the week ending September 17 follows:

**THE MAINE CAMPAIGN**

Bill Cohen has put on his walking shoes... Monday morning newspapers are full of pictures and stories covering the weekend activities of all of the incumbents, busy in Washington during the week.... The Maine Teachers Association's political organization is considering endorsements -- and contributions.... If you watch television, you find out that "Maine is Bob Monk's Main Concern"... . Opponents of a proposal requiring a five-cent deposit on all beverage containers are outspending proponents on the issue of which voters will have a final say, for now, on November 2.

Election Day was 44 days off when this was written.

The Presidential campaign, the races for the U.S. Senate and two House seats and the referendum question are hogging headlines. Political observers say the business community should be concentrating on the outcome of the legislative races in Maine. Control of both houses of the Maine Legislature is up for grabs. The Democrats now have a 91-59 majority in the House (there's one independent) and the Republicans a 19-14 in the Senate.

"We will retain control in the House," Speaker John Martin says. "It is going to be difficult for the Democrats to assume control in the Senate." Most observers agree with the Eagle Lake Democrat. Most say that when the Legislature convenes in January, not much is going to change in Augusta. The Governor will be an independent, the Republicans will hold control of the Senate and the Democrats in charge in the House. But they caution several key races will be close. Republicans have a real fight on their hands to hold the Senate.
The key races have been identified by a political action committee of Associated Industries of Maine. They include:

**Senate**

District 27 -- Senate President Joe Sewall is a Republican who has hung on in a Democratic district. This year he is being challenged by Democrat Dick Needham and Independent Earl White. All three come from Old Town. Needham, a member of a well known family, says Democratic leaders including Muskie urged him to take on Sewall. Sewall has won in the past by slim margins. He's a recognized expert on government finances. The district extends north into the Lincoln area.

District 7 -- Republican David Killmer is challenging veteran Democrat Tom Albert. Both come from Limestone.

District 12 -- Incumbent Democrat Harry Rideout is opposed by Republican Russell Smith and Independent Benard McGrath. McGrath is from Presque Isle, Rideout and Smith from Mapleton.

District 19 -- Republican Frank Peltier and Democrat James Rush are seeking this Houlton seat. Peltier, manager of the J.M. Huber mill in Patten, is a former House member.

While not identified as a key race, there is plenty of Millinocket area interest in the District 30 race where Wakine Tanous of East Millinocket is seeking to regain a seat now held by Charles Pray of Ripogenus and Millinocket.

It is the winners of these and other races who will be making the decisions next year in the Legislature on issues such as tax reform. Former Governor Bob Haskell summed up his views a while ago. He told businessmen that instead of worrying about lobbying expenses at the moment it was more important to elect candidates who understood what private enterprise is all about.

**Forest Resources Study**

Chairman Doug Smith wishes Bill Butler would spend more time cutting logs and pulp ("I understand he is a good man in the woods," Smith says) and less time talking at meetings of the Joint Select Committee on Forest Resources. Butler attends all the meetings. He is an old time critic of the paper companies. Wayne Birmingham, recently re-elected president of the Maine Woodsmen's Association, says he is getting paid by the association to attend the meetings. Birmingham is a committee member. Like Butler, he spends a lot of time being critical of the paper companies. The hardworking committee devoted a day to discussing taxes and regulation on September 15 at the University of Maine in Orono. Conservation Commissioner Dick Barringer, Joe Lupsha, Leon Williams, Frank Peltier and Fred Hutchinson also attended.
Forest Resources Study (cont.)

Most of what was said had been heard before by the Committee. A new face at the hearings was John Joseph, the young economist with the State Planning Office and the Department of Conservation. He says it is time to discuss and reevaluate the Tree Growth Tax Law's implication. Joseph also said that the formula does not reflect the true value of the land. Perry Lamb of New Sharon who owns 1,500 acres says the law is too complicated for the small landowner. But Lamb agreed with the retired director of the School of Forest Resources, Al Nutting, who said that the tree growth approach is the best approach to taxing forest lands. Brad Wellman of Seven Islands Land Company discussed other tax problems facing owners of timberlands. He was pessemistic about the future.

During the afternoon session on regulation, Ken Stratton of LURC said all but one forestry permit sought last year was approved. Hal Kliber of Scott said most approved applications had many conditions attached. I pointed out (and Stratton confirmed) that many landowners were ignoring wood in streambank areas rather then going through the permit hassle.

The Committee will turn its attention to land ownership at another University of Maine meeting September 29.

Public Affairs

Funds were committed for advertisements in yearbooks of Katahdin (Sherman), Penobscot Valley (Howland) and Fort Kent high school yearbooks, for trophies for the Great Northern twilight golf league, for a March of Dimes contribution on behalf of Pinkham Lumber and for dues for Associated Industries of Maine and the New England Construction Users Roundtable.

Peter Bradford, the former Nader Raider and liberal member of the Public Utilities Commission, will speak on the "Current State of Public Utility Regulation in Maine" September 23 at 8 a.m. at Husson College, Bangor, kicking off the third year of the Business Breakfast series.

A study of "Business Taxation in Maine" has been completed by Wayne O'Leary for Great Northern. It is being duplicated for distribution to managers with the next issue of the Public Affairs newsletter.

Public Relations

A news release and a photograph was distributed on Great Northern's participation in a vocational education project in the Millinocket area -- we'll help with the building of a house by the teen-agers.

Weekly newspapers in Madawaska, Presque Isle and Millinocket used a photograph we distributed showing old timers honored at the Pinkham Open House.
PUBLIC RELATIONS (cont.)

Virgil Slater of Burk Rubber requested photographs of the Millinocket secondary pollution abatement system. The company is a supplier of the liner.

The widely used photograph of the secondary system lagoons in Millinocket showed up in the Maine Sunday Telegram as predicted by business reporter Frank Sleeper, a week late.

At the sales department meeting at Sebasco Estates, we introduced two of the speakers, Dr. Arthur Johnson who discussed the Maine economy and Ed Mayo, the president of the Kennebunkport Dump Association. We also made arrangements for the presentation of the Paper Industry Information Office slide show "Maine's Foremost Industry."

Business Editor Dennis Mills of the Bangor Daily News has been provided a copy of Bob Hellendale's talk before the Commission on Maine's Future. He is preparing a series of articles on business taxes.

Sincerely,

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

Dear Bob:  

The newsletter of the Public Affairs Department for the week ending September 24 follows:

**CLEAN WATER WEEK**

Clean Water Week, marking the climax of Maine's water pollution clean up timetable, will be celebrated September 26 through October 2. October 1 is the statutory deadline for meeting wastewater treatment standards. A half-hour television special is planned at 12:30 p.m. Sunday, September 26, on Channel 13 in Portland, Channel 5 in Bangor and Channel 10 in Presque Isle. A special five-minute radio program will be broadcast on stations throughout the state during the week. Great Northern will sponsor the program four times on October 1 in Millinocket and three times on stations in Presque Isle, Houlton, Dover-Foxcroft, Caribou and Fort Kent. A fact sheet being distributed by the Paper Industry Information Office includes photographs of the primary clarifier at East Millinocket and the secondary system under construction in Millinocket.

On the radio program, Hank Magnuson of the Paper Industry Office reports:

"Total cost figures on attaining compliance with Maine's clean water timetable are not immediately available... but the DEP took note that the pulp and paper industry alone had spent in excess of 125-million dollars. At the same time, nearly 80-million dollars in state funds and more than 180-million in federal funds have been committed to finance a 90 percent share of the price tag on municipal wastewater systems.

"Since these costs are reflected in higher taxes and higher prices for products... officials of both industry and government suggest it's time for a breather. The next phase in the Federal timetable would cost as much as has been spent already and experts say it would remove only an extra five percent of the impurities... compared to the first 90 percent. An additional extra step... known as 'zero discharge' would cost an estimated five to seven times more. The paper industry joins those suggesting that a full assessment of the results to date should be made before these additional cost burdens are imposed."

Millinocket, Maine 04462  (207) 723-5131 Ext. 228
Clean Water Week (continued)

Said Dick Anderson, executive secretary of the Maine Audubon Society and a member of the BEP: "This sort of cooperation would not have been possible 10 years ago, probably not even five years ago. And we feel this cooperation is exciting, important and offers great benefit to virtually everyone in Maine."

**How They Voted**

Both Congressmen Cohen and Emery of Maine were in the majority which killed the amendment proposed by Representative Chappell of Florida calling for a one-year study of the non-degradation section of the House amendments to the Clean Air Act. The paper industry lost another round. The House finally completed action on the bill September 15. Now the question is whether a conference committee can get agreement on a final bill before Congress adjourns October 2.

**Coming Events**

State Chamber of Commerce -- annual meeting, October 6, University of Maine-Orono....Cole's Express will get an award....John Martin and Joe Sewall to talk about the next session of the Legislature.

Associated Industries of Maine -- annual meeting, October 8, Samoset-Treadway, Rockport....more political talk as this group gears up for tax reform....Ed Mayo will talk about the Kennebunkport Dump to get our minds off taxes.

Paper Industry Information Office -- annual meeting January 14 at Rockport.

**Public Relations**

A five-minute weekday radio program featuring Outdoor Editor Bud Leavitt of the Bangor News is sponsored on WMKR by Great Northern. Reactions will be appreciated.

Hats of to Merrill Bank! Over 2,000 seedlings from the Great Northern nursery were distributed at the Open House for the bank's new Bangor headquarters -- and rain checks given for over 1,000 additional trees. The seedlings were distributed in plastic bags with a "Come Grow With Us" flyer crediting Great Northern with providing the trees as well as planting instructions.

A news release was drafted and circulated on Great Northern's study of complaints over truck traffic near the Millinocket mill. The Town Council asked that the release be made covering their meeting with Company officials and the agreement that long and short-range solutions would be studied.

Roger Boynton put together a collection of photographs of customers at the Pinkham Open House as an advertisement for lumber trade publications.
Public Relations (continued)

A brochure covering GNP's history (in a few hundred words) went to the printers.

From Ad-Media we obtained four concepts for publishing the 55,000 word condensation of John McLeod's history of the Company. The markups went to John Staples for review.

The public affairs department's program was outlined at the controller's department staff meeting at Sebasco Lodge.

A revised map of the east and west branch of the Penobscot is in the works. It is designed for employees. It's a popular safety promotion of the Personnel Department.

 Contributions were approved for a Halloween safety program sponsored by Millinocket police, a Millinocket teen-age dance designed to raise funds for muscular dystrophy, the Presque Isle Rotary television auction and the Stearns High School year book.

Sincerely,

[Signature]

pmc/b
Distribution:
J. R. Adams  T. H. Flanagan  O. J. Lombard  C. H. Reed
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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 04462

Dear Bob:

This was a week when a wag suggested Maine had another "French and Indian War" on its hands, referring to two unrelated matters which hogged the headlines and dominated the news of the broadcast media. One was the complaint of the Maine Woodsmen's Association about the French harvesters from nearby Canadian towns working in the woods. The other was the complications resulting from the Indian land claims. The Public Affairs Department newsletter for the week ending October 1 follows:

THE INDIANS

On September 27 people in Millinocket learned that the sale of pollution abatement bonds had been delayed as a result of the Indian land claims.

The next day the State of Maine had to hold up the sale of $27 million in bonds for cities and towns to be used for schools and other purposes.

Governor Longley called experts on the subject to Augusta the following day. Merrill Trust President Bill Bullock was named chairman of the task force set up to deal with the problem.

Governor Longley headed for Washington the next day to urge a quick federal solution -- a Congressional guarantee of bonds until the legal battle ends.

Two Maine Indian tribes in 1972 asked $300 million in suits claiming two-thirds of the State of Maine had been illegally taken away from them -- without Federal approval. Recent months have seen the Maine Indians win legal recognition at the federal levels. Now the Interior Department is considering pressing the land claims.

Such land claims are being pushed by attorneys representing the Indians up and down the East Coast. Boston newspapers on September 29 carried headlines proclaiming: "Court Upholds Indians in Cape Cod Land Suit." A contractor asked a judge to remove impediments preventing him from selling 25 expensive homes. Banks are not granting mortgages because Indian claims 16,000 acres of land in two towns. The Governor of Massachusetts has asked the Legislature to guarantee a school bond issue.
The Indians (continued)

Landowners in Maine were briefed in Augusta September 30 by
Attorney Donald Perkins. He told them that an attorney for the Indians
had asked Brad Wellman for the names and addresses of the Pingree heirs.
Tom Tureen also has told reporters they could expect news when a meeting
is held October 5 in Bangor on the Indians' law suits.

Perkins said that research indicates that it is going to require
federal action to solve this problem. He said it now appears that the
Governor and members of Congress from Maine appreciate the problem is
a serious one -- for everybody in Maine, not just the paper companies.

The Woodsmen

A Maine legislative leader once sympathetic to Wayne Birmingham's
cause now says the president of the Maine Woodsmen's Association can't
be trusted and adds "he's not interested in the facts."

Staffers of Maine members of Congress say Birmingham and the MWA
have lost creditability. The Congressmen will be campaigning in Maine
in October. But unless Birmingham can produce some new charges which
make sense, he will have a hard job winning support from the politicians.

The woodsmen voted, 28-19, on September 26 to strike against St.
Regis at Bucksport -- stop delivering wood to the mill in a week unless
all Canadians had quit harvesting and hauling work for St. Regis.

Emilien Levesque, State Commissioner of Manpower Affairs, said
Birmingham had no legal grounds for seeking to oust Canadians working
in Maine on visas or with bonds.

Governor Longley said he was happy that Birmingham was now talking
about a peaceful demonstration.

But tough-talk came from a spokesman for the United Paperworkers
International Union. Eldon Hebert told reporters no one is going to
push UPIU members around without facing a fight -- and court action.
Many Canadians have been recruited by the UPIU.

If Birmingham and his followers (he claims 1,200 but only a hand-
ful turned out for a recent Patten meeting) do try to halt wood deliveries
to St. Regis, they will be acting in the face of a court injunction
banning picketing, intimidation and obstructing traffic to that mill,
as well as others in Maine which were besieged when the woodsmen went
on their first rampage. St. Regis can ask that Birmingham be cited
for contempt.

Most people in the forest industries say Birmingham and the MWA
are no longer a threat.

What happens at St. Regis may answer that question.
PUBLIC AFFAIRS

A $250 donation was made for the community Halloween party in Millinocket.

A $240 advertisement was authorized in a Maine State Troopers Association publication.

PUBLIC RELATIONS

With H. F. (Bud) Greig of the sales department, we are attending the annual convention of the Maine Press Association held jointly with the New England Press Association at Rockport, October 1-2-3. Seedlings from the Great Northern greenhouse were a token distributed at a reception for the editors and publishers sponsored by paper companies operating in Maine. The Paper Industry Information Office multi-media presentation was part of the program. Bill Seidman, President Ford's chief economic advisor in the White House, was scheduled to be the principal speaker. Some 300 were scheduled to attend.

A photograph of the Pinkham Lumber Company facilities in Nashville Plantation appeared in the September 27 issue of Monday.

Photographs of the East Millinocket clarifier and the secondary system lagoons appeared in a special fact sheet on water pollution cleanup published by the Paper Industry Information Office.

Sincerely,

[p]mc/b

Distribution:

J. R. Adams  T. H. Flanagan  O. J. Lombard  C. H. Reed
E. E. Allain  J. E. Godfrey  V. F. Mattson  W. A. Saucier
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W. E. Lloyd  T. S. Pinkham  P. F. Yacavone
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462

Dear Bob:

The newsletter of the Public Affairs Department for the week ending October 8 follows:

**THE INDIANS**

Don Sider is a staff correspondent of Time. He is based in Washington. Most of his work is for the magazine's law section. He came to Millinocket October 4. Time was planning a national roundup of Indian litigation topped by the claims of the Passamaquoddy and Penobscot Indians to millions of acres of the State of Maine.

A National Broadcasting Company news team also was in Millinocket.

"Maine Municipalities in Turmoil Over Land Suit Filed by Indians" said the October 5 piece in the New York Times. The world was hearing about the Indians' claim but the press was focusing almost exclusively on the problems of the towns and cities. It took federal funds to permit continuation of work on a Millinocket pollution abatement plant. It took a loan from the State Executive Council to let work continue on a Medway school. The cloud of the Indians' claims delayed the sale of bonds to finance construction.

On October 1 the Maine Congressional Delegation's four members proposed that Congress convey to the courts its intent that the Indians be limited to a cash payment, not the aboriginal lands. With the adjournment of Congress, the bill died. Staffers in the office of Congressman Cohen emphasized that the resolution would not have been binding in the courts. They think it can be passed in the next session. From other sources, we have learned that representatives of the Indians have been effectively lobbying in Washington for several years. Their current goal is to impress on members of Congress that the claims in the East are a matter for states to handle, not a federal responsibility.

On October 4, Attorney General Joe Brennan finally got a meeting with attorneys of the U.S. Department of the Interior. Their recommendation to the Justice Department is crucial to the future of the law suits. The Interior Department for months has ignored Maine's request to be heard.

Millinocket, Maine 04462. (207) 723-5131 Ext. 228
The Indians (continued)

On October 5 with out of state reporters crowding into the court house for a meeting on the suits, Judge Edward T. Gignoux ordered the federal government to decide by November 15 whether it will press the Indians' claims. Washington sources say Interior's recommendation will come in 10 days -- and urge prosecution.

And in Bangor, Attorney Tom Tureen -- replying to a question from a federal attorney -- said it isn't the intent of the Indians to oust people from their homes. He said there is enough land owned by the State and large corporations to make possible a settlement if it is decided land will be included.

The next step will be the recommendation of the Interior Department. Next will be Justice Department's action based on the recommendation. Everybody sees more confusion ahead.

THE MAINE SCENE

While the Indians' land claims were capturing most of the headlines, it was a week when lots of things were taking place which were of interest to people in our business...Wayne Birmingham and Bill Butler were among the members of the Maine Woodsmen's Association arrested October 4 and charged with trespassing. They were trying to reach a St. Regis Paper Company harvesting operation to hand out handbills urging Canadian cutters to go home. Their case will be heard October 14 in Machias...A seven day strike at Diamond International's Old Town plant ended October 7. A Diamond spokesman said the new contract provides an average cost per man to Diamond of 81 cents in the first year, 71 cents in the second...

It was the week after Clean Water Week. Phyllis Austin reported in the Maine Times that among the things ignored in the wave of positive thinking was "a darker side of the picture...bark deposits on the bottom of the Penobscot..." The Board of Environmental Protection on October 5 voted 4-3 to allow eight polluting sardine factories to stay in business although recommending a fine...Appearing at a hearing sponsored by a committee named by Governor Longley, a Central Maine Power Company executive said the demand for electricity has increased over 8 percent in Maine this year. The committee, headed by Farmington Banker John Robinson is probing the merits of the Dickey-Lincoln hydroelectric project.

THE 94TH'S LEGACY

"When the 94th Congress adjourned for the year on October 1, however, the forest products industry could look back on a highly productive session, resulting in increased incentives for capital formation; effective resource recovery legislation; constructive timber management reform legislation; and a very satisfactory unemployment compensation bill. Further, the industry avoided enactment of proposed Clean Air Act Amendments, which threatened possible severe curtailment of industry's expansion capability."---American Paper Institute.

Industry's success may have been reflected in the published reports of Senator Muskie's visible anger when the Clean Air Act amendments died October 1 just before adjournment.
When Congress reconvenes in January, it will face two major environmental issues:

1) The National Commission on Water Quality report recommending a mid-course correction in the nation's water pollution goal -- backing off from "best available" treatment and the "zero discharge" dream. (In addition, there's the matter of the Corps of Engineers jurisdiction beyond traditional navigable waters. Efforts to restore the Corps' rule to its historic activities failed when Muskie refused to compromise with House Conference Committee Chairman Wright. Wright wanted to exempt forestry activity from the permit program ordered by the Courts in a ruling forced by environmentalists. Now industry will be getting permits from the Corps before building roads and bridges.)

2) Amendments to the Clean Air Act. It took the threat of a filibuster to block legislation vigorously but unsuccessfully opposed by industry.

Congress voted to increase January 1 the Federal unemployment compensation tax which is entirely paid by employers. A Maine official says this is going to mean increases of 30 to 40 percent in payments next year and in 1978 when the wage base is expanded to $6,000 from $4,200.

The "constructive timber management" bill referred to by API solves the Monongahela crisis.

ASSOCIATED INDUSTRIES

With Dick Noyes, we attended the annual meeting of Associated Industries of Maine at Rockport. AIM's focus is on labor matters, taxation and the water and air pollution aspects of environmental matters. The October 8 session included a forecast of a major air pollution debate in the next session of the Legislature with environmentalists pushing to tighten controls. Maine industry was also advised to start thinking about where it would stand if the nuclear issue goes to referendum.

THE CAMPAIGN

Mrs. Jacqueline Kaye, the attractive independent candidate for Congress, was in Millinocket and East Millinocket October 5-6-7. Few politicians give her a chance to collect many votes against incumbent Bill Cohen and Democratic challenger Leighton Cooney.

Bill Cohen comes to the area October 28-29.

STATE CHAMBER OF COMMERCE

With Joe Jamieson, we attended the annual meeting of the State Chamber of Commerce October 6 in Orono at the University of Maine. Cole's Express of Bangor and the Jackson Laboratory of Bar Harbor were presented achievement awards.
State Chamber of Commerce (continued)

Senate President Joe Sewall and House Speaker John Martin talked about the legislative outlook during the afternoon business session. Both do not see at this time any need for new revenues although agreeing that a revision in the state tax structure will be the top priority item for the Legislature when it convenes in January. The big problem: the inventory tax. When it was decided to phase it out three years ago, the Legislature did not fully balance the books. Next year when the tax dies the result will be $15 million less in revenue for municipalities. While agreeing that industry accepted an increase in the income tax to compensate in part for the elimination of the inventory tax, Martin reminded the group that it is still possible that the tax will be reinstituted. What was an agreement with one legislature isn't binding on others, the House Speaker said.

PUBLIC RELATIONS

Following up on the Pinkham Open House, we prepared an advertisement for the Commercial Bulletin composed of pictures of customers at Skerry Siding. Other ads on behalf of the lumber company were prepared for the Northern Logger, Southern Lumberman and National Hardwood magazine.

With guidance from John Staples, we asked Ad-Media to come up with another (the fifth) concept for a layout for John McLeod's history of the Company. A final recommendation on the project is now in the works.

A photograph on the start up of the secondary systems for treating wastewaters from the Millinocket and East Millinocket mills was distributed to the Katahdin Journal, the Bangor Daily News, WMKR (for use of the text) and to other Maine publications.

Sincerely,

Paul

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J. R. Adams          T. H. Flanagan          O. J. Lombard          C. H. Reed
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                               W. E. Lloyd          T. S. Pinkham          P. F. Yacavone
Mr. Robert J. Shinners
Vice President-Operations
Great Northern Paper Company
Millinocket, Maine 04462

Dear Bob:

The newsletter of the Public Affairs Department for the week ending October 15:

BIRMINGHAM, BUTLER AND HOW MANY MORE?

Few people give Wayne Birmingham, Bill Butler and their cohorts in the Maine Woodsmen's Association much chance of getting anywhere with their demands that Canadians be kicked out of the woods.

While Birmingham is the Association president, Butler is the more articulate. Remember the article he wrote on taxation which was discussed in the July 30 Public Affairs Newsletter? Now Butler has summed up his thoughts on harassing paper companies. In a letter to the Ellsworth American, he wrote, in part:

"We woodsmen admit that, selfishly, we are fighting to better our lot. We can say that our aim would benefit the community economically, which the St. Regis use of transient aliens does not...."

"We would remind your readers instinctively sympathetic to the alien that we are the underdog. I have been told lately that Cesar Chavez has to fight constantly against use of imported labor. So are the woodsmen. Six paper companies control the forest and the markets for wood. When these six also have access to foreign labor, they have destroyed our ability to bargain for our services, our only economic worth."

Developments of the week:

On October 9 Birmingham appealed to woodsmen to join him in Augusta October 18 to sign up for woodcutting jobs advertised in the Maine press by contractors for the large paper companies. Birmingham also told the press he had lost his job as a woodcutter in Moro Plantation.
Birmingham (continued)

On October 11 Canadian cutters employed by St. Regis were escorted into the woods past seven woodsmen attempting to distribute handbills. St. Regis has ripped up bridges -- for repairs -- on the CCC Road where 16 woodsmen were arrested October 4.

On October 13, it was announced the scheduled arraignment of the woodsmen on trespassing charges had been postponed until November 15 while the Attorney General tries to figure out who owns the road -- which was built with Civilian Conservation Corps.

The National Labor Relations Board on October 14 told St. Regis to rehire eight woodsmen who failed to show up for work during last year's boycott by the Woodsmen's Association.

Birmingham, Butler and others continue to provide the news media with almost daily headlines. Birmingham told a Houlton man that the 60 Minutes staff of CBS News had contacted him for an interview. Maybe only a few woodsmen are involved, but they have an appealing cause which is again on the ascent -- at least in the eyes of the public.

"A DIALOGUE" OPENS

"We have opened a dialogue...We have begun to explore a possible way out of the present situation we are in," said Thomas Tureen, an attorney representing two Maine Indian tribes. That's how he described a meeting between leaders of the Penobscots and Passamaquoddy and Governor Longley. The Governor said he asked the Indians to help "take the pressure off the people of the state and give us the time we need between now and January." Because of the legal questions raised by the suit, local governments, school districts and hospitals haven't been able to sell bonds in recent weeks. In January, the Legislature meets (as does the Congress) and it can act to guarantee the bonds.

The Augusta October 14 meeting was one of several regarding the Indian problem. NBC on October 11 carried a report from Millinocket (and we understand GNP was not mentioned) on the problems created by the Indians claim. The Christian Science Monitor carried a story in its October 12 edition written by Kent Ward, a Bangor Daily News editor. The last we heard from Don Sider Time Magazine was planning a roundup of Indian law suits including the Maine situation, but it hasn't appeared.

Some opinions have crept into print:

"The paper companies may be expected to fght any action to take over their land. But in the long run, Indian takeover of the public lots and the paper company land would do the least economic damage to Maine, some observers believe. The fact that someone else owns the woods wouldn't stop the mills from running. And the majority of the paper company ownership involves out-of-state stockholders, not Maine residents." -- an analysis by David Bright, Bangor Daily News, October 9.
THE MAINE ASSOCIATIONS

Clark Neily has quit as executive director of the Economic Resources Council. He will go back to working full-time as economic development director for the City of Portland. ERCOM was organized with a lot of fanfare in 1975 to promote industrial development.... Paul Akeley has resigned from the industrial relations department of the Bath Iron Works Corporation and will join Associated Industries of Maine. He will be a consultant on labor matters and work with the AIM Personnel Association.

PUBLIC AFFAIRS

A contribution was made to the Baptist Youth Fellowship project in East Millinocket, the Northeast District of the YMCA on behalf of the Pinkham Company and the 75th wedding anniversary for retired employee Adelard Bilodeau and his wife.

On October 11 with Bart Harvey, we traveled to the Telos area to discuss regeneration and mechanical harvesting with Sherman Hasbrouck of the University of Maine Cooperative Extension Service. He is a resource economist.

On October 13, we assisted John Godfrey with the arrangements for a visit by five stock analysts.

PUBLIC RELATIONS

A news release covering GNN earnings was distributed to Maine media.

A photograph of the Portage chip plant announcing the expansion was released.

An advertisement was prepared urging sons and daughters of GNP and Pinkham employees to seek GNN scholarships.

A release was prepared on a promotion.

Sincerely,

[Signature]

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

Dear Bob:  

The newsletter of the Public Affairs Department for the week ending October 22:  

THE CAMPAIGN  

Election Day, November 2, close at hand. The campaign is, as they say, "heating up." Veteran U.S. Senator Edmund Muskie, in the third of a series of televised debates with Robert A. G. Monks on October 20 heatedly called a white paper issued by the challenger "a fraud." Governor James Longley, the only independent governor in the United States, endorsed President Ford. On the legislative scene, a weekly newspaper branded a candidate in a key State Senate race as "unfit to serve" in disclosing charges the man had overcharged people while serving as bail commissioner. Television was crowded with advertisements sponsored by anti-bottle bill forces while proponents got a helping hand from the regional director of the U.S. Environmental Protection Agency.  

Some things haven't changed. In Central Aroostook candidates for the State Senate are campaigning on the need for a better highway network to serve the big northern county. Senator J. Hollis Wyman, the blueberry baron from Milbridge, is out front in his bid for re-election. Wyman is 76 and the dean of the upper house. Speaker John Martin is unopposed in the Ashland area in his quest for renomination to the House. And at least two candidates say issues pertaining to the Maine deer herd are on the top of their list of priorities. St. John Valley Democrats flocked to a fund raiser for Congressman Cohen.  

Some things do change. Candidates are talking about economy in government. The Governor has blessed the economy-minded. No one is proposing new programs. At least one and maybe two independents may win seats in the State Senate. Republicans are given a chance of reclaiming House seats in Bangor and Portland.  

When the votes are counted, here is what one veteran observer expects to see:  

Millinocket, Maine 04462. (207) 723-5131 Ext. 228
The Campaign (continued)

1) Republicans in control of the State Senate with 22 seats compared to the 18 they now hold in the 33-member chamber. Senate President Joe Sewall, the legislative expert on finances, got a boost he had not expected when the weekly newspaper in Old Town branded his opponent, Richard Needham, as "unfit to serve." The Penobscot Times disclosed the Democrat had been denied reappointment after a hearing on charges he acted improperly while serving as a bail commissioner.

2) Democrats in control of the House with 80 to 90 members. The Democrats now have a 91-59 majority with one independent.

Senator Muskie and Congressman Cohen and Dave Emery (he is reportedly pulling away from challenger Rick Barton in the First District) all look like winners in their bids for re-election. The "pros" are also saying that the bottle bill opponents are rallying support and have turned the tide against the proposal to impose a five-cent deposit on beverage containers.

Maine Trees & Canadians

"We suspect there are hundreds of Canadians working in the Maine woods, not because of the cunning of the paper companies but because the Quebecers will take a job that Americans won't. From northwestern Maine, it's an easier commute to St. George than to Bangor, Waterville or Augusta."---editorial, Daily Kennebec Journal, Augusta, October 21.

Correspondents in the state capitol on October 18 agreed that only two dozen members of the Maine Woodsmen's Association showed up instead of the 300 President Wayne Birmingham called on to join in applying for jobs filled by Canadian bonded laborers. "But if they (Canadians) are taking American jobs it must be other American jobs because the 300 loggers he expected here to protest didn't show up, he (Birmingham) said, because they couldn't take the day off," also said the editorial in the Augusta newspaper. This point was overshadowed by other developments.

When the protesters applied for jobs with independent contractors employing the Canadians, the Maine men were refused jobs. (In advertisements required by the regulatory agencies, the contractors said they would hire cutters with, or without, skidders.) Four or five contractors were called. All turned down Birmingham and his followers. They were quoted as saying they couldn't provide skidders. State officials said that they would recommend that the U.S. Department of Labor withdraw the certification for bonds held by each of the contractors. One was a GNP supplier. In 1976 1,000 bonds were approved by the Labor Department. Less than half of the bonds were actually used by employers. GNP filled its work force without using bonds although the Pinkham operation employs 30 Canadians under bonds. But a substantial amount of wood used by Great Northern is still cut by contractors employing bonds.

Concerned Washington sources indicated it would be difficult to support bonds for contractors who refused jobs to the Maine men after advertising for cutters. Bonded laborers are certified for six months at a time. Applications are now being processed for the period starting November 1.
Maine Trees & Canadians (continued)

Birmingham and his group claimed that in one day they had succeeded knocking out 100 bonded labor positions. They will try to knock out more in another mass application day in Bangor October 26 -- in the week before the elections.

THE INDIAN MATTER

U.S. Attorney General Peter Mills has informed the District Court that he has little hope for Federal action on the Indian land claims by November 15. Judge Edward T. Gignoux issued an order establishing that deadline during an October 5 meeting of attorneys in Bangor. Now it appears that the Department of the Interior attorneys who have been studying the case will not be making a recommendation to the Justice Department. Instead the Department of Interior will send a summary of the facts to Justice and ask Justice to determine whether the claims of the Indians should be prosecuted.

Governor Longley has asked the Indians to stipulate they do not want returned occupied areas of the state. Attorneys for the Indians indicate any limitations on claims would weaken their case. A loan was approved by the Executive Council to the Town of Medway which has had to halt construction on a new school, started in anticipation of the sale of bonds by the State. The bond sale had to be called off when the question of title to the land came up as a result of the Indians claim. State Treasurer Rod Scribner came to Medway for a meeting October 19 and indicated he expects the case to continue for five to 10 years.

PUBLIC AFFAIRS

Arrangements were made for Senator Muskie to greet workers at the mills October 25 and 26.

Congressman Cohen will visit in this area October 28 and 29 and lunch with managers October 28.

We accepted a speaking engagement October 25 in Houlton. Ken Hodsdon, district superintendent in the woodlands department, will attend the Rotary Club meeting with me.

Arthur Fricke, new dean of the Engineering Department at the University of Maine, will be a guest at an October 26 luncheon and tour the mills in the afternoon.

The Commission on Maine's Future was provided information on Great Northern's use of the Port of Searsport.

Directors of Associated Industries of Maine at a meeting in Augusta on October 21 worked out plans to hire a new executive director. Merrill C. (Pete) Welles will step aside for health reasons and take over the legislative program.
PUBLIC RELATIONS

A picture and a caption covering the expansion of the Portage wood chip plant was used by newspapers throughout Aroostook County, on WAGM-TV in Presque Isle and in the Bangor Daily News.

A revised map of the East and West branches of the Penobscot River was distributed to personnel departments. It is a giveaway for employees containing a safety message and a popular item during the hunting season.

Ann Erickson, Bangor News correspondent in Millinocket, and her husband are seeking items for a new weekly newspaper in Millinocket, "The Katahdin Times." A prototype was distributed. We will take an advertisement in the first issue due early in November.

Great Northern will co-sponsor broadcasts of the state soccer tournament over WMKR. Schenck (East Millinocket) is again involved.

Sincerely,

pmc/b

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

Dear Bob:

The newsletter of the Public Affairs Department for the week ending October 29:

**Federal Solution?**

"The administration is considering whether a package should be prepared to go to Congress in an effort to solve the Passamaquoddy and similar problems."

U.S. Attorney Peter Mills on October 27 disclosed that the Ford Administration is examining possible solutions to the financial crisis resulting from the Indian land claims in Maine, and in other states. "A precedent in the Passamaquoddy case will affect many other tribes and the government needs a better understanding of the entire problem before making a decision whether to go to the Hill (Capitol) or court," Mills was quoted by the Portland Press Herald as saying in District Court. The Government won a delay until January 15. State Attorney General Joe Brennan says if the Federal government hasn't made up its mind by that time, he will ask that the case be dismissed.

On October 22 Scott Asen of the Boston Magazine called with questions regarding the Indians' claim. A final question asked what Great Northern Paper Company thought of the merits of the case. I finally turned him over to Attorney Don Perkins.

On October 24 the situation was covered in a story in the New York Times written by Boston Bureau Chief John Kifner. The Times pointed out that the land at issue includes the vast "unorganized territory" of which most of the land is held or used by the paper companies.
Federal Solution (cont.)

Business reporter Frank Sleeper of Maine Sunday Telegram called October 22 asking why the Indian claims had not been reported in financial reports of the corporation. He concluded in an October 24 story that "It could well be that Maine's leading industry won't be able to play it quite so cool in information it gives stockholders in the next few weeks." We explained to Sleeper that GNP wasn't formally involved. Don Perkins also talked with him.

Credit for the Spraying Program?

Department of Conservation staff members concede they have a problem which can be attributed to an article in the Maine Sunday Telegram of October 17, a problem inflated by the wire services picking up the story without elaborating on the facts and editorial writers doing the same thing. The hard-working Mr. Cummings was the only reporter at a meeting in Augusta when landowners were briefed on the budworm picture. In his story in the biggest newspaper in the State, Cummings chose not to give credit to the spraying programs of the past few years for "putting significant pressure" on the budworm population along with predators and other natural factors. Cummings reported that the budworm has nearly disappeared and the story was headlined " Sick Budworms Will Save State Millions of $. " Editors used the report to judge the merits of letting nature takes its course, or spraying. Said an editorial in the Central Maine Morning Sentinel on October 22, "Those who have opposed the spraying program as both costly and ineffective now may argue that their point has been made. The spruce budworm population explodes in 30 to 40 year cycles and then dwindles away without any interference from man, they say."

In a story in the October 22 issue of the Maine Times, budworm project chief Lloyd Irland was quoted as saying that spraying plus adverse weather conditions led to the weakening of the budworm population. He also warned against thinking the crisis has ended. A Department spokesman made those points in a Presque Isle television interview --- saying millions of bugs are still around in worrisome numbers. Spraying was also credited with being a major factor in the improved picture in a departmental news release. Another news release is planned in conjunction with a news release on a speech by a Department spokesman at a November 15 Forest Forum in Bangor.

This year legislators will be asked to approve spraying of 930,000 acres at a cost of $3.1 million compared with 3.5 million acres and $8.1 million cost last year. The key funding question is that of how much can be expected from Washington. The Federal government has been paying 50% of the cost. We have proposed an industry meeting in Washington to rally all possible support in a better coordinated program than industry and the state have put together in the past.

New Wild & Scenic Rivers

As you may have read, the President has signed bills adding the Flathead and Missouri rivers in Montona, the Obed River in Tennessee, the Housatonic in Connecticut and the Feather River in California to the National Wild & Scenic Rivers System.
While printers have not been able to keep up with demands for copies of the legislation and reports which accompany the bill, the recommendations of the Committee on Interior and Insular Affairs on the Missouri designation makes interesting reading:

"Because the word 'wild' is part of the Wild and Scenic Rivers Act, many assume that the wild and scenic rivers areas are treated like wilderness areas. It is erroneous, however, to make an analogy between the Wild and Scenic Rivers Act and the Wilderness Act. The Wild and Scenic Rivers Act should more properly be considered a multiple use act, save one use. The only use prohibited is impoundment; the river segment must remain free flowing."

Later the Committee restated the point:

"The only prohibited activity under the Wild and Scenic Rivers Act is the development of water resources projects."

In the case of the Missouri, the Committee rejected a report that development of the river's hydroelectric potential "might be warranted under conditions of increased regional power needs." They preferred it be forever left in a free-flowing state.

**The Woodsmen**

Headlines of the week from the Bangor Daily News:

"MWA Members to apply for wood jobs" -- October 27
"Woodsmen stage sit-in at jobs office as protest" -- October 28
"Maine woodsmen denied use of wilderness road " -- October 29

John R. Wiggins of the Ellsworth American, in another blow-by-blow account published October 28, reported on the Bangor bulk job application and other developments:

"A similar effort last Monday in Augusta indicated that many of the jobs did not, in fact, exist, and that the contractors did not have sufficient machinery to equip American workers. The Canadians who fill 80 percent of the jobs in the woods habitually bring their own skidders and equipment into Maine with them but by law the contractors must offer to provide that equipment to any Americans willing to take those jobs.

"As a result of the jobs test in Augusta, William Malloy, the director of the Maine Job Service, recommended that bonds be withdrawn from some of the contractors who could not fulfill their advertisements.

"At the meeting in Bangor, however, was a representative from the Boston regional office of the Department of Labor who seemed considerably less inclined to take action against the contractors. His name was Gayle Backus."
Woodsmen (cont.)

In an October 25 editorial, the Central Maine Morning Sentinel said, in part:

"We've never seen any substantial evidence, however, that Maine paper companies have conspired to employ Canadian help in preference to native woodsmen -- certainly not in recent times.... Nevertheless, we applaud Mr. Birmingham's efforts to get more State of Mainers into jobs in our own woods. Certainly, Mainers who can do the work should get the first shot at the pay checks. However, until the day comes when the number of natives is great enough to get out the annual crop, we'd best keep the bienvenu signs up along our northern border."

Peter Anderson of the Boston Globe talked with us on October 22 from Boston and spent most of the week following the Indians. Before he came to Maine, he said from reading "between the lines" in the Maine newspapers, one would gather that the paper companies were the culprits in trying to fight off Birmingham's attempts to justifiably oust Canadian woodcutters. In Maine, Anderson spent two hours with Paul Levesque, among others.

Now, November 2:

This week saw Senator Edmund S. Muskie and challenger Robert Monks as well as Second District Congressman Bill Cohen (a few days later because of sore feet and other ailments) plus his opponent Leighton Cooney all campaigning in this area. Senator Muskie as a "distinguished national leader" won the endorsement of Maine's largest newspaper, the Maine Sunday Telegram. Monks was the choice of the second largest, the Bangor Daily News. Everybody endorsed Cohen and First District Congressman David Emery, also seeking re-election.

Wakine Tanous, the Republican seeking to regain the Millinocket area State Senate seat now held by Charles Pray, says times have seen the cost of running for public office dramatically increase. He'll spend $3,000 this year. When he ran his other campaign a few years ago, Wakine says only a few hundred dollars was required.

Public Affairs

An advertisement was placed in the Southern Aroostook Community High School year book.

Maple syrup was donated to auctions sponsored by the Ashland and Houlton Rotary Clubs.

A $2,000 special gift was made to the Maine Council on Economic Education to finance what Dr. Arthur Johnson thinks will be the first of a kind tour of Maine industries by public school teachers. The tours will be part of the annual workshops of the Maine Council on Economic Education.
PUBLIC RELATIONS

A photograph of the second greenhouse under construction in Millinocket was taken for the Katahdin Times, the new weekly scheduled for publication in Millinocket.

The editor of Monday, a weekly business newspaper, called and thanked us for sending him a copy of the release on the promotion of Mrs. Opal Arnold. The release was accompanied by a picture.

The Millinocket Journal published a picture of youngsters with "Trick-or-Treat" bags provided by Great Northern in cooperation with the Millinocket Police Department.

With Ken Hodsdon of the Woodlands Department, we discussed Great Northern Paper at an October 25 meeting of the Houlton Rotary Club.

Sincerely,

Paul

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

Dear Bob:

Election Day, November 2, has come and gone. What do the results mean for business? Some of the possibilities are covered in the newsletter of the Public Affairs Department for the week ending November 5:

THE OUTCOME - IT'S MEANING

On the national scene the results will lead to a change in administrations. On the Maine scene, Republicans picked up five seats in the Legislature. But January of 1977 isn't going to produce any changes in the political picture in Augusta: Independent Jim Longley will remain as Governor, Republicans will control the Senate and Democrats will dominate the House of Representatives.

The most talkative folks following the elections were the environmentalists. They had something to crow about -- passage of "the bottle bill." "We've been on the defensive lately. Now we're on the offensive....We have clear evidence that Maine people want to protect the environment of Maine," William Ginn of the Audubon Society told reporters. The "bottle bill" was approved by 58 per cent of the voters and requires a five-cent deposit on all beverage containers starting in 1978 and bans both flip-tops and plastic rings. (On the same day Michigan passed a similar bill. Voters didn't like the idea in Colorado and Massachusetts. Vermont and Oregon earlier adopted such laws.) It was the second straight victory for the environmentalists in Maine. In June, in another statewide referendum, voters approved a 40,000 acre state park to protect Bigelow Mountain.

What's next on the environmentalists' shopping list?

They will join with consumer groups and Safe Power for Maine in urging a ban on nuclear power development. Lance Tapley, the man who organized the Bigelow petition drive, is heading the Safe Power effort -- and they claim sufficient names already on petitions to force the Legislature to approve a referendum. On another subject, the Natural Resources Council of Maine will likely lobby for stiffer air pollution regulations.
controls -- the outgrowth of the controversies surrounding the licenses granted St. Regis and International paper companies. The Audubon Society is likely to urge an emphasis on recycling in a state solid waste program, protection for inland marshes and bogs and protection of farmland from development. This new "political muscle" also will benefit the NRC in fighting the Dickey-Lincoln hydroelectric proposal.

Big spenders didn't do well. Opponents of the "bottle bill" spent $300,000 while the winners spent $25,000. Republican Bob Monks spent $360,000 (most of it his own money) but lost to Senator Ed Muskie who polled 60 per cent of the vote. Bill Cohen was re-elected in the Second District with a historic 77.3 per cent majority. In the First District Dave Emery won a second term in Congress with 58 per cent of the votes.

Looking ahead, one scenario discussed in Augusta projects this chain of events:

In the Spring of 1978, Governor Longley will resign. Washington needs his successful business approach to government which has been successful at the state level, the Governor would say. Longley starts campaigning to unseat incumbent Senator Bill Hathaway. Longley turns the state job over to Joe Sewall a man he admires and for whom he campaigned in 1976. Bill Cohen decides against getting into the Longley-Hathaway scramble for the Senate and announces he will be a candidate for Governor, again putting off his Senate ambitions. Sewall endorses Cohen urging all Republicans to join in a crusade to rebuild the party.

While there is no known foundation of fact in the scenario, it makes interesting reading.

In the new Legislature, Republicans will have a 21-12 edge in the Senate; Democrats an 89-62 majority in the House. Senate President Sewall and House Speaker John Martin will be re-elected. Neil Rolde quit as House majority leader to run unsuccessfully for Congress. Mary Najarian, Rolde's assistant in the last session, wants to become the first female majority leader. She is opposed by Jim Tierney, one of labor's best friends in the House. It looks like three men are seeking Mrs. Najarian's old post -- Rod Quinn of Gorham, Skip Greenlaw of Stonington and Ed Kelleher of Bangor. Assistant House Minority Leader Jock McKernan quit to become a lobbyist. Bill Garsoe of Cumberland, Tom Perkins of Blue Hill and Linwood Higgins of Scarborough want to move up into leadership.

Some items of interest:

Two critics of industry went down to defeat. Veteran Roosevelt Susi was defeated in the Pittsfield area. Phil Ingegneri was rejected by Bangor voters.

Of special GNP interest: Rod Farnham, a retired personnel manager, lost his seat in the House. Walter Birt of the East Millinocket mill was re-elected to the House. The wife of forester Ron Locke was elected to a House seat in Piscataquis County.

Sherry Huber won a House seat from Falmouth and will join her husband in Augusta. Dave is a Senator.
The Outcome (continued)

Finally, some politicians are never too old to adapt. Calais Radio Station WQDY doesn't accept political advertising. In the days before the election, the station picked up a new account with plenty of money to spend. Frequent commercials plugged the products of the Wyman canning company -- blueberries and sardines -- and pointed out that Hollis Wyman was the latest in a pioneering and progressive family to head the Company. Veteran Senator J. Hollis Wyman (he's 76) won re-election to the State Senate from the Washington County region.

In Augusta

The terms of two members of the Board of Environmental Protection expire before the end of the year. Ed Thomas and Mrs. Evelyn Jepson are reportedly seeking reappointment. Thomas, a retired S. D. Warren chemist, and Mrs. Jepson will probably have industry support....In response to a question from the Natural Resources Council of Maine, the Paper Industry Information Office has told the environmental group it isn't interested in getting involved in opposing the Dickey-Lincoln project....Director John Walker of the Bureau of Forestry is eligible to retire within the year. Temple Bowen, deputy commissioner of the Conservation Department, is interested in the Forestry post....Associated Industries of Maine will file a statement supporting the Pittston refinery project at a December 3 hearing in Eastport on the subject of the economic impact of the project. Pittston is also going to be seeking support from paper companies....Representatives of the State Bureau of Taxation are touring lumber and paper mills. They told people at one mill that they are preparing for hard questions from legislators on property valuations -- one mill vs. another. Equalized valuations based on replacement costs are being talked about. We alerted Phil Cannella....The Legislative Committee on Agriculture finally has got around to studying wood measuring systems and a questionnaire is being circulated....The annual meeting of the Maine Forest Products Council will be held December 7 at the Howard Johnson Motel in Waterville....The proposal that the Department of Fish & Wildlife be merged into the Conservation Department has stirred up the "sportsmen" again. When former Governor Curtis tried to merge the two, he lost....Tactics of the Land Use Regulation Commission have changed from confrontation to soft sell. Staff members have been informally briefing landowners on the permanent land use standards. The standards are contained in a 100-page draft which will go to public hearing this month. The first of the sessions will be November 22 in Presque Isle and others will follow at Orono and in Portland. Members of the LURC panel are urging "constructive comments" from industry, spelling out changes desired in specific language.

Annexation

It is a widely misunderstood issue in Millinocket. John Keys summed up the favorable results of a November 4 public hearing in this news report on WMKR:

"Millinocket residents will decide in referendum on December 10th whether the town limits will be extended to include all of Indian Township Three. After a lengthy public hearing last night, the town council voted unanimously to send the question to the voters. The town planning board has proposed that the town annex all of the remainder of the township which would extend the town limits north of Smith Pond, and south and west beyond Norcross. If approved by the voters, the matter then would go to the state legislature for action."
Annexation (continued)

The proposal has GNP support.

WOODSMEN AND THE PRESS

"Not one of us got a single job. Not only were we refused jobs but on the last attempt to secure work the Great Northern Paper Company blocked the road to the job so we couldn't apply for the jobs...The Nader Report was correct and I personally believe that the paper companies run this state, that they have most of our elected officials in their back pocket."---Alton Gordon of Guilford letter printed in the Bangor Daily News, November 4.

"Maine woodsmen's efforts to get jobs has taken another turn for the worse. Great Northern Paper blocked 35 members of the Maine Woodsmen's Association from using a company road to get to their job referrals in northern Maine last week."---Maine Times, November 5.

It took Peter Anderson of the Boston Globe to hit the nail on the head, at least the version people in our business prefer. In the October 31 edition, Anderson wrote of the Woodsmen's Association visit to the mill of Paul Levesque:

"The Maine woodsmen didn't really want the jobs right then, and Levesque didn't really want to hire them because he has 50 Canadian loggers already in the woods. The Maine Woodsmen's Association is using the immigration labor law to try and drive the Canadians out."

Except for a brief report on a Boston meeting of representatives of the Association and Federal officials which appeared in the Ellsworth American, the election news crowded the woodsmen out of the headlines for a few days.

PUBLIC RELATIONS

A "Great Northern Salute" advertisement was placed in the two weeklies to honor 1976 Millinocket mill mechanical crafts apprentice graduates.

The release on the GNN dividend increase was distributed to the Maine media.

A photograph of the Portage wood chip plant, which is now being expanded, was widely used in northern Maine newspapers and in Monday, the business weekly.

Business reporter Frank Sleeper reported on the GNP decision to raise the price of newsprint used by the Portland newspapers. In an editorial in the affiliated Augusta newspaper, the Kennebec Journal said the rising cost of newsprint is forcing publishers to look for a substitute but quickly added they hope the miracle doesn't happen too soon because they realize the paper industry is Maine's biggest source of dollars.

Sincerely,

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

Dear Bob:

The newsletter of the Public Affairs Department for the week ending November 12 follows:

THE WASHINGTON VIEW

The Government Affairs Committee of the American Paper Institute is composed of representatives of 30 companies, a third of them based in Washington. With Congress having adjourned for the year, the Committee's coordinators on major issues have taken time to review what happened in 1976 and what is expected in 1977. The subjects covered in the report included economics, the environment, energy, employee relations, judicial and regulatory affairs, natural resources, and transportation -- matters which are of continuing concern to the industry.

Highlights of the report included:

"The environmental record of the 94th Congress will be remembered for what was not accomplished rather than for what did become law....Forecasting the environmental agenda for the 95th has been more complicated and difficult as a result of the last minute derailment of the major air amendments and necessary water pollution grant authority. Current wisdom is that these bills have only been deferred, and will be the first order of business for the 95th."---J. Dudley Haupt, St. Regis Paper Company.

"Despite anticipated major tax reform efforts and the threat of the 'veto-proof' Congress, forest industries did not fare badly in 1976....In accordance with the normal two-year tax reform cycle, no major initiatives would normally be expected in 1977; however, this has been a major campaign issue and particularly if Mr. Carter is elected we can anticipate that proposals will begin to develop in 1977. Both President Ford and Mr. Carter support the elimination of the double taxation of corporate dividends; however, the Carter people are of the opinion that capital gains benefits should than be eliminated or modified."---Sidney G. Hawkes, Mead Corporation.
"The 94th Congress adjourned sine die early on October 2 without passage of legislation to amend the Federal Water Pollution Control Act of 1972 including language to reshape the U.S. Army Corps of Engineers Dredge and Fill Permit Program under Section 404. Perhaps there is one bright spot in all this: both House and Senate have made clear there is a problem, and that the U.S. Army Corps of Engineers should not be regulating these kinds of activities...It would appear that an intensive effort in concert with our allies of 1975-76 can produce early and acceptable settlement of the Section 404 problems."---Keith Hundley, Weyerhaeuser Company.

"Energy was the leading concern of the 94th Congress but those who hoped for a congressional solution to the problem lost out to the realities of domestic energy policies...There are many who believe that during the next two years, an energy policy which could well determine our country's future will evolve."---Thomas F. Mitchell, Georgia-Pacific.

"After months of hearings, mark-up sessions and action in both the House and Senate, Congress finally passed a bill designed basically to correct the so-called Monongahela Court decision...Generally, the measure is sound...The Forest Service must now begin drawing up new regulations and directors to implement the new provisions. It is in this area that industry must constantly work with them in insuring that the regulators are viable and realistic. I would also venture that many of the newly enacted provisions are going to court actions and proposed legislative actions time and time again."---Thomas F. Holley, Boise-Cascade.

THE STORY SPREADS


The same story appeared in the St. John, N.B., Telegraph Journal.

The long awaited article on the subject appeared in the November 15 issue of Time Magazine.

The Portland Press Herald on November 10 reported that GNN was the first paper company to tell its stockholders about the Indian suit.

And Phyllis Austin of Maine Times went to Calais to write two articles for the weekly's November 12 issue on "Tom Tureen and the Indian Land Case." Tureen told her that "there are still some tricks, however, the white politicians can play to thwart the Indians' victory...such as changing the law before the suit is resolved. He was referring to an unsuccessful effort made recently by the Maine Congressional Delegation, at the urging of Governor James Longley, to 'deprive the Indians' their right to recover their lands." The resolution would have limited the Indians' potential award to money but Congress adjourned before acting on the measure, and it died. The action was "a terrible commentary on our legal and political system," said Tureen. "It portrayed the attitude that we all live by the law until it provides too much to minorities."

Attorney General Joseph Brennan came to Millinocket November 9 to talk with members of the Chamber of Commerce on the subject. Brennan said the only thing the Indians have won so far is some headlines manufactured by their attorney. Brennan was firm in saying the State sees "no merit" in the Indian claims. It isn't time to talk compromise, he said, when you haven't even got a case before the courts. Brennan reminded his listeners that the Federal government hasn't yet made up its mind to push the Indians' claims.
Story Spreads (continued)

In the weekend editions of the Bangor Daily News and in the Maine Sunday Telegram, Washington correspondent Don Larrabee reported that the Indian claim matter is going to have to be left up to the next administration. President-elect Carter's men in the Justice and Interior departments will have the benefits of the thinking of the outgoing team which has been researching the subject. A Federal Court has asked for an answer by January 15 on whether or not the claim will be taken to court by the Federal attorneys.

Taxes

Reports on committees studying Maine's taxes and state finances are beginning to pile up with the opening of the legislative session less than two months off. If you can believe what you hear in Augusta, Governor Longley weeks ago rejected a report from one of his own task force. He sent it back saying it was "eleven pages of disappointments, lacking substance." The version finally released calls for establishing an over-all state spending limited each year, one tied to the taxpayers ability to pay. Governor Longley has scheduled an all-day public hearing Saturday, November 20, on the reports of task forces on economic development, budget reform, tax reform, human services and government reorganization. The Joint Select Committee on Tax Policy, created by the Legislature, is expected to finish work on its report November 20. Members are talking about tax reform without recommending any increase in the total amount to be raised by the state.

Paper Industry Information Office

The Samoset-Treadway Resort in Rockport will be the site of the annual meeting of the Paper Industry Information Office, January 14-15. With everybody talking about tax reform in Maine, the PIIO program will be built around this subject. The Office also will co-sponsor with the State Museum in Augusta a month-long showing of a Library of Congress exhibit on papermaking. The exhibit will open January 9. Legislators will be invited to a special morning "coffee and doughnuts" showing on January 12.

Something to Talk About

Wayne Birmingham of the Maine Woodsmen's Association had something to talk about again this week and what he said made the front page of the Bangor Daily News on November 12 and the front page of the second section of the newspaper on November 13.

On November 12 it was reported that Birmingham accused Great Northern of attempting to thwart woodsmen's efforts to drive Canadian bonded laborers from Maine woods. We confirmed that GNP had "lots" of skidders which were available to be rented by contractors. The News also reported that GNP had no bonded workers in its operations, adding the Pinkham Company does.

On November 13, Birmingham claimed "a great victory" and told news- men that he understood charges of trespassing against him and 15 other members of the Association would be dropped. They were arrested while trying to pass out leaflets to Canadians employed by St. Regis. The
Something to Talk About (continued)

Road was built in the 1930s by the Civilian Conservation Corps. While the story is still developing, a Bangor television station late November 12 said St. Regis paper company had issued a statement confirming that the charges were being dropped.

PUBLIC RELATIONS

An advertisement was placed in the Maine Sheriffs Association yearbook.

A new power saw was donated to the Katahdin School in East Millinocket.

GNP co-sponsored the broadcast of a Schenck championship soccer game over WMKR.

Another in a series of pictures taken by Roger Boynton got a good play in northern Maine newspapers. The photograph showed the site of the Ashland housing development.

A Bangor Daily News correspondent called regarding the Company's decision to withhold part of the 1976 taxes in East Millinocket. We referred her to letters from an attorney explaining the advisability of taking this step while the Company and the Town are at odds legally over the valuation of the mill.

Sincerely,

Paul

pmc/b

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   W. E. Lloyd   T. S. Pinkham   P. F. Yacavone
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462

Dear Bob:

The newsletter of the Public Affairs Department for the period ending November 24:

**LAND USE**

The Land Use Regulation Commission's doings were back in the headlines. The Commission held the first in a series of public hearings on a draft proposal for permanent districts and land use standards November 22 in Presque Isle. LURC has been operating under interim standards. In September, Governor Longley approve a comprehensive land use plan for the organized territory. Now the Commission is considering the standards which it will use in the permanent zoning of the ten million acres in the unorganized territory. Zoning hearings will begin in March, 1977 and will go on for two years.

LURC was created in 1969 to regulate the development of the so-called wildlands of Maine. It has been embroiled in controversy in all the years of its existence. In the interim zones, almost 20 percent of Great Northern's timberlands were placed in protection districts where somebody has to be notified, or a permit has to be obtained before a tree can be cut, or a building erected. A new commission with a conciliatory attitude is trying to wade through the complex mechanism established for zoning. The Commission is trying to get a difficult job done without again getting bogged down in controversy. Still, the zoning standards generated criticism from paper companies and major landowners.

Speaking for the Paper Industry Information Office, Attorney Donald Perkins made several key points in Presque Isle:

-- If the Commission adopts the staff proposal for redistricting, "blanket preservation" as opposed to necessary balancing will result;

-- The staff proposal looks like an attempt to get around the statute adopted by the Legislature instructing the Commission on how to deal with deer wintering areas. Perkins questioned if a standard requiring 640 acres of shelter for 10 deer is reasonable.
Land Use (continued)

-- Questioned why LURC wants to duplicate other agencies in regulating the use of pesticides;

-- Vigorously opposed the concept of three management districts. He reminded the commission that it was the intent of the Legislature to permit timber harvesting and allied activities without regulations in the district. If three different types of districts are needed, he asked that the land be placed in the "highly productive" or "natural character" zones only when requested and justified by the owner.

The first hearing attracted 40 people. The LURC staff proposal was called "cumbersome" and "confusing" by a spokesman for the Northern Maine Regional Planning Commission. Representative Jim McBrairty of the Caribou area told the Commission of his frustrations when bureaucrats write regulations which the Legislature would never approve, branding them "the monsters of government over-control." The second meeting in Orono the following night also attracted 40 people. Several representatives of industry elaborated on Perkins' statement. A spokesman for the Maine Congress of Lakes urged zoning to prevent strip development of undeveloped shorelands. The final hearing will be November 29 in Portland. Statements for the hearing record are due by December 14. Great Northern will file a statement. Responding to commission criticism that the paper companies were not constructive during hearings on the comprehensive plan, Perkins is stressing the cooperative attitude of the companies. Conservation Commissioner Barringer, a critic, is praising the industry approach. Perkins will now go to work on re-writing the standards, page by page, to provide the Commission with requested specifics -- as the industry sees them.

Saturday in Augusta

Jim Longley as governor has changed things in Augusta. Saturday, November 20, the State House was alive with activity. Five task forces which the Governor established to prepare the administration's 1977 legislative proposals were holding public hearings on their reports. A special legislative committee considering tax reform was meeting; having scheduled its meeting to coincide with the Governor's sessions. In welcoming the more than 200 people to the hearings, the Governor acknowledged he has been criticized for failing to recognize it was deer hunting time in Maine and that Saturdays also are reserved for football and soccer. A lot of legislators showed up for the meeting, talking like they were already in session. But the general public also got in the act. It's questionable how profitable the day was. But the Governor continues to do things in a way most people appreciate.

Task forces reported on economic development, budget reform, taxation, human services and governmental reorganization. A proposal to merge the state departments of Fish & Wildlife and Marine Resources into the department of Conservation has the fishermen and the hunters up in arms, and many of those in the crowd were there to fight against the proposal.

When it came to the related subjects of economic development, budget reform and taxation, the focus was on the recommendations of a task force that the state uniform property tax be eliminated. The tax study also urged the inventory tax be phased out and the corporate in-
Augusta (continued)

come tax be increased to offset the revenue loss. It was also urged that the state revise the income tax law passed only this year. Meanwhile, the budget task force is calling for the establishment of an index which would establish a ceiling on spending based on state personal income (something like the idea recently rejected in a statewide referendum in Michigan).

It was an interesting day to listen:

At one point Gene Carter, chairman of the task force on taxation, said "in the times of inflation it is not unusual to see single people making $25,000 a year."

While Carter was talking, veteran legislator "Spike" Carey of Waterville (where he is also mayor) whispered to another legislator, "Skip" Greenlaw of Stonington: "How would you like to make $25,000 a year?"

Later, another legislator returning to Augusta stood up and explained that when income taxes were increased earlier this year, it was a shift in tax emphasis, away from the property tax. "We got it from the fat cats," said Harold Fenlason of Danforth. (Fat cats start at approximately $17,000 if they are single.)

**Forest Resources Study**

The Forest Resources Study Committee created by the Legislature devoted an all-day meeting on November 18 to the subject of forest land taxation. They had been asked to do so by another study group created by the Legislature to consider tax reform. Lynwood Hand, Great Northern's legislative agent, attended. As anticipated, Maine Municipal Association spokesman John Salisbury argued that the forest lands of the unorganized territory are undertaxed. Landowners contended the Tree Growth Tax Law formula encourages good management and is a basis for a fair return. Both Hand and M. M. Collins, production manager of the Pinkham Lumber Company, feel that the committee came away from the meeting favoring retention of the Tree Growth Tax Law. Collins is a committee member. Now the committee is turning to the critical stage in its proceedings, the writing of a report. Members have been asked to submit ideas. Suggestions will be organized next week by a sub-committee for consideration by the entire group December 2. With Wayne Birmingham involved, it is unlikely unanimous agreement will be possible on many matters. Even Dick Barringer is resigning himself to the fact, says another member, University of Maine Vice President Fred Hutchinson. Barringer hailed the appointment of the committee earlier this year as a vehicle for guiding state activity for the next quarter-century.

**Reports and More Reports**

The reports of the Governor's tax forces on taxes, budget reform and economic development are now being circulated. A report from the committee created by the Legislature to study tax reform is due soon.
People who have seen drafts of the report indicate that the Committee favors reassessment of industrial property by the state of business property of over a million dollars value. Like the Governor's tax force, the draft also indicates a one per cent increase in the corporate income tax may be necessary -- for companies with profits over $100,000. The Governor's office also is studying a report on the implications of the Tree Growth Tax, prepared by John Joseph for the State Department of Conservation. Joseph is a close associate of Barringer.

**GOOD NEWS DEPARTMENT**

"We are out of the crisis stage. Business is getting back to normal. Everything seems to be working out," State Treasurer Rodney Scribner was saying after a November 17 meeting of the Governor's task force considering the financial implications of the Indians' claims their lands in Maine were taken away from them years ago without necessary Federal approval. Town Manager Michael LaChance said the bonds to pay for the Millinocket pollution control system had finally been sold.

**PUBLIC AFFAIRS**

A meeting of Millinocket business leaders to discuss annexation was arranged November 22. The issue will be voted on December 10. The proposal has been endorsed by the Chamber of Commerce and the Katahdin Times and has the support of the owner of WMKR. A lot of people don't understand what annexation involves and are suspicious of Great Northern's motives. At the meeting with business people, Bob Shinners told them that the proposal does have GNP support and Fred Morrison answered questions.

Bart Harvey guided Congressman Dave Emery and George Smith, the Congressman's assistant, on a two-day field trip in the Ragmuff area. The Congressman for the first time saw a woods harvesting operation.

**PUBLIC RELATIONS**

A news release was distributed on paying a fine for an oil spill.

Bob Bartlett spent three hours talking with Dennis Mills of the Bangor Daily News on November 24. Mills has spent three weeks doing an in-depth study of the situation created by the Maine Woodsmen's Association. With Bartlett were Henry Deabay, Bart Harvey and I. We provided a lot of information. Let's hope that at long last we can get a balanced story on this controversy.

On the same subject, the Ellsworth American quoted Wayne Birmingham in its November 18 issue as calling me a liar when I told the Bangor Daily News that GNP had a "lot of extra skidders" which we would rent to independent wood producers if they needed them to put MWA agitators to work. I wrote publisher Russ Wiggins and invited him to join me in counting skidders and also seeing how GNP is getting men to work in the woods.

Sincerely,

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

Dear Bob:

The newsletter of the Public Affairs Department for the week ending December 4:

**THE HOSTILE CLIMATE**

"In 1972 when Congress set 'fishable and swimmable' as a national water quality goal it assumed that it would be necessary to remove all but the final traces of man-made pollution by 1983 and eventually reach 'zero discharge.' Studies by the National Commission on Water Quality, however, indicate that the 'fishable and swimmable' goal will be reached in most instances when cities have matched industry's performance in reaching the interim 1977 requirements. In view of this, the Forest Products Industry believes that in most cases the 1983 requirements will result in an exorbitant cost to the public (in terms of capital, energy and other resources) without significant additional improvement in the water quality. Therefore the industry believes the law should be modified to achieve the best balance in public needs."

**Gearing up for the critical debate in Congress over the need to relax 1983 federal water quality goals, a forest industry group has been testing public opinion on the issue. The committee condensed the forest industries' position into the brief statement above as a basis for the sampling. Chairman Jerry Gregoire of ITT-Rayonier reported on the results at a December 2 meeting in Washington of the Government Affairs Committee of the American Paper Institute. Summing up, Gregoire said:**

"We've got a real problem communicating in a very hostile climate."

The basic message has been modified to eliminate the fact that municipalities haven't yet got the job done.

What Gregoire had to say was only one of several indications that the odds are stacked against the industry on the water pollution issue. Still API is pushing ahead. Stan Smith of International Paper heads a newly created "super committee" which will guide industry strategy. A grassroots lobbying system is being put together, reaching into every Congressional district. Training sessions for communicators and managers are being held in different regions of the country.
Climate (continued)

On other matters, it was reported:

Air Pollution -- API's committee on this subject will consider if it isn't more desirable to have the Environmental Protection Agency deal with the non-deterioration issue through regulations then it is to have Congress revise the law. Amendments to the Clean Air Act died in the last session. Both houses of Congress approved versions deplored by the paper industry.

Section 404 -- Congress is expected to act quickly on the issue of whether or not the Army Corps of Engineers should regulate forestry, agriculture and ranching activities along virtually all waterways. When this issue stalemated a conference committee, the program of sewage treatment construction grants also got held up. House members wanted to exempt forestry from the law now on the books. Senator Muskie described the House bill as "a series of special interest provisions which can only be characterized as environmental pork barrel. The House Leader charged Muskie and his colleagues refused to recognize "that this program is entangled by excessive tape and delays." It has emerged as a separate issue which will be dealt with apart from the overall debate on water pollution.

Economics -- There's talk of increasing the investment tax credit to 14 per cent as part of the Carter program to stimulate the economy, said Sid Hawkes of Mead Corporation.

Labor -- Members were told that one-half of the mills with one-half of the tonnage in the paper industry will negotiate new labor agreements this year, a year in which wage and price controls are going to be a political issue. Mike Weir, the API legal counsel, alerted members to Alabama proceedings now in their second week in which the papermakers and carpenters seem to be going all-out to get employees of woods contractors recognized as employees of paper companies. If the unions lose, Weir predicted labor will try to do it via legislation in the next session of Congress.

Solid Waste -- Weir described the solid waste law enacted by Congress as "a very dangerous bill -- full of suggestions or invitations for users' taxes, etc." It was reported that the National Commission on Environmental Quality is promoting incentives for recycling. There was some talk of a national litter tax. Several warned that this area is going to be increasingly important to watch.

Monongahela -- The Forest Service is moving ahead with implementing the law passed by Congress to solve the crisis created by the Monongahela ruling. A committee of scientists will be named by mid-December to oversee the new policies.

Economic Education Workshop

Bob Hellendale shared a speaking platform with Conservation Commissioner Dick Barringer on December 4. Hellendale talked about the impact of government on private enterprise and Barringer discussed state management of natural resources at an Economic Education Council workshop at the University of Maine in Orono. The session is one part of a course for teachers.
Workshop (continued)

In the December 6 editions of the Bangor Daily News, a story on the workshop included:

"'I'm not so sure private enterprise will continue to flourish,' said Robert Hellendale of Great Northern Paper Co. He blamed increasing government control for stifling business.

"And he pointed a finger at politicians and bureaucrats, quoting from a paper written about the survival of corporations, 'who manufacture and promote various crises and then magnanimously come to our rescue with more government.'"

Barringer said state government is handicapped because it does not have "an easy performance measure." As state government gets more complex, the Commissioner said the Legislature is going to have to accept a policy making role and withdraw from administration -- and that's going to be difficult for legislators to accept. He cited the new spruce budworm law as the policy making type of legislation which is needed if government efficiency is going to increase.

The Commissioner agreed with Hellendale that the zoning of deer- yards by the Land Use Regulation Commission was excessive, but Barringer blamed it all on the State Department of Fish & Wildlife.

ON THE MAINE SCENE

When the legislative Committee on Agriculture held a hearing December 2 on the wood scaling law, only two people showed up -- Lynwood Hand of Great Northern and Wayne Birmingham of the Maine Woodsmen's Association. Ray Goody had answered a questionnaire circulated by the Committee....Legislators gathered in Augusta to get organized for the session opening in January. The big news was the fact that Democrats stuck to their guns and named Leighton Cooney as state treasurer despite criticism of a "political payoff" from the Governor and from the news media. New faces in leadership include Dave Huber in the Senate and Jim Tierney, Rod Quinn and Bill Garsoe in the House. The significance of the choices: Huber's star is rising and he could be the successor to Joe Sewall as Senate president. Tierney gives Labor a close friend high in leadership....Seven minority reports were filed when the Legislature's Tax Policy Committee reported. The committee is split over the uniform property tax. A Longley task force has favored repeal of the tax....The Department of Conservation will hold a public hearing at 7:30 p.m. December 14 on the recommended general fund share of the cost of the 1977 spruce budworm spraying project. It's a requirement of the new law that the department's recommendations for cost-sharing go to a public hearing....Henry Magnuson and Don Perkins have held additional working meetings with the LURC staff and both are optimistic that most major objections in the new Land Use Regulation Commission standards for zoning can be worked out in the final document....Hearings on the standards ended November 29 in Portland....Speaking of LURC, Barringer says legislation will be filed which will put the Commissioner of Conservation back on the Commission if approved by the Legislature....A series of hearings are scheduled on the proposed route for the Dickey-Lincoln power project transmission lines. The Department of Interior favors a proposal which would bring the line southwest of Pittston Farm. Augusta, Bangor and Presque Isle will be sites for hearings, December 8-9-10.
Mr. Muskie's Future

A cabinet post would mean a $20,000 annual pay increase, particularly desirable with retirement on the horizon.

If he remains in the Senate as chairman of the Budget Committee, he faces more years of hard work.

People in Washington with Maine ties are speculating on Senator Muskie's future. If he stays in the Senate, his power will continue to grow according to Washington Monitor staffers who make a living keeping track of legislation. The Monitor sponsored a five-hour seminar on the legislative process December 1 in Washington which I attended. The young staffers praised Muskie for making the budget system work. Now they said the Budget committee will have a blanket control over the entire machinery of government.

Public Relations

Great Northern will sponsor publication and broadcast of the planning board questions and answers on the subject of annexation of additional land to the Town of Millinocket. The report of the board answers many of the questions being asked in town. While there is no formal opposition, there is considerable talk against the proposal. Explanatory stories in the Katahdin Times and Bangor Daily News resulted from the November 22 hearing at the Guest House. A critical letter in the December 2 Katahdin Journal charged it would cost the town $200,000 a year to provide services in the annexed area. The vote is December 10.

The first of Bangor Daily News reporter Dennis Mills' series on the changes taking place in Maine's forests focused on clear-cutting. It is a continuing project. Bob Bartlett, Henry Deabay and I have provided Mills with additional information and background.

Sincerely,

[Signature]

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W. E. Lloyd  T. S. Pinkham  P. F. Yacavone
Paul K. McCann  
Manager Public Affairs  
December 17, 1976

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

Dear Bob:

The newsletter of the Public Affairs Department for the period ending December 17:

GOODBYE, 1976

It was a year that began and ended with the same major public issues facing the paper industry. On the Maine scene, taxation was talked about from beginning to end. So were Wayne Birmingham and the Maine Woodsmen's Association. On the national scene, the great debate was building up over the question of further spending on water pollution controls.

The focus of interest was on financing a spruce budworm control program when legislators returned to Augusta in January. A study authorized by the Legislature of the state's forest resources got under way. Wayne Birmingham was working for the Carpenters Union and saying "....let's get the Canadians out of here, give the Americans a job, pay them a decent salary and we'll have a great state to live in." In February, legislators solved a school financing problem by raising income taxes for those in the middle and higher income tax brackets. Bob Hellendale spoke out at Husson College on the water pollution issue. He urged Congress change laws now on the books requiring new controls even before the first stage of the nationwide clean up was completed. In April a long-range spruce budworm control program urged by Conservation Commissioner Barringer was approved by the Governor. The month also saw Great Northern get public recognition
1976 (continued)

for starting shipments of paper in containers out of Searsport. The Maine port later lost the business. May saw the Indian claims against the State of Maine make headlines for the first time across the country. In June voters approved a wilderness park on Bigelow mountain.

Governor Longley in July put task forces to work studying the state's tax structure and the budget....A Longley advisor, John Robinson, told legislators that big industry isn't paying its fair share of property taxes and singled out International Paper Company as an example....September saw the sale of state and local bonds delayed as a result of the Indian claims. The Indians are asking for $300 million and also charge lands were taken away from the tribes without Federal approval. The key question of whether or not the U.S. government will push the claims will be answered next year....The Pinkham Open House attracted hundreds of customers, political leaders and residents of northern Maine....During Clean Water Week, Great Northern started up secondary treatment systems. October 1 marked the statutory deadline for meeting Maine wastewater treatment standards....Birmingham, Bill Butler and other members of the Maine Woodsmen Association claimed they had ousted 100 bonded Canadian cutters from their jobs. They hogged the headlines with their activities....Elections in November saw the environmentalists claim their second triumph of the year in Maine. Voters approved a ban on non-returnable beverage containers....Amendments to the water and air pollution control laws died when Congress adjourned. Industry wanted the amendments on the subject of water, opposed the air pollution bill. Both issues will be back on the agenda in Washington in 1977. The water issue will be expanded at some point to include the recommendations of a commission to back off from 1983 goals which would require huge amounts of new spending by industry.

EVALUATING PAPER MILLS FOR TAXES

"Paper mills in May may be paying less than their share of the state's uniform property tax, indirectly forcing other property owners to pay more," said a story in the Portland Press Herald on December 14. The next day John Robinson made news again by agreeing that industrial property isn't adequately assessed but he blamed the problem on the state. The next day consultants recommended that the state be authorized by the Legislature to hire experts to "determine true value of all commercial and industrial properties of more than a million dollars value as a service to the municipalities." A Waterville tax assessor was critical of the Portland newspapers for alleging gross under-assessment of paper mills without a foundation of facts. The damage has probably been done and a new issue is developing. Maine municipal officials are looking for new revenue sources.

THE INDIANS' CLAIM

Deputy Attorney General John Patterson brought members of the Maine Congressional Delegation up to date,December 6, on the history and economic implications of the suits for damages filed by the Passamaquoddy and Penobscot tribes. Staff members who heard the presentation praised Patterson's briefing which included a series of maps. Governor Longley, Attorney General Joseph Brennan and Merrill Bank President William Bullock, chairman of the Governor's task force on
the Indian issue, also attended. With administrations changing in Washington, it is likely that the January 15 deadline for a decision by the Justice department will change. The Justice department has been ordered by the courts to say if the Federal government will push the Indian claims. Maine bankers were briefed on the case December 16 in Augusta.

In Augusta

Governor Longley has nominated retired Scott Paper Company engineer John Turbyne to replace Edgar Thomas and Portland attorney Diantha Carrigan to replace Evelyn Jepson on the State Board of Environmental Protection. Ms. Carrigan was the leader of the Friends of Bigelow, the organization which won the battle to create a state park around the mountain....The Select Committee on Maine's Forest Resources has concluded that the Tree Growth Tax Law should be retained. The Committee will continue working on its report at a meeting in Augusta on December 23. The Bureau of Labor Education at the University of Maine is assembling facts on the woods labor situation for the committee....Congressman David Emery and Conservation Commissioner Dick Barringer will be among the speakers at the annual meeting of the Paper Industry Information Office, January 14-15 at Rockport. Emery will talk about energy and Barringer the state's forest resources. The chairman of four groups which have studied the Maine tax system will participate in a panel discussion....Associated Industries of Maine is looking for a new executive director. Starting pay will be $30,000 a year. AIM is drafting four pieces of legislation to amend the Unemployment Compensation laws. AIM's Bob Moore has also re-drafted a proposal for an investment tax credit....Membership in the Maine Forest Products Council is at an all-time high, 388....Lincoln Legislator Bob MacEachern is considering filing legislation to do away with the requirement for a permit each time an unregistered motor vehicle (including logging trucks) drives over a public highway for repairs. He would substitute a one-time fee....Barringer held a December 14 public hearing in Orono on cost-sharing for the 1977 spruce budworm spraying program. The department proposes that the landowners pay 96 percent of the non-Federal share and the State pay 4 percent (2.68 percent of the total). It is expected that the Federal government will pay one-third of the cost this year, instead of one-half. Barringer is required to hold the hearing prior to making his recommendations to the Legislature.

Those Irritating Facts

Dennis Mills of the Bangor Daily News started writing a series November 29 on the wood industry. He had spent two or three weeks collecting facts, including a visit to Millinocket where he talked with Bob Bartlett and others. The series started with articles on clear cutting, regeneration and woods labor in which Mills accurately reported the facts. The series has disappeared but the complaints are still coming in from readers who dispute the facts. A Lambert Lake woman says Mills was wrong in reporting cutters make from $14,000 to $16,000 a year, saying "They are lucky if they make $10,000 per year."
Facts (continued)

A Guilford man long associated with the Maine Woodsmen's Association charged "the paper companies rolled out the red carpet for Mills, opened their books to him, showed what they want the public to believe, told just one side of the story and figured he was dumb enough to buy it." A Princeton man wrote "I finally realize that what many of us had thought all along is true. The paper companies which control so much of Maine control the free press as well." Meanwhile Birmingham was back in the headlines claiming a victory in a wage dispute with wood producers in northern Aroostook County. Earlier he had demanded that the State investigate several Canadian logging firms to see if they were registered to operate in Maine. A veteran staffer in the office of a Maine member of Congress says he expects public hearings on the wood labor issue will be held as requested by Birmingham.

PUBLIC AFFAIRS

Millinocket voters, as most people expected, decided against annexing additional land to the town. The 3-1 margin was a surprise, however. That means there will be no bill filed in the forthcoming session of the Legislature to expand the town.

With Dick Noyes, Avern Danforth, Bart Harvey and Pat Welch, we presented a program on December 8 on Great Northern to 40 Millinocket teachers. On December 15 an even larger group toured the mill.

The final Environmental Statement on the proposal to incorporate the Penobscot River into the National Wild and Scenic Rivers System was received December 14. Larry Stuart, who is checking on developments on the project for GNP, says the whole matter is in the Office of Budget and Management waiting for the new administration to take over in Washington.

Donations on behalf of GNP have been made to Husson College, Maine Lung Association, Bangor Symphony, March of Dimes, Salvation Army, Multiple Sclerosis Society.

Dues have been paid to the State Chamber of Commerce.

A Christmas advertisement (see page 1 of this newsletter) has been placed in the two Millinocket newspapers.

Sincerely,

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

Dear Bob:

The newsletter for the Public Affairs Department for the period ending December 31 follows:

**Wild and Scenic Penobscot?**

The U.S. Bureau of Outdoor Recreation is circulating copies of the final environmental impact statement of the proposal that nearly 300 miles of the East and West branches of the Penobscot River be added to the National Wild & Scenic Rivers System. While portions have been revised to reflect comments by a spokesman for Great Northern and also from other groups and organizations, the thrust of the 171-page document hasn't changed. The statement attempts to justify designation.

Some of the comments on the statement:

"... we hold that the river and land in question is the sole property of the Penobscot Indian Tribe ... The Penobscot Tribe will develop their own plan for utilization of the area in question and future consideration will be given to the proposal." --- Andrew X. Akins, executive director, Penobscot-Passamaquoddy Tribal Planning Board.

"... we doubt whether the state will recommend Wild and Scenic status for the Penobscot ... we are pessimistic that the state will develop any significant alternative management program for the river in the immediate future especially in view of the state's financial situation. Therefore, we urge you not to discharge your responsibility simply with publication of the final impact statement but to actively work with the state and private organizations to insure that an adequate program is instituted." --- William F. Stearns and Philip G. Hunter, Penobscot Paddle and Chowder Society.
Scenic River (Cont.)

"We are still concerned that parts of the plan as now proposed are, to our thinking, impracticable as long as the landowners' cooperation is not assured... we feel that the Land Use Regulation Commission does not have the legal authority to create such a zone... there are no sound reasons advanced for the proposed restriction of such (timber) practices." --- Conservation Commissioner Richard Barringer.

But Barringer did say in his letter that the Department thinks the Penobscot deserves "special conservation efforts to protect the natural character of the area for future users." The Department's Bureau of Parks and Recreation headed by Herb Hartman plans to launch a study in June of the recreational use of the West Branch region. Hartman says that Governor Longley has been advised that the Conservation Department will make no recommendation on the Penobscot until the study is completed.

Larry Stuart, the retired state parks chief who is a GNP consultant on this project, reports that the final Penobscot report has been sent to the Office of Management and Budget in Washington for comments. BOR officials expect it to stay in the OMB until the change of administrations takes place. Eventually the report will go to Congress. Portland Press Herald Reporter, Bob Cummings, explains that "if the key recommendations are followed, Congress is unlikely to take any action. By proposing that the State, rather than the federal government, be responsible for preserving the river, the Interior Department in effect leaves the final decision to Governor James B. Longley and the Maine Legislature." The report recommends that the Governor asks for Federal designation before October of 1978. Hartman says he expects no action by the Governor before the state study is completed. Getting anything by the Governor is posing problems for the parks people. Longley doesn't like to accept proposals which are going to create long-term expenses. State people say that it will cost a lot of money for the state to manage recreation in the Penobscot the way the federal government wants it done.

Since June of 1975, five rivers have been added to the national system, totaling 175 miles --- the Snake in Colorado, the Rapid in Idaho, the Little Beaver in Ohio, the New River in North Carolina and the Lower St. Croix in Minnesota and Wisconsin. The New River was designated to block hydroelectric development.

In an editorial in its December 28 edition, the Katahdin Times commented:

"Conservation folks and bureaucrats tell us they're preserving the East Branch-West Branch from humankind's wanton plunder in the same breath that they say hundreds of thousands of acres of Northern Maine wilderness must be totally destroyed as they harness the St. John River in the name of Almighty Hydro. Such thinking is mature and hypocritical. It's foolhearty. It's dastardly."
"MAJOR THREAT"

Alton Box Chairman Ed Spiegel is the new chairman of the Government Affairs Committee of the American Paper Institute. He sees a proposal for a $26 per ton waste disposal tax on all paper made from virgin fiber as a "major threat to our industry". Henry L. Diamond is chairman of the Citizens' Advisory Committee on Environmental Quality and he says "we have to make it more attractive to recycle or at least less attractive to concentrate on virgin materials." The New York man says he appreciates that "large paper companies and large newspapers own trees" and "make money by cutting down those trees and selling them as toilet paper or the Sunday New York Times" but it is important that this country recycle more paper because paper makes up 80 per cent of municipal-produced wastes. The Environmental Protection Agency has incorporated those recommendations in its report to Congress. The paper industry says it would cost over a billion dollars a year, a cost which would have to be passed on to consumers. Senator Hart of Colorado will propose such legislation.

THE LEGISLATURE

The Legislature returns to Augusta January 5. House Speaker John Martin told the St. John Valley Times that probably the most important issue facing the session is school financing. "For that matter," Martin said, "once that should ever get resolved, there are some people in the Legislature arguing that there should be a complete revamping of the entire tax structure -- of all tax structures within the state -- income tax and sales tax." Reporters for the Maine Labor News, the voice of the Maine AFL-CIO, polled legislators and reported, "if you believe what members of the 108th Maine Legislature are saying ... they'll be spending the next one hundred days talking about nothing but taxes." In the meantime, two groups opposed to the state property tax announced they have collected enough signatures on petitions to force action on repealing the law in 1977. If the Legislature doesn't repeal the law, the issue will go to referendum. It could be one of several referendums. Another is expected on a nuclear power plant construction ban. Legislators will be invited to a January 12 showing at the State Museum in Augusta of a Library of Congress exhibit on papermaking. The exhibit will be in the museum for a month, co-sponsored by the State Museum and the Paper Industry Information Office. The reception for legislators will include coffee and doughnuts.

No. 1

The average gross wage in the Millinocket economic region (Millinocket, East Millinocket and Medway) was the highest of any economic region in the state in 1975. The State Department of Manpower Affairs says the Millinocket area average was $13,770 with the Kittery region second at $12,531. The Knox County community of Thomaston ($14,159) had a higher average than Millinocket but the Rockland region of which it is a part was far down the list. The value of paper products made in Maine in 1975 dropped two per cent from 1974 to $1,195,600,000 while the value of lumber dropped 12 per cent to $331,800,000. Paper (32.4) and lumber (11.3) make up 43.7 per cent of the total value of products made in Maine.
The average gross wage paid by industry increased 7.8 per cent to $8,244. The paper industry average was $11,379 — second only to transportation equipment (a category inflated by the Kittery shipyard). The economic data traditionally lags a year before it is published in the Census of Maine Manufactures.

HELLENDALE ON TELEVISION

With Ed Stone of Merchants Bank in Bangor and Dr. Arthur Johnson of the University of Maine, Bob Hellendale will discuss the Maine economy in a half-hour television program at 6 p.m., Sunday, January 16, on WABI-TV (Channel 5). During the program, the subjects on the Indians claims, the economic outlook for 1977, taxes as well as the impact of further water pollution controls are discussed by the banker, the professor and the paper company executive.

PUBLIC RELATIONS

Copies of Robert Hellendale's letter to the employees were mailed to 150 people in business and government in Maine and in Washington ... With Lynwood Hand, we discussed Great Northern legislative interests at a meeting with Republican Representative David Marshall of Millinocket ... Dennis Mills resumed his series on the forest industries in the Bangor Daily News on December 29, disclosing that a change in federal law would permit more Canadians to work in the United States and in particular in the Maine woods. We told Mills the change surprised those of us at Great Northern ... On December 20 we discussed the West Branch environmental impact statement and the burning of wood in Maine homes with Dick Anderson of the Maine Audubon Society. The Society is an energy conscious organization ... With Paul Firlotte, Charles Nelson and Fred Morrison, we met with Mike Sullivan of Manchester, N.H. Mike and his associates are planning whitewater raft trips on the West Branch this summer. So is another man with whom we have a meeting January 5. There's nothing Great Northern can do to prevent the trips although we have made it clear that the river is managed for hydroelectric power and the roads along the river are built for pulpwood trucks ... Dues have been paid to the Pulp & Paper Foundation at the University of Maine and the Natural Resources Council of Maine ... Contributions were made to the Houlton Hockey Association, the Sherman Library site campaign and also for an organ for the new Stearns High School Auditorium in Millinocket. ... With Phil Cannella and Fred Morrison, we worked on a draft of a letter to local legislators rebutting Portland newspaper stories that the paper mills are underassessed. We want to put it in their hands prior to the tax debates. We have also written the editor of the newspaper and the Bangor Daily News pointing out the tax data in the newsletter to employees. So far nothing new has appeared since our letters to the editors.

HAPPY NEW YEAR!

Mary Bailey, Roger Boynton and Rhonda Reed join me in wishing you a Happy New Year!

Sincerely,

Paul