Great Northern Newsletter for Management Employees, 1972

Great Northern Paper Company

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CO-ORDINATED COMPUTER SYSTEM BECOMES OPERATIONAL IN STAMFORD

During the last two weeks of November, Great Northern completed a project which began nearly two years ago. The endeavor was undertaken by our data processing department in order to modernize GNP's internal computer system and to co-ordinate with and relieve Millinocket of the growing demands for computer service.

Selection of a computer to meet corporate goals and projected growth required an extensive analysis of trends, data processing concepts, and state-of-the-art technology. Following months of research into the various systems available, the company decided to install two IBM 370 Model 135 computer systems - one in Stamford; the other in Millinocket. The Stamford computer began operation November 20. Replacement of the IBM 360 Model 40 machine at Millinocket was completed November 27.

The new installations not only provide local computing support at each site but also enable the company to take advantage of technological improvements, not the least of which is the presence of a motor generator in the IBM 370 which gives the equipment high immunity to electrical power "brownouts". Conversion to these new computers was accomplished without increasing the company's data processing budget. Two factors contributed to this, the most significant being changes in the economics of computer manufacturing and rental. A second reason is the fact that the Stamford computer has enabled the company to reduce teleprocess-

(continued on next page)

GNP ANNOUNCES PRICE INCREASES

Price increases affecting publication coated and roll coated book grades and standard newsprint were announced recently.

On November 14, the company stated its intention to raise the price of Astro Lith, Jetblade, and Baxter Text, manufactured at its Maine mills, from $5.00 to $10.00 per ton. The price changes will become effective January 1, 1973 with the lighter basis weights in each respective grade taking the larger increases.

The price of standard newsprint will be increased by $5.00 per ton, effective February 1, 1973.

This announcement, released December 1, reported corresponding increases in groundwood printing papers of between $5.00 and $10.00 per ton. These increases will also become effective the first of February.

Great Northern officials said these new selling prices will be in accord with the Federal government's Economic Stabilization Act of 1970.

HARVESTING AGREEMENT CONTINUES TO MAKE NEWS

The contract signed on November 29 by Great Northern Paper Company and the Baxter State Park Authority regarding the exchange of cutting rights within the Park, (see November Newsletter) has continued to make headlines in the Maine press.

Proponents on both sides of the issue have been using the media to express their (continued on next page)
Production for the eleven months ending November 30, 1972

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NEW COMPUTER SYSTEM
(continued)

ing costs between Stamford and Millinocket and to eliminate purchased computing time which has been required by the systems and programming group in Stamford for the past two years.

Under the new arrangement, the computer order entry system is operating totally within the Stamford office. Previously, terminals in Stamford were connected to the Millinocket computer via leased telephone lines. We have therefore reduced dependence upon the telephone lines and removed a third party, the telephone company, as an agent in the data handling process. The result has been improved processing time and reduced error.

The Stamford computer is operating in a multi-programming mode which allows the order entry function to take place coincidentally with other computer usage such as payroll processing, sales forecasting and trade receivables processing.

The most recent of these functions transferred from Millinocket to the Stamford computer is preparation of monthly and weekly non-union salaried payrolls which became effective December 11.

Attention is now being focused on the eventual relocation of the profit planning programming models to Stamford some time in January. The result should be closer liaison between the computer process and marketing and profit planning personnel in Stamford.

HARVESTING AGREEMENT
(continued)

opinions and in some cases, their hostilities, against the Park Authority and/or GNP.

Included with this Newsletter is a reprint of a full-page, black and white advertisement entitled "Fair Is Fair", which appeared in the December 5 edition of the Bangor Daily News and the Portland Press-Herald, as well as other dailies and weeklies around the state. Some of the information, such as the fact that the Baxter Park Advisory Committee formally approved of the decision, ran only in the Kennebec Journal. We wanted to set both sides of the issue before the public.

New Concept In Sales Training....GPN has added a new dimension to its overall sales training program.

Departing from the usual procedure in which a trainee visits both Northern Division mills for a six month period, the new plan, conducted in Stamford by sales in cooperation with the GNP training department, begins with internal functions - products, customers, sales policies, etc. After becoming acquainted with these areas of sales department operations, the trainee is then placed under the guidance of the personnel department in Millinocket for technical and manufacturing training.

Under the new program, a specific GNP salesman counsels the trainee. The salesma
is responsible for assisting the trainee in setting up an educational program especially suited to his needs.

Among the advantages of the new concept is the fact that the trainee is not restricted to learning patterns, he can concentrate on the areas where he feels he needs more knowledge to sell effectively, and he can set his own pace for completing the program.

This new sales training is a direct result of the behavioral science seminars currently being conducted in Stamford. Hugh P. McCloskey, who joined the company in November, is the first new employee to participate. George R. Schnauffer, salesman in the commercial sales department, is serving as counselor.

***

General Rate Increase... The nation's railroads recently received authorization to apply a general rail freight rate increase on practically all commodities. The level of increase varies by commodity and territory, but the rate on most Great Northern inbound and outbound product shipments is three percent. A major exception, pulpwood and chips, has been increased by 6 percent in the north and 4 percent in the south. Fuel oil is also subject to the 6 percent increase in the north, but the Bangor & Aroostook Railroad has not put this authorized price change into effect.

The rate hike replaces a 2 1/2 percent surcharge that became effective in February, 1972, that cost the company approximately $600,000 in additional charges. This new increase, if approved as originally filed, would have added $1,100,000 to GNP's annual freight bill. But, through negotiations between our transportation department and independent carriers, and discussions with the Interstate Commerce Commission, the cost was lowered to approximately $870,000 a year. After deducting the $600,000 created by ending the surcharge, the new rates will add $270,000 to our present level of freight costs.

Our transportation department has indicated a rise in truck freight rates is also to be expected shortly. As a rule, truck rate increases tend to keep pace with rail rate increases.

Brighter Outlook for Coated Papers... The coated paper market for Great Northern has taken on a brighter look according to recent reports from our sales department.

A healthy situation now exists, and if current trends continue, we can expect encouraging sales growth for the future.

According to William L. Shaughnessy, manager - coated products, this improvement has taken place because of favorable market conditions which are expected to remain strong for the next twelve months, and also because of the combined efforts of Great Northern sales, manufacturing and research personnel in improving and upgrading our blade coated products.

GNP entered the coated paper field just ten years ago in an effort to offer customers a full spectrum of grades. Market indications at the time pointed to a growing demand for lightweight coated publication papers in the '60's.

Taking into account the experience gained within the last decade, a complete review of the coated paper situation and its problems was undertaken by representatives of marketing, manufacturing and research who met in Millinocket in September. "Because of the climate of cooperation during the meetings," Mr. Shaughnessy commented, "many problems were resolved. Specifications for consistent quality assurance on Jetblade and Astro Lith were rewritten to better reflect our present capabilities and to reach the goal of meeting customers' specific requirements. These changes have improved our competitive position and will enable us to take advantage of the opportunity presented by the currently favorable coated paper market.

"In addition," Mr. Shaughnessy pointed out, "sales, marketing, research, manufacturing and engineering are presently evaluating the entire commercial printing and publication groundwood coated market to determine our future commitment."

"If present forecasts prove to be accurate," Mr. Shaughnessy explained, "the death of Life magazine should not affect our present favorable sales situation. The only repercussion to Great Northern might be caused by the extra tonnage now available in the market. Until this supply is exhausted, implementation of our recent price increase could be delayed."

December 14, 1972
Social Security In '73...Your first paycheck in the New Year will reflect a rate increase in social security deductions from 5.2 to 5.85 percent.

The deductions, contributed equally by employer and employee, will be paid on a wider base range which has also risen from $9,000 to $10,800.

NORTHERN DIVISION

Storage Area At A Premium...Warehouse space at the Port of St. John, New Brunswick is at a critical stage, according to Philip P. Paul, traffic manager, Millinocket.

The over-crowded situation has developed due to the icy condition of the St. Lawrence River which has forced the rerouting to St. John of export shipments normally destined in the summer months for the Ports of Quebec City and Montreal. This increase in tonnage has resulted in a great demand for storage area.

"The problem will be with us until Spring," Mr. Paul explained. "To help alleviate the situation, most GNP export shipments to the Port of St. John are now being scheduled to coincide with ship arrivals."

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Second Digester...A new digester feed system was started up November 29 at the sulfite mill, Millinocket. This equipment provides for the filling of two digesters simultaneously and increases the attainable number of cooks per day for sulfite production.

Installation of the digester included an addition to the chip silo building to house the chip feeder and blower, a new belt conveyor, and several other new conveyor systems.

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GNP Supports Research Program...Great Northern is one of ten pulp and paper companies contributing funds to help finance a research program being conducted on the disposal of waste liquor evaporator condensates.

The Institute of Paper Chemistry, Appleton, Wisconsin, is in charge of the program which is also partially supported by a grant from the Environmental Protection Agency and other cooperating agencies, including the Wisconsin Department of Natural Resources.

Disposal of the waste liquor condensates is one of the chief remaining hurdles to be met by old pulp mills that are utilizing the acid sulfite pulping process, in order for them to comply with pollution control regulations.

The cooperative research program will be investigating the use of activated carbon and fractional distillation to handle these condensates.

Another area being explored is the use of reverse osmosis in which very dilute solutions are concentrated by applying 300+ p.s.i. to a cellulose acetate membrane. This system is presently used to de-ionize boiler feed water, concentrate electro-plating wastes and to purify sewage plant effluents. It cannot as yet be used with effluents containing suspended solids.

The research and development department at Great Northern has a small reverse osmosis model to study the process and to concentrate enough evaporator condensate, up to 10 percent, so that the practicality of further conversion to a marketable product may be pursued.

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Private trucking...In early December, Great Northern added a new tractor and three new trailers to its rapidly growing private trucking operation (see story in November Newsletter).

This new equipment brings the fleet to a total of four tractors and eight trailers.

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Portage Chip Plant Expansion...The new debarking line at our Portage chip plant was
started up November 6. Addition of the new line now permits removal and replacement of the existing number one line. On completion of this expansion, a 100 percent increase in production is expected.

* * *

The efficiency of our GNP employees was demonstrated recently by several Millinocket mill personnel.

As reported to this Newsletter, a leadman in the control department was in the process of completing the paperwork for the day's runs on the machines when he came across an order from a Venezuelan customer which designated the paper color as "blue-white". The beater engineer assigned to the job informed the leadman that this customer had previously (the last three orders) required "white" paper. As this fact was verified by order files, a call was placed to Stamford for clarification. Upon further checking, it was determined that the customer's order had, in fact, been written incorrectly.

Because of the alert and conscientious attitude demonstrated by those involved, a costly and time-consuming error was prevented.

* * *

Snowmobile Policy Announced....Great Northern's policy on the use of snowmobiles on company timberslands and roads for the 1972-73 season has been issued by the woodlands department in Millinocket.

Copies of the policy are available and can be obtained by contacting Eugene Putnam, superintendent - recreation management, Millinocket.

SOUTHERN DIVISION

Outstanding Performance....A record set at our Southern Division in June was broken last month when the Hilton slasher produced approximately 2,000 cords of pulpwood, plywood logs and chip-n-saw logs. This performance was all the more remarkable since the system was designed to produce 600 cords per shift per week, or a total of 1,200 cords.

"Everything just clicked" was one explanation given for the new record. The weather was good, all related equipment functioned without mechanical problems, and the average tree size was larger than normal. Improved efficiency of operating crews and recent modifications in equipment design were also said to be contributing factors.

* * *

Export LASH Shipment....The relatively new method of exporting company products via the "LASH" system (lighter aboard ship) explained in detail in the September Newsletter, was tried in November at our Southern Division.

Approximately 4,030 net tons of linerboard was transported by rail from our Cedar Springs mill to Panama City where it was transferred to 14 barges or "lighters". A towboat pushed the barges to New Orleans for loading upon the Combi Line mother vessel "Builderdyke" for delivery to ports in Europe including Rotterdam and London.

Southern Division's initial experience with the LASH system has been reported as "very successful". Because of its advantages, including lower transportation costs due to less handling and reduced turnaround time of the vessel, there is an excellent possibility that the company will continue to make use of this new concept in future export shipments.

* * *

"Methods and Techniques Needed to Get More Shortwood Pulpwood Producers in the Woods", was the theme of the annual Pulpwood Dealers' meeting sponsored recently by Great Northern's Southern Division woodlands department in Panama City, Florida.

(continued on next page)
As the company would like to encourage more shortwood production, the difficulties associated with this endeavor were discussed at length by the ninety participants. Representatives from the Southern Railway System, the Seaboard Coast Line and members of other departments at the paper mill were also invited to attend.

Major problems brought to light included: 1) A need for higher caliber woods labor and equipment; 2) A decreasing wood supply - trees that were once considered ideal pulpwood size are now in great demand by small sawmills, particularly those having chip-n-saws. This being a reality, most trees that are available for pulpwood are those that were planted 10 to 12 years ago.

The attitude of dealers and suppliers present was extremely favorable. Everyone agreed that such meetings are very worthwhile, as they offer wood suppliers an opportunity to discuss day-to-day problems.

NEKOOSA EDWARDS

Acquisition Announced....Butler Paper Company, Nekoosa Edwards' wholly-owned paper merchant subsidiary, has acquired Lone Star Paper Company, Inc., a paper distributor operating out of Austin, Texas.

Announcement of the acquisition was made jointly by F. G. Walker, president of Butler and Noel Evans, president of Lone Star. The company will operate as a subsidiary of Butler with its present personnel.

Lone Star has been a paper wholesaler for 27 years, servicing the central Texas area from its warehouse in Austin.

"We will continue to distribute fine printing and industrial products, servicing the market in the best possible fashion and recognizing the growing needs of the market," Mr. Walker said.

Butler Paper Company, with 32 outlets from Ohio to the West Coast, was acquired by Nekoosa in 1963.

GUEST COLUMNIST

As part of our continuing series of articles concerning Great Northern's Employee Benefits Program, an explanation of the Long Term Disability Plan has been prepared by Edwin N. Grindle, salary & benefits administrator.

Long Term Disability is a contributory insurance plan for which you and the company pay a portion of the cost. It is designed to protect you against the loss of income should you become totally disabled for a period of more than six months.

Under the company's formal sick leave policy, you are eligible for a minimum period of full salary, depending on years of service. Should your disability extend for a period of six months, you then become eligible for benefits under the Long Term Disability Plan. Also, at that time, if you qualify for L.T.D. benefits, you become eligible for retroactive payment of full salary for any portion of the first six months for which you were not paid under the sick leave policy.

Long Term Disability guarantees you a minimum of 50 percent of your base salary after six months of continuous disability. Payments under the L.T.D. plan will continue for as long as you are disabled up to age 65. If you are a member of the Retirement Plan, your monthly contributions will be paid by the insurance carrier, and the company will continue its contributions in your behalf, thus making you eligible for retirement income at age 65.

Should the Long Term Disability benefit, when combined with "other income", exceed 70 percent of your base salary, the benefit is reduced by such excess. An example of "other income" would be any Social Security benefits that may be payable to you or members of your family because of your disability.

Effective January 1, 1973, the waiting period for a disability benefit under Social Security has been reduced from six to five months. At that time, the employee should immediately make application for benefits with the nearest Social Security office.
Great Northern's New Road... by Ralph W. Currier, Manager of Woodlands.

In 1969, Great Northern began construction of what has become known as the "West Branch Haul Road".

To date, some 45 miles of new main line construction has been completed. This stretches from the Millinocket mill yard into our West Branch timberlands. Construction crews are now within 25 miles of the Canadian border at St. Zacharie, a distance to be completed over the next three years.

Advantages of the new road are numerous. With its construction has come the increased capacity for fiber yield and brightness of paper derived from fresh wood deliveries; a $3 million elimination of river wood capital; and improved access for men and equipment to the woods operations on one million acres of timberland. In addition, fresh wood from our northern woodlands can now come to the closer East Millinocket mill and the company is in a position to meet the state deadline of curtailing river drives by 1976 well in advance.

Circumstances which influenced our decision to construct the road go back to the 1950's when a limited supply of woods labor for Aroostook County caused the company to research mechanical logging and streamline an existing truck transport system. Since forest management plans for the West Branch District called for a relocation of wood harvest operations closer to the mill in about 1968, it was decided that changes to the transportation system could, at that time, be economically installed. Further acceptance in 1967 of the tree length sampling system was the final deciding factor.

In 1968, company foresters began surveying the terrain, bridge crossings, and gravel deposits for the new road. The chosen route paralleled the West Branch of the Penobscot (because of the terrain) and tied into our southern Allagash operation with its existing 20 miles of road. From there the road traces a diagonal course across our Penobscot Watershed timberlands and some interior townships owned by others. Independent contractors began to build in 1969 on a low-bid award system, moving in sections to better accommodate the relocated woods operations and field survey. The result has been a pre-engineered, Class I road rating of surface width, grade, curvature, sight distance, and speed design.

With a finished road surface of a one to two foot depth of gravel, grading and maintenance is now of continuing necessity to insure the shape of the road and to safely accommodate the over-width, 60-70 ton loads. Research in various methods of surface stabilization is already underway. Remaining to be completed, besides the 25 miles to the West, are the secondary operating roads that each year must connect our moving woods operations to the main line.

NAMES IN THE NEWS

Under the auspices of Great Northern's educational assistance plan, CARY GODWIN, computer systems specialist with the Southern Division, recently completed the requirements for a B.S. degree in general science with a double minor in marketing and business.

Mr. Godwin attended evening classes for 3 1/2 years.

** *

PETER HAAREN, treasurer, has been elected a representative to the Town Meeting, Darien, Connecticut.

ORGANIZATIONAL CHANGE

W. W. "Jack" Ricketson, formerly mill manager, Cedar Springs, has been named resident manager with complete responsibility for paperboard operations. Southern Division transportation, industrial relations and purchasing-stores departments will report to Mr. Ricketson.
Y. GRADY CHAMBLESS has been promoted to assistant area superintendent. Southern Division woodlands department.
Mr. Chambless, a University of Florida graduate, joined GNP in 1969. He was previously a unit forester in the Albany, Georgia area.

WILLIAM G. GUILLOW, formerly a millwright at the MgO recovery plant, has been promoted to area foreman at the same location.
A Master Journeyman, Mr. Guillow, joined the department in 1964 and has been acting foreman on boiler overhauls and other power systems.

JOHN M. ANDREWS has rejoined the Southern Division woodlands department as assistant area superintendent.
Mr. Andrews, a forestry graduate of Auburn University, Alabama, held the position of technical supervisor at Cedar Springs until April 1972.

VELI V. LAPINOJA, a graduate of Michigan Technological University in Houghton, Michigan and the Institute of Paper Chemistry in Appleton, Wisconsin, has joined Great Northern's pulp research group in Millinocket as a research engineer.

HUGH P. MCCLOSKEY recently joined the company's commercial sales staff as a sales trainee.
A graduate of St. Leo College, Florida, with a B.A. degree in Business Administration, Mr. McCloskey most recently held a sales position with Pfizer Laboratories.

FRANCIS H. REDDING, JR. has joined the Southern Division's woodlands department as a unit forester.
Mr. Redding is a graduate of the University of Florida with a B.S. degree in Forestry.

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NEW EMPLOYEES

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SERVICE ANNIVERSARIES

NOVEMBER

GENE P. CIARROCCHI, stock preparation foreman, East Millinocket, 25 years.
ROY Y. ILLINGWORTH, control superintendent, East Millinocket, 25 years.

CHARLES M. SHEAFE, Southern regional manager, newsprint sales, Atlanta office, 25 years.

DECEMBER

RUSSELL W. YORK, education and training director, 25 years.
WILFRED E. WRIGHT, buyer, purchasing department, 15 years

TERMINATION

ROBERT D. WALLS, newsprint service representative, Cincinnati office.
ULTRA ELEVEN:
STORY OF A START-UP

Ultra Eleven, Great Northern's newest and most sophisticated paper machine, representing the culmination of nearly two years' effort on the part of practically every segment of Northern Division operations, began making paper on a sustained basis October 21. Start-up was very successful, according to Robert J. Shinners, vice president-Northern Division. "Aside from normal problem areas which we anticipate in a project of this size," Mr. Shinners commented, "everyone is extremely pleased with the performance of the new machine."

To bring this monster on line and have the supporting facilities ready at the proper time required technical and mechanical skills of the highest order. (continued on next page)

GNP AND BAXTER AUTHORITIES
REACH HARVESTING AGREEMENT

Great Northern Paper Company and members of the Baxter State Park Authority have agreed to an exchange of cutting rights as the answer to the harvesting of GNP-owned timber within the Park.

Several months ago, the company announced that it planned to exercise two timber cutting options provided when Great Northern originally sold the property, a 16,000 acre parcel in the southeastern tip of the 200,000 acre Park, to former Governor Percival Baxter. Under the terms of the purchase agreement, GNP (continued on next page)

GNP REPORTS INCREASE IN THIRD QUARTER EARNINGS

For the period ending September 30, GNN reported third quarter net income of $4,426,000 on sales of $98,817,000 compared with $4,011,000 on sales of $93,948,000 in 1971. Earnings per share were $.83 primary and $.81 fully diluted this year, and $.73 primary and $.72 fully diluted in 1971. This represents a 10.3 percent improvement in net income over the prior year period, and the fifth consecutive year-to-year gain in quarterly earnings. (continued on page 3)

ROBERT C. MACAULEY RESIGNS;
BRUCE P. ELLEN ASSUMES NEW MARKETING AND SALES DUTIES

Robert C. Macauley, vice president-board sales, has resigned from his position for reasons of health.

Mr. Macauley, highly regarded throughout the industry, joined Great Northern as a vice president in 1969. From 1962 to 1969 he was executive vice president of Great Northern Board Sales Corporation, and before that, president of M.L. Macauley, Inc., a service organization representing paper and paperboard manufacturers.

Bruce P. Ellen, vice president-Southern Division, who has been in charge of the manufacturing operations of the division since 1968, has assumed the additional responsibility of domestic marketing and sale of linerboard and semi-chemical corrugating medium.

James L. Bellis, general sales manager-board sales, and R. K. Crippen, manager of marketing and administration-board sales, will report to Mr. Ellen.
Production for the nine months ending September 30,....

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STORY OF A START-UP
(continued)

Teamwork and coordination of literally hundreds of Great Northern personnel in planning and putting into effect the many projects associated with or affecting Ultra Eleven goes back to 1969 when construction of the West Branch Road began. Now nearly complete, this road provides the steady and reliable source of wood needed for the increased production of the machine.

By utilizing this heavy-duty road, tree length logs are transported directly to the woodyard where they are cut into four foot lengths by a new slashing system.

For added support to our wood supply, plans to use poplar chips were put into effect with the installation of a refiner groundwood system and a 250-cord chip storage silo. Chips are brought to the yard from our Portage Chip Plant, which is presently doubling its capacity with the installation of a second debarking line. Coordinating with the increased wood supply is an improved bark burning facility at #3 boiler and a related ash lagoon.

Major improvements were planned at the pulp mill including a new central white water system and the addition of a decker and 200-ton high density storage tower in the sulfite area. An expenditure of approximately $6 to $8 million is currently underway to convert three digesters to the high yield sulfite process which will indirectly make additional pulp available for Ultra Eleven.

An absorption tower, to act as a stand-by unit when the MgO recovery plant is down, started up in September as well as the Millinocket mill's pollution abatement facility including a 250-foot diameter clarifier, filter, presses and incinerator.

Preparations were also made to relieve the burden increased production would bring to our power supply by enlarging the power plant at Millinocket to house a new 600,000 pound per hour power boiler (No. 4 power boiler) and a 40,000 KW turbine and 60,000 KVA generator. Numerous expansions to the primary electrical and accessory electrical distribution systems and modifications to the water treatment facilities at the power house were completed as well as a power tie-line control with Bangor Electric Company. This system allows the mills to regulate their source of power supply.

The final step to tie together the total start-up project was in the area of the finished product. To expedite shipments to customers, a new finishing and shipping area which includes an automatic roll wrapping system was constructed along with a new train shed and storage warehouse.

HARVESTING AGREEMENT
(continued)

cutting rights would not expire until December 1, 1973.

Because the land in question is a popular scenic area which offers the best access to Mount Katahdin and is therefore heavily travelled, Great Northern had be criticized by some conservationists for
its harvesting plans and asked to relinquish all rights to the area.

In response to this, GNP officials reminded critics that the company has been sympathetic to the idea of a park in Maine for more than 40 years. The first piece of land Governor Baxter bought was sold to him by GNP. This was in 1930, and it enabled the Governor to acquire Mount Katahdin. Over the years the company sold many other thousands of acres to the late Governor. It has also donated land, most recently Allagash Falls and our share of Allagash Lake.

Over the 40-year period he was organizing the park, Governor Baxter always purchased bare land. He offered timber cutting options as a means of keeping purchase costs to a minimum. GNP was harvesting in the Park while the Governor was alive, and he raised no objections. He recognized the regenerative power of the land.

To those who said GNP should give up these cutting rights (the last in the Park) company officials explained that GNP is a publicly owned company and cannot surrender nearly 160,000 cords of wood and still fulfill its obligation to stockholders, many of those Maine citizens.

Following considerable negotiation, the company and Park authorities agreed that in return for relinquishing its right to cut and remove timber on the site in question, the company would be granted permission to cut a volume of wood in T6 Range 10, or about 109,000 cords. The new operation will be carried out in the northwestern corner of Baxter Park not far from our present Telos operation, an area specifically set aside by Governor Baxter for scientific forest harvesting.

The Authority also extended the harvesting deadline to April 1, 1975 to enable the company to plan its road system and cutting operation in a manner compatible with the Park Authority's forest management objectives.

This new arrangement is a good one for all parties. It makes it possible for the threat of a very severe Spruce Budworm infestation within the Park to be met in the best possible manner, as the trees to be harvested are near an infested area. It will also open a large section of Baxter Park, where hunting is permitted, to game management practices on the part of the Department of Inland Fisheries and Game that are expected to improve the game habitat in that area.

Speaking collectively, the Baxter Park Authority said that they were very happy to have been able to protect the most heavily used southeastern area of the park from large scale cutting and expressed their appreciation for the cooperativeness of GNP in relinquishing a vested right for an operation in a more remote area which will unquestionably be less convenient for their purpose.

THIRD QUARTER EARNINGS (continued)

For the first nine months of 1972, net income was $12,734,000, a 22.7 percent increase over the comparable period of 1971 when net income was $10,377,000. Earnings per share were $2.37 primary, and $2.31 fully diluted in 1972, and $1.89 primary, and $1.86 fully diluted in 1971. Sales were $296,909,000 in the first nine months of 1972 compared with $266,393,000 last year, an increase of 11.5 percent.

These figures, as well as those for the prior period, were restated to include the results of Pinkham Lumber, Inc., acquired in August for GNN common stock (see Newsletter #6).

In his letter to stockholders, Sam Casey, president and chief executive officer, reported that during the third quarter, containerboard, lumber and plywood continued strong. Printing paper results were affected by unusual summer slackening in sales. However, we did benefit from improved prices and strengthened demand as the period ended. According to Mr. Casey, "market indications are that Ultra Eleven, which came on line in October, should represent a timely addition to our groundwood printing and newsprint capacity."

***

Annual Meeting... Approximately 30 members of Great Northern's commercial
sales department attended this year's annual sales meeting held last month in Pinehurst, North Carolina.

J. Paul DeMarrais, commercial sales manager, opened the two-day sessions with a welcoming address and a brief introduction of the goals and purpose of the gathering. Mr. DeMarrais' talk, "Master Sales Plan for 1973", which reviewed sales and marketing procedures, was expanded further by subsequent reports on specific topics given by members of the sales group.

James T. Sackett, catalog publishing manager, J.C. Penney Company, Emery E. Allain, vice president-finance, and Charles R. Cheviron, executive vice president, Danner Press Corporation, were guest speakers during the event.

***

Boxcar Supply....There is at present a severe shortage of boxcars nationwide, according to Jerry D. Perkins, director, transportation and purchases. "The shortage arises annually during September, October and November," Mr. Perkins explained, "due to heavy grain shipments across the country."

While the car supply at both Northern and Southern Divisions is tight, it is believed that we will get through the seasonal situation because of the assigned cars in service at Cedar Springs, and outstanding Interstate Commerce Commission service orders requiring the immediate return of empty cars owned by the Maine railroads. We have, however, asked the Canadian Pacific Railroad to furnish us 40-foot equipment if our supply in Maine becomes critical.

With the start-up of Ultra Eleven, boxcar requirements at Millinocket will be increased by 200 per month. Arrangements have been made with the Bangor & Aroostook Railroad to convert some regular 50-foot cars and completely rebuild a number of others into highweight, cushion underframe (CUF) cars.

The Maine Central Railroad has agreed to furnish us with 250 new 50-foot cars similar to those being provided by B. & A.

In addition to this supply, we will continue to use equipment furnished by the C.P. and the Boston and Maine.

This equipment is expected to be available by December 31, 1972.

NORTHERN DIVISION

Private Trucking....A little over a year ago, GNP's Northern Division began an experiment to evaluate the benefits of delivering company products by means of a privately owned trucking operation. This new system, reported as very rewarding, has resulted in a direct savings of approximately $120,000 per year.

Great Northern's trucking fleet now consists of three tractors and five trailers with plans underway for the addition of a fourth tractor. Further expansion is anticipated in the near future.

According to Philip P. Paul, traffic manager, Millinocket, GNP's trucking operation is also responsible for some indirect savings. "Private operations such as ours," Mr. Paul explained, "tend to have a restraining effect on the level of truck rate increases. In addition," he continued, "when not hauling wood, our trucks transport mill machinery and chemicals. During cold weather the company leases a heated engine house from the Bangor and Aroostook Railroad to eliminate the problem of chemical freezing during unloading and to facilitate easier tractor start-ups."

Last month, GN-Plywood entered into the private trucking field with one tractor and two flat bed trailers. The equipment will be used to transport lumber and plywood to and from points within the southeast and return inbound shipments of material and equipment to the plywood plant and paper mill. Plywood sales and division transportation will coordinate efforts on this new venture.

***

Production Up at Maine Mills....On October 17, the Northern Division reported its fifth consecutive week of increased production. Millinocket and East Millinocket were above their own nine month average for a combined production of 2,000 plus tons per day.
Plastic Wires At GNP Mills....
The changeover from metal to plastic wires on paper machines at East Millinocket has been completed according to Arthur E. Dentremont, mill manager.

The conversion to fabrics (plastic wires), underway since the beginning of the year, was initially completed on machines #1 through #4. Number 5 and 6 machines have been so equipped since April.

The decision to switch from bronze to plastic wires was made originally because of the proven reduction in machine down time due to the extended life of the fabrics. Since their installation, however, other advantages have been realized including longer life for related paper machine clothing. In the past, these pieces of clothing were scheduled for removal during wire changes to eliminate shutting down a machine for a minor felt change.

It is also felt that mechanical performance is improved due to the fact that the machines are not up and down as often.

Scheduling of maintenance around the machines is better as crews can pick the repair day ahead of time rather than work under the emergency situation of a wire change as has been the case.

In addition, the plastic wires are reported as producing good printability papers with no complaints on wire marks.

The changeover to fabrics is presently being tried at the Millinocket mill but is still in an experimental stage. Because Millinocket produces specialty grades rather than newsprint, and some papers do not lend themselves properly to the new fabrics, further studies are being conducted.

Ultra Eleven, which will be running newsprint initially, is presently equipped with a plastic wire.

* * *

Yard Department Honored....Twelve years of work without a disabling injury was marked last month by members of the yard department, East Millinocket mill.

This outstanding accomplishment was celebrated by the group during an outing held in their honor at Rice Farm.

The yard department, a crew of approximately 25 men, handle equipment, operate vehicles and encounter many diverse operations during the course of their work day.

Kenneth Cramp, who has been with Great Northern 26 years, is foreman of the department.

SOUTHERN DIVISION

Oil Supply Suffers From Lack of Rain....The small amount of rainfall over the Apalachicola, Chattahoochee, Flint Rivers watershed has resulted in operating problems at our Southern Division.

The pools at Buford and Walter F. George reservoirs, north of the Cedar Springs mill, have been dropped to an all-time low in order to provide a seven foot navigational channel for transportation.

Because of the sharp reduction in channel depth, from the normal nine feet to seven feet, River Transit Company, the barge line which transports fuel oil from Port St. Joe on the Gulf, up the inland waterways into Cedar Springs, has reduced their loading of fuel oil from 8 feet six inches to six feet, six inches and started pushing one barge instead of two in order to improve their transit time.

* * *

Longshoreman's Strike Averted....
The American Longshoreman Association at Panama City agreed to terms of a new contract with the local steamship agents, effective October 1, after numerous and lengthy negotiating sessions. At one point during the contract talks, it appeared that either
side would shut down the port since the contract had expired while negotiations were underway. Had this occurred, it would have been the first time a strike was called in the history of the Port of Panama City.

Since Cedar Springs paper mill uses the Port for export shipments, a close watch was kept on the negotiations and plans were in order to divert tonnage to other ports, if necessary.

* * *

Another Pest....While Great Northern's Maine woodlands department has had to deal with the Spruce Budworm, the Southern Division is having its problems with another species of forest pest, the Southern Pine Beetle. Widespread infestations of the insect during the summer months of 1972 has been reported in portions of Louisiana, Mississippi and Alabama. Company holdings in Georgia and Alabama have received aerial inspections for the past sixty to ninety days. Only minor outbreaks were discovered, principally in Alabama. Lack of rainfall in June, July and August throughout the South and high temperatures have contributed to the increase in beetle activity. During drought periods, the strength of trees is reduced and susceptibility is higher.

The mature Southern Pine Beetle moves into a stand of pine timber, bores into the bark and lays eggs. The eggs hatch out as grubs or larvae which feed on the inner bark and kill the trees. Four to six generations may be produced in any one summer when weather conditions are favorable.

At this time, control measures are limited to harvesting of affected trees and placing a buffer strip around the damaged area. Following cutting of the trees, the logging debris is burned to prevent further spread. Rainfall and cold weather will reduce beetle activity.

Questions and Answers About the Investment Plan for Salaried Employees. by Edwin N. Grindle, Salary & Benefits Administrator.

Question - What is the status of the common stock that was credited to my account in the Incentive Profit Sharing Plan?

Answer - It is credited to your account as an investment in the Employer Fund of the new Investment Plan.

Question - Can I make a withdrawal of the stock that was credited to my account in the Incentive Profit Sharing Plan?

Answer - Yes. Regardless of whether or not you are a participant in the Investment Plan, you may make such a withdrawal effective any December 13 or June 30.

Question - How do I make such a withdrawal?

Answer - You may do so by filing a written notice with the Salary & Benefits Department in Stamford 30 days in advance of the effective date of withdrawal.

COMMENT - Such a withdrawal constitutes and is subject to the "full withdrawal" provisions of the Investment Plan. That is, if you are not a participant in the Investment Plan, you may not become a participant until January 1 or July 1 at least 12 months after you make the withdrawal. If you are a participant in the Investment Plan when you make the withdrawal, all of your accounts are payable to you and you forfeit any Company contributions in which you are not vested; and you must cease making any further contributions for the period referred to above.

Question - How does the trustee invest the money that is allocated to the Common Stock Fund?
Answer - The trustee invests the money allocated to the Common Stock Fund of the GNN Plan through a vehicle known as a Commingled Employee Benefit Trust which it (the trustee) established in 1963 for the purpose of managing monies from many similar company benefit plans. The trust is comprised of stock from literally hundreds of companies selected as prospects for capital appreciation. They are primarily companies such as Armstrong Cork, Coca-Cola, Eastman Kodak, General Electric, Whirlpool, Xerox, etc., which are categorized as large corporations with good, long-term growth potential.

Question - How is my money accounted for in this "commingled" fund?

Answer - Your contributions to the Common Stock Fund are separately accounted for, and are valued in relation to the total dollar value of the fund on each valuation date. For instance, effective October 1, 1972, you chose to contribute (x)% of your base salary representing $25.00 per month to the Common Stock Fund. Through March 31, 1973, you will have contributed a total of $150.00. If the dollar value of the fund has increased by 6% on March 31, 1973, your $150.00 will be valued at $159.00. Conversely, if the dollar value has decreased by 6%, your $150.00 will only be valued at $141.00 on that date.

Question - What has been the performance record of the trustee's commingled trust fund?

Answer - Since the commingled trust fund was established in 1963, the compounded annualized rate of return has varied from a plus of 22.8% to a minus of 9.1%. Hence, there would have been times when a participant could have realized a profit and other times when he would have taken a loss had he cashed in on his investment. For the period 1963 through June 30, 1972, the compounded annual rate of return has averaged 9.4%.

New Position Filled..."We have now supplied the missing link to satisfy our goal of completing the full service cycle, from order to delivery, at Great Northern." This comment, made by Francis J. Dunne, manager of sales coordination, followed management approval of the newly created position of "sales scheduling representative" within the sales department.

Robert W. Tile, previously a test assistant in the research and development department, Millinocket, has assumed responsibility for the new position. His duties, which will be carried out in Millinocket, will include providing communication between the manufacturing and sales departments. He will also work as a liaison between Stamford and Millinocket to ensure that Northern Division products are manufactured, finished, and shipped as scheduled to most profitably fulfill the company's objectives while meeting customer requirements.

Bob, a native of Richmond, Virginia, joined GNP in 1959. He was with the control department, East Millinocket mill until 1963. Following a short absence, he rejoined the company in 1964. Married and the father of one child, he will remain in East Millinocket where he has resided for 13 years.

NAMES IN THE NEWS

ROBERT A. HAAK, vice chairman of GNN, was elected to the board of directors of the newly-formed Environmental Conservation Board of the Graphics Communications Industries.

ROBERT HELLENDALE, executive vice president of GNN and vice president-administration GNP, was recently elected a director of the Maine Central Railroad.

EDWARD M. LAVERY, technical service representative, board sales, served as moderator of the "Corrugator Runnability" workshop conducted as part of the TAPPI Corrugating Conference held in October.
FREDERIC C. MORRISON, manager of townsite, represented Great Northern at official ground breaking ceremonies held on the site of the new nursing home presently being constructed in Millinocket. GNP recently made land available for the project.

** **

ROBERT J. SHINNERS, vice president-Northern Division, was elected to a three-year term as a director of the Syracuse University Pulp and Paper Foundation during the groups' 13th annual meeting held in New York.

** **

RUSSELL W. YORK, education and training director, GNP, is serving as a member of the Educational Relations Committee of the University of Maine Pulp and Paper Foundation.

PROMOTIONS

FRED C. GARRETT, JR., has been promoted to assistant traffic supervisor, Southern Division transportation department.

Mr. Garrett joined GNP in 1965 and most recently held the position of yard master, Cedar Springs.

** **

JAMES W. STEWART, formerly transportation clerk, Southern Division transportation department, has been promoted to the position of yard master.

Mr. Stewart has been with the company since 1968.

** **

ELLIOTT R. BOYD, JR., has accepted the position of internal auditor, Millinocket. In this position he will assume resident auditing responsibilities, which encompass operational and financial auditing.

Mr. Boyd, a graduate of Northeastern University, has been supervisor, general accounting for the past four years.

NEW EMPLOYEES

ALBERT W. BURDITT has joined GNP as senior area engineer.

Mr. Burditt is a 1946 mechanical engineering graduate of McGill University, Montreal, Quebec. He has served in production and maintenance capacities in the pulp and paper industry in both Canada and the United States.

** **

RICHARD W. HONOLD has been named supervisor, general accounting, Millinocket.

A 1966 graduate of New York Institute of Technology, Mr. Honold most recently was employed as auditor, The Anaconda Company, New York.

** **

L. STEVE HUDSON has joined the Southern Division woodlands department as forester.

Mr. Hudson is a graduate of the University of Georgia where he received his B.S. degree in forestry.

SERVICE ANNIVERSARIES

DONALD F. WALLS, tour foreman, Millinocket, 25 years, August 29.

** **

FRANK C. MILLWARD, cashier, Stamford, 15 years, August 5.

** **

CARMEN BRIGALLI, supervisor, townsite department, 25 years, October 16.

** **

JOSEPH C. MCMAHONE, area foreman, Millinocket, 25 years, October 29.
PINKHAM LUMBER AND LOGGING AFFILIATE
ACQUIRED BY GREAT NORTHERN NEKOOSA

"We have taken a big step towards greater diversification," stated Sam Casey, president of Great Northern Nekoosa Corporation, following the September 5 announcement of the acquisition by GNN of Pinkham Lumber Co., Inc., an ultra-modern sawmill in Nashville, Maine, and T.S. Pinkham, Inc., its logging affiliate.

Located in a wood growing area with much of the timber suitable for lumber, Pinkham had sales of $5.6 million in fiscal 1971. Mr. Casey said that Pinkham would operate as a division of Great Northern Paper Company under existing management headed by Tom Pinkham.

A native of Fort Kent, Maine, Mr. Pinkham has been involved in independent woods operations in northern Maine all his adult life. In 1966, he was voted Maine's Small Businessman of the Year.

The sawmill is only seven years old and was recently expanded. The planing mill is one of the most modern. The dry kiln facilities and boilers operate automatically.

Constructed in 1964-65 on land leased through 1984 from the heirs of David Pingree, the mill has an annual (continued on next page)

GN-PLYWOOD ANNOUNCES NEW
POLLUTION ABATEMENT PROGRAM

A program to curb air pollution at Great Northern Plywood Company, Cedar Springs, Georgia, has been announced by W. K. Hoseid, vice president and general manager.

The program, estimated to cost approximately $125,000, will involve modifications and installation of additional equipment to both GN-Plywood's boiler houses including: air swept fuel feeder housings for reduction of dust losses; high velocity overfire air fans to improve smoke control; steam jet grate cleaning systems, new ash settling chambers, and a new oil firing system for #1 boiler to replace coal as auxiliary fuel. This system is already operational on #2 boiler.

Installation of the equipment is scheduled in two stages beginning in November and is expected to be completed in January, 1973.

According to Mr. Hoseid, similar modifications to existing equipment at various other plants have resulted in a reduction of 96 percent in air pollution emissions. "When this program is completed," he stated, "it is expected to bring GN-Plywood into compliance with new air pollution regulations issued by the State of Georgia."
Production for the eight months ending August 31 ....

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<td>243,629</td>
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<td>898,400</td>
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PINKHAM LUMBER ACQUISITION
(continued)

capacity of 40 million board feet and converts approximately 80,000 cords a year of spruce, pine and maple.

Pinkham also operates a small converting plant at Eagle Lake, Maine, which cuts hardwood slices for use in the manufacture of coat hangers at the rate of about 12 million a year.

"We think Pinkham Lumber is an excellent acquisition for Great Northern," Mr. Casey commented, "particularly because of Tom Pinkham and his organization and what they can do for our company. We believe that with the Ashland sawmill and the existing organization as a nucleus, we can improve the return on our timberlands in Maine. The Pinkham operation will enable GNP to maximize the value of the fibre growing on our lands and help us utilize species not used in our paper making."

"years ahead of others, such as steel and utilities" in anti-pollution efforts. At the same time, the report criticized GNN progress in pollution abatement and alleged that our mills in Maine and Wisconsin lagged behind other companies in the general industry cleanup.

Replying to these charges, which he said were unfounded, Sam Casey, president of GNN, noted that every Great Northern Nekoosa mill, including those in Arkansas, Georgia and New York State, is already meeting the environmental requirements presently set for it. Mr. Casey said that it was unfair of CEP to single out GNN and to imply that we are not meeting our environmental obligations. "On the contrary," he commented, "I think our company has done an outstanding job, and every GNN employee can be proud of our efforts."

In Maine, Mr. Casey pointed to the extensive investments the company has made in pollution abatement and related facilities - nearly $30 million since 1962. Programs that included the pace-setting MgO chemical recovery plant; the phase-out of chemi-groundwood pulping at East Millinocket; the installation of a Hugh, 250-foot diameter clarifier at Millinocket; the adaptation of new equipment and procedures to remove and dispose of bark; the ending of waterborne log drives.

The story is the same in Georgia at GNN's Southern Division mill. Cedar Springs is presently in full compliance

CEP PRAISES INDUSTRY
FOR ABATEMENT PROGRAMS

"Paper Profits: Pollution Audit 1972", a study issued in late August by the Council on Economic Priorities and a complete reversal of their position in 1970, said the paper industry was
with state regulations for both air and water, some of the stiffest in the country.

In addition, GNN recently announced a comprehensive two-year, $13 million program to further curb air pollution (September Newsletter) at our Georgia mill. This is because controls that were at one time considered standard, and which GNP then met, will not be acceptable in 1974. Thus, when the entire program is completed in mid-1974, GNP will be in compliance with the new Georgia air emission regulations then in effect.

Mr. Casey said there could be no questions that GNN is actively fulfilling its responsibilities to the environment. "Everything we've done, everything we will continue to do, is predicated on a constant effort to make those states in which we operate better places to live and work."

***

New York Seminar for Financial Analysts...Sam Casey, president of Great Northern Nekoosa, headed the list of speakers at a seminar devoted to "The Impact of Electronics on Business Communications and Paper Consumption," held September 12 at the Princeton Club in New York. Dr. Terry O. Norris, vice president, research and development, Nekoosa Edwards Paper Company, Inc.; Ray Herzog, president of 3M; and Paul Bothwell, vice president, electronics group, Gould, Inc., also addressed the audience made up of financial analysts following the paper and electronics industries.

The seminar explored the numerous methods of electronic communications which have led people to believe we are heading for a "paperless society." As one of the leaders in the development of papers for computers and other electronic communication devices, GNN pointed out the need for paper to capture a greater amount of information and make it usable to man.

Coinciding with the seminar and following the same theme, a black and white, two page, GNN ad is currently appearing in the September issue of Scientific American. This special edition of the magazine, devoted exclusively to electronic communications, presented GNN the opportunity to talk about business communication grades manufactured by Nekoosa Edwards and GNN's overall commitment to the printed word. The ad carries the headline - "The revolution in electronic communications will be won with paper" - subhead: "With facts and figures available faster than the human mind can assimilate them, only paper provides the link of understanding between man and machine."

Over the years, Scientific American has always devoted its September issue to a single topic which is widely publicized and receives exceptional exposure among various opinion leader groups, particularly top manufacturing management and high-level government officials.

Extra copies of this particular issue are being sent to a special list of customers and prospects, together with a covering letter from Gerard Piel, publisher of Scientific American.

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New Dimension In Research...To avoid duplication of efforts and the purchase of expensive apparatus, the research departments of Great Northern Paper Company and Nekoosa Edwards Paper Company, Inc., recently instituted plans for a series of "Research Exchange Meetings."

The first of these meetings, which are expected to occur on a quarterly basis, involved the technical staffs of both companies and took place in Millinocket, August 23. The next session is set at Port Edwards during October or November.

Benefits expected from these meetings include technical exchanges on specific projects, joint use of research apparatus, and consultation by both groups with individuals having special knowledge in either group.
Local Newspaper Changes Hands....
The Katahdin Journal, one of Maine's weekly newspapers providing information to residents of Millinocket, East Millinocket and other towns in surrounding areas, has recently undergone a change in ownership.

The paper, which for the last four years has been owned by Coastal Publishing Company, was sold to Jerry Javine, president of the newly organized Katahdin Publication, Penobscot Avenue, Millinocket.

Negotiations took place several months prior to the sale, according to Louis Estes, president of Coastal. Final agreement was reached last month and Mr. Javine officially took over as the new publisher on September 10.

Mr. Javine, a native of Oklahoma, has been a resident of New Sharon, Maine since 1970. He is also the publisher of the Wilton Times, a weekly serving areas in and around Wilton, Maine.

No changes in style or format are expected according to Jim Smith, editor of the Katahdin Journal. "The publication will continue to be printed on Great Northern newsprint, eight to fourteen pages a week."

Founded in 1901, the paper was originally called The Millinocket Journal and was printed tabloid size on a mimeograph machine. Coastal Publishing Company purchased the paper in 1970 from Laite Publishing Company and at that time changed the name to The Katahdin Journal to reflect a broadened circulation area.

* * *

NATO Committee Visits Maine....
Great Northern Paper Company recently assisted the Northern Maine Regional Planning Commission in hosting the third and final international symposium of the North Atlantic Treaty Organization's Committee on the Challenges of Modern Society (NATO/CCMS), Inland Water Pollution Project. The committee, made up of member countries including Canada, Belgium, France, and the United States, with Germany and the Netherlands sitting in as observers, is concerned with river basin planning. Knowledge and information gathered during the symposiums will be used to benefit all co-owner nations of river basins by providing guidelines helpful in solving the problems associated with protecting international waters.

NATO/CCMS is using the St. John River Basin, United States; the Sambre River, Belgium; and several river basins in France as case studies for this project.

Housing accommodations for the NATO group of approximately 70 were arranged at two fishing camps near Portage, Maine. Great Northern's network of roads were used for transporting the men and women to and from their lodgings and to the various receptions and other activities planned during their stay.

Ladies attending the symposium were taken on a nature walk through GNP timberlands. Forest management projects and harvesting procedures were explained by their guides, Eugene Putnam, superintendent of recreation and Wilmer Saucier, woods operator at the Ramsey Brook site.

The men were taken on a tour of Great Northern lands and also stopped at GNP's newly acquired Pinkham Lumber complex.

Early reaction by symposium participants has been reported as "very favorable." One NATO member stated that the water quality of St. John River Basin can very well be used as a goal for other countries.

* * *

Project 11 Progress....Various areas of the Project 11 expansion have begun operation in advance of the start-up of Ultra Eleven paper machine scheduled for early October.

In August, line one and line two
of the poplar refiner groundwood system were put into service. No. 4 power boiler was brought up to its full load rating of 600,000 pounds per hour.

The new finishing and shipping areas were started up and are now in service.

Also placed in operation at the same time was a new coated paper conveying system from the coater plant to the Ultra Eleven finishing area.

The new 200 ton sulfite storage tower was operational on September 18.

Other areas showing progress include pollution abatement at Millinocket. (See story page 6). The mill effluent sewers were tied into the interceptor sewer over the Labor Day shutdown and began operating on September 5, sending the mill effluent to the clarifier. The clarifier and sludge pumps are also in service. Sludge thickening and incinerating equipment are scheduled to start up prior to Ultra Eleven coming on-line.

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SOUTHERN DIVISION

Records Broken....GN-Plywood finished August with new calendar month records for production, sales and profits. A total 9,418M (3/8" basis) was produced. Total sales were listed at 9,910M (3/8" basis).

According to W. K. Hoseid, vice president and general manager, the new, seven-day (paper mill) schedule adopted last month at the plywood plant, is achieving its purpose. Some difficulties have been encountered in hiring and retaining crews for the fourth shift. Construction of a nuclear power plant across the river, and the fact that it is harvesting time, seems to account for this condition.

Mr. Hoseid also reported that the plywood market continues to show strength. He said GN-Plywood's recent price increase has met no resistance.

GN-Plywood Gets New Lumber Business.
The sale of 500,000 board feet of lumber per week has been added to the rapidly growing wholesaling responsibilities at GN-Plywood.

This increase was the result of an arrangement with Tillis Lumber Company, Abbeville, Alabama, in which our Cedar Springs plant has agreed to sell all their lumber production.

The wholesaling business at GN-Plywood began just over a year ago and has grown from a small scale operation to one which is now responsible for $800,000 in sales.

Plans to construct a shed to store the Tillis lumber and acquisition of a lift truck are underway. Shipping, receiving and inventory responsibilities and procedures are also being developed.

***

G-P Cuts Price....W. K. Hoseid has termed the recent lumber price cut announced by Georgia-Pacific as "trouble shooting" on the part of top management. Mr. Hoseid's remark refers to G-P's disclosure on August 30 that the company was initiating a nationwide price rollback on several basic building materials. The price cuts, effective September 1, include from $2 to $5 per 1,000 square feet on most construction grades and thicknesses of softwood sheathing plywood and a flat $5 per thousand board feet on 2 x 4 fir and pine lumber studs.

All are basic building components used for housing as well as other construction. The lumber is produced at Georgia-Pacific mills in both the Southern pine and Western fir regions of the U.S.

"Because of the profit limitations recently imposed on lumber companies by the Price Commission," Mr. Hoseid commented, "Georgia Pacific is getting some public relations mileage out of a situation which could possibly have caused them a problem in the near future."
Gerard E. Veneman, president of Nekoosa Edwards Paper Company, Inc. and Robert R. Johnson, secretary at Nekoosa, have been praised for their efforts in reclassifying "Form Bond", in a recent issue of the American Paper Institute (API) newsletter.

According to API Report, because of the work of these men and several representatives from other paper companies, the Treasury Department has determined that Form Bond (computer output paper), should be classified as writing paper. The effect of this decision is to increase the U.S. import duty on Form Bond from approximately $6 per ton to $22 per ton.

U.S. annual production of Form Bond currently is nearly 800,000 tons. In early 1970, imports of this paper into the United States began to increase substantially. The API staff learned that this paper was being classified as a printing paper, subject to a U.S. import duty of $6 per ton. This classification was contrary to the fact that paper of this type always has been considered a writing paper, the U.S. import duty for which is $22 per ton. API considered the proper classification of such paper highly significant, as they estimated that in tariff revenues alone, the Government was losing over one-half million dollars per year.

The Printing-Writing Division of API formed an ad hoc committee consisting of the two representatives from Nekoosa. During 1971, the committee met in Washington with the Bureau of Customs and clearly indicated that Form Bond was classified as writing paper by most authorities and Government agencies including the U.S. Bureau of the Census and the Dictionary of Paper.

Early this year, Nekoosa filed a formal petition with the Bureau of Customs. The result was reclassification of Form Bond as a writing paper, thereby imposing a higher U.S. tariff.

**Guest Columnists**

Millinocket Mill Starts Up Pollution Abatement Facility...by Patrick H. Welch, Environmental Protection Supervisor.

The West Branch of the Penobscot River, adjacent to and immediately below the Millinocket mill, took on a new complexion September 5. When the mill started up after the Labor Day shutdown, something new had been added. Three Johnston vertical mix flow pumps, each with a delivery capacity of 22,000 gallons per minute, stood near the river bank ready to pump most all of the mill effluent to the new Millinocket mill pollution abatement facility.

This facility, located 4,000 feet downstream on the East bank of the river, is the climax of over ten years of pollution abatement efforts at Millinocket. Efforts which included paper machine close ups, many fiber and water reuse systems, bark burning and the MgO recovery boiler. The primary function of the new pollution abatement facility is to remove and reduce to ashes over 99 percent of the settleable solids in the mill's effluent.

The effluent is pumped via a 36 inch force main to the treatment site. The flow is measured and recorded with the help of a Foxboro magnetic flowmeter. The effluent then enters the centerwell of a 250 foot diameter Dorr Oliver circular clarifier. The sidewalls of this unit are 14 feet high, and the floor, which is 6 inch double reinforced concrete, slopes toward the center well, 1 inch in each 12 inches. The settleable solids do exactly what they are supposed to do - they settle to the bottom. A sludge rake mechanism then coaxes the solids toward the center well where two Morris sludge pumps send them on to the next unit, a Komline-Sanderson coil filter.

The coil filter receives the sludge at about 1 percent solids. The solids leaving the filter are about 20 percent.

These units have been started and,
but for a few start-up problems, have run smoothly and effectively.

Preliminary testing has indicated that settleable solids removal has equaled expectations; suspended solids removal has exceeded expectations (70-80 percent), and biochemical oxygen demand removal is very good (28 percent.)

Plans are in progress for the start-up of the remaining units, a Rietz V-Press, drier and incinerator. The sludge, which is now being piled, will be burned to an innocuous ash. At this time, Great Northern Paper Company, (contrary to what the recent Council of Economic Priorities report would have us believe), has completed yet another major step in its efforts towards a cleaner environment.

Questions and Answers About the Investment Plan for Salaried Employees, by Edwin N. Grindle, Salary & Benefits Administrator.

The Investment Plan for Salaried Employees became effective October 1, 1972. Distribution of a booklet describing the Plan was made on September 8 to monthly and weekly salaried employees. As many inquiries were made concerning particular areas of the Plan, this column has been prepared to answer some of the most frequently asked questions. Additional questions and answers and a further explanation of the Plan will be carried in next month's newsletter.

Question - If I didn't join the Plan effective October 1, when and how can I join in the future?

Answer - If you are an eligible full-time salaried employee, you may join the Plan effective any January 1 or July 1 by completing and mailing your request for membership to the Salary and Benefits Department in Stamford, 30 days in advance of the effective date of membership. All cards pertaining to the Plan (Request for Membership, Change Form, and Withdrawal Form) are available from the Personnel Department at Millinocket, the Industrial Relations Department at Cedar Springs, and the Salary & Benefits Department at either Millinocket or Stamford.

Question - Can I increase or decrease my contributions?

Answer - Yes, you can change the percentage of your contributions, within the limits of the Plan, effective any January 1 or July 1, by filing a Change Form 30 days in advance of the effective date of the change.

Question - Can I change my choice of investment?

Answer - Yes, you can change all or a portion (in 25 percent multiples) from one fund to the other effective any January 1 or July 1 by filing a Change Form 30 days in advance of the effective date of the change. The change will apply only to contributions you make on or after the effective date of the change.

Question - Can I physically transfer my savings from one fund to the other?

Answer - Only when you reach the age (55) when you become eligible to elect retirement under the Retirement Plan.

Question - When does the 1 percent transaction fee apply to savings held in the Fixed Investment Fund?

Answer - Whenever money is withdrawn from the Fixed Investment Fund.

Question - Will I be fully vested in the company contributions after 30 months of participation in the Plan?

Answer - After 30 months, you will be fully vested in the first monthly contribution made by the company plus the earnings (continued on next page)
thereon. You vest in each monthly company contribution thirty months after the month for which the contribution was made.

As the close-out date for participation in the Investment Plan was September 29, all requests for membership are now subject to the 30-day advance notice regulation explained at the beginning of this article.

PROMOTIONS

RAYMOND C. BLAISDELL has been promoted to the position of maintenance superintendent, East Millinocket mill.

Mr. Blaisdell, who has been with Great Northern since his graduation from the University of Maine in 1952, has held the positions of area engineer and senior area engineer.

***

MARK R. CASSIDY has been promoted to the position of junior salesman with the commercial sales group, Stamford.

Mr. Cassidy joined the company in 1972 following his graduation from The Citadel.

***

RICHARD W. NOYES has assumed the duties of the newly created position of assistant to the vice president - Northern Division.

Mr. Noyes, a University of Maine graduate, joined GNP in 1960. He most recently held the position of plant engineer, East Millinocket.

***

RICHARD J. RYCHLIK, formerly with the Chicago office, has relocated to Stamford as a sales representative in the commercial sales group.

Mr. Rychlik joined the company in 1967 following his graduation from Rutgers University.

RUSSELL F. TAYLOR, formerly maintenance superintendent, has been promoted to the position of plant engineer, East Millinocket.

Mr. Taylor graduated from the University of Maine and has been with GNP since 1952.

***

RICHARD D. VIOLETTE has been promoted to general production superintendent, East Millinocket mill.

Mr. Violette, a University of Maine graduate, joined GNP in 1962. He most recently held the position of plant engineer, East Millinocket.

***

TRANSFERRED

WALTER D. VAIL, commercial sales representative serving the New York area, has transferred to the Newsprint Division.

Mr. Vail will relocate to Boston and work in the southern New England area.

NEW EMPLOYEES

ROBERT H. MUELLER has joined Great Northern Overseas Corporation in Stamford as sales representative - Latin America.

Mr. Mueller recently graduated from the Thunderbird Graduate School of International Management. Prior to this, he spent two years in the Peace Corps living in Paraguay and Panama.

***

JAMES E. LEIGH has joined Great Northern, Millinocket, as an accountant.

Mr. Leigh, a native of Maine, graduated from Husson College and received his M.B.A. from the University of Maine. He was previously employed with Continental Can Company, Inc., as a budget and financial analyst working out of their Augusta, Georgia mill.
POLLUTION ABATEMENT PROGRAM ANNOUNCED BY SOUTHERN DIVISION

A comprehensive two-year, $13 million program to curb air pollution at Cedar Springs will move forward immediately, Bruce P. Ellen, vice president—Southern Division, announced recently.

Mr. Ellen reported that the Development Authority of Early County has formally authorized the issuance of pollution control revenue bonds to help finance the program and that on August 1, GNP filed for a revenue ruling from the Internal Revenue Service to establish the tax exempt status of the bond issue.

The heart of the extensive pollution abatement program is a new Babcock & Wilcox low odor recovery furnace equipped with a high solids feed concentrator and a 99.5 percent efficient precipitator.

Mr. Ellen said that the mill, which manufactures both kraft linerboard and semi-chemical corrugating medium, has been producing more than 2,000 tons of product a day. No increase in this output is anticipated.

"When our original mill was planned in the early 1960's and again when we launched an extensive expansion program in 1967, we included the latest in air emission controls," Mr. Ellen said. "Now, control levels that were at one time considered standard are no longer acceptable, and the addition of new equipment and modifications of..."

MANAGERIAL CHANGES AT NORTHERN DIVISION

Scott B. Weldon, manager of manufacture, Northern Division, has announced a change in positions at both Maine mills.

Effective August 21, Carl H. Reed, mill manager at East Millinocket, assumed the duties of mill manager, Millinocket and Arthur E. Dentremont, mill manager at Millinocket, has taken on the duties of mill manager, East Millinocket.

According to Mr. Weldon's announcement, "Both Messrs. Reed and Dentremont have held many positions in the two plants, including production superintendent, before being promoted to mill manager. This experience has given both men extensive background with the different systems used and the various grades of paper made at both locations. The change in positions will employ the skills of Mr. Reed and Mr. Dentremont to the best advantage of the company."

some existing facilities are necessary, if GNP is to continue to comply with State air emission regulations."

When the entire program is completed in mid-1974, Great Northern will be in compliance with the new Georgia air emission regulations then in effect.
Production for the seven months ending July 31....

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<th>1972</th>
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<td></td>
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<td>Daily Avg.</td>
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</table>

Export LASH Shipment....On August 8, Great Northern Paper Company took advantage of a new technique in transporting cargo which promises to be especially useful to the paper industry.

The new method, called the LASH System, involves the use of barges, called lighters, which when loaded, are towed to a mother ship anchored offshore. The loaded barges are hoisted up and placed into the mother ship, thus the name LASH (lighter aboard ship). At the time of discharge, the barges are removed from the mother vessel and towed to docks for unloading.

GNP's experience with the new system was the first undertaking of this type in the New England area. Our shipment of newsprint, bound for Piraeus, Greece, arrived at Searsport via the Bangor and Aroostook Railroad. Six barges, each loaded with approximately 278 tons of newsprint, were then taken aboard the mother vessel, the S/S Lash Espana, 802 foot flagship of the Grace Prudential Line, and the largest ship to enter the Port of Searsport.

According to our transportation department, the trial was very successful. Anticipated advantages of the LASH System include faster delivery schedules for export shipments. Since the mother vessel can accept preloaded barges immediately, there is no need to wait for dock space. Also, minimal handling improves the condition of the delivered paper, adding an important plus to our sales department's efforts and possibly reducing insurance costs on such shipments.

People Component Explored....

Great Northern sales personnel met recently in Stamford to participate in the first of a planned series of management development meetings arranged by John H. Staples, vice president-sales, and Gordon Harrison, representative from Samson, Bellair, Riddel and Stead, management consultants.

The sessions are based on a behavioral science theme with particular emphasis on the "people component".

***

Power Failures....Recent power failures have caused lost time at both Northern and Southern Division mills.

A break in a ground circuit breaker resulted in the shutdown of both Maine mills in July. The failure was responsible for 2.7 hours lost at Millinocket. At East Millinocket, some power was returned in the two hour period, but further delays were experienced when the main groundwood header blew, shorting out a main groundwood pump. Together, the electrical failures resulted in 7.4 hours downtime at the Northern Division.

On July 4, a failure on the incoming power line from Georgia Power Company caused a complete shutdown of production at Cedar Springs affecting both the paper mill and plywood plant.

The paper mill started up Saturday, July 8. Production at the plywood plant was resumed July 11 after eight days lost time.
Agnus Flood Damage... Five cars containing GNP paper were inundated by high waters caused by Hurricane Agnes on Penn Central tracks at Wilkes Barre, Pennsylvania. Reports from the Penn Central advised that the cars, two with an order for Conde-Nast, Canton, Ohio, two for Scripps-Howard, Youngstown, Ohio, and one for Norfolk News, Norfolk, Virginia, were totally submerged.

Insurance claims and orders for reshipment have been filed.

** * **

Rate Increase... Effective July 27, 1972, delivery rates for newsprint shipments to Southern points were increased by one half of one percent per hundred pounds. It is estimated this will result in an increased cost of approximately $700 per year to Great Northern.

* * *

Newsprint Usage Up... Total estimated U.S. newsprint consumption in June 1972 was 834,329 tons, according to the American Newspaper Publishers Association. This figure reflects a 7.8 percent increase from the 774,191 tons reported in June 1971. There were four Sundays in the month in both years.

For the first six months of 1972, total estimated U.S. newsprint consumption was 5,029,270 tons, up 6.7 percent from the 4,713,344 tons reported during the 1970 period.

* * *

Name Change... The State University of New York College of Forestry, Syracuse, has undergone a change of name. The 61-year old institute, which includes one of the nation's six pulp and paper foundation schools, is now known as the State University of New York College of Environmental Science and Forestry.

* * *

Mergers and Expansions... According to a firm specializing in mergers and expansions, there were 38 percent more mergers in the paper industry in 1971 than in 1970. Forty mergers were recorded last year as opposed to 29 in 1970.

To release themselves from unprofitable operations, reduce debt, or both, more large corporations sold off divisions and subsidiaries. Twenty-one such sales were recorded in the paper industry during 1970.

NORTHERN DIVISION

New Duties for "O.A. Harkness". The "O.A. Harkness", heavy-duty towboat owned by GNP and used since 1964 to transport pulpwood booms from the upper Penobscot River across Ambajejus Lake, Pemadumcook Lake, North and South Twin Lakes, and Elbow Lake, has been purchased by the State of Maine for use by the Department of Sea and Shore Fisheries.

Announcement of the sale came from Spencer Apollonio, the department's deputy commissioner, who commented, "Our final agreement with Great Northern has been most favorable for the State. As a result of that company's excellent cooperation, we have been able to acquire a vessel that will be well suited to the needs of this department."

A 70-foot, steel hulled vessel with a 20-foot beam, the Harkness was built at an East Boothbay Harbor shipyard in 1964. It served GNP well for eight years, until the time the company phased out its river driving operations. (continued on next page)
According to present plans, the Harkness will be based at Boothbay Harbor and undergo minor modifications to enable it to meet the requirements of the Fisheries Department.

When "rebaptized" in seawater, the Harkness will replace the present department patrol boat "Guardian", a former aircraft rescue boat of relatively light construction. The Harkness is expected to be both safer and more efficient under all types of weather and sea conditions.

* * *

Price Increases,...Laminated Paper, Inc., GNP's suppliers of waterproof wrapping paper, have increased the price of their product $6.00 a ton. As our annual usage of this material is approximately 400-500 tons, the additional cost to GNP will be nearly $3,000.

To offset this situation, a quantity of drum liner is now being purchased from our Cedar Springs mill to decrease the amount of wrap purchased from outside sources.

An increase of $2.00 per ton in the cost of magnesium hydroxide was announced by Dow Chemical on July 1. Annual usage of this raw material is approximately 5,000 tons which means an additional cost of $10,000 to GNP.

Norton Company, supplier of pulstones, have increased the price of their product four percent. This increase will amount to approximately $200 per stone.

The price of chlorine purchased from Sobin Chemicals, Inc. has also risen $6.00 per ton. The company claims this price change still keeps them $6.00 per ton below market price. Annual usage for GNP is approximately 180 tons, which means an increase of $1,080.

* * *

Salvaging Operations Begun.... The spruce budworm, which has plagued Maine's forestland since 1915, has again made its presence known. Reports from Northern Division woodlands reveal that budworm infestation in the operating area east of Chesuncook Lake is a matter of increasing concern. This is the first year that heavy defoliation of spruce and fir trees has been evident so close to the mills.

Effects of the recent spray program for spruce budworm in Aroostook have not been evaluated, but first reports are not encouraging. The abundant infestation has begun to cause discoloration of the needles, and woodlands personnel have started salvage operations on company land in the area of Fort Kent.

According to woodlands, if trees have been attacked by the budworm two or three years in succession, survival is almost impossible. In this instance, operations to salvage usable wood are put into effect and dying or dead trees are removed from the area as soon as possible.

* * *

Educational Camp on GNP Property. Thoreau Fellowship, Inc. is proceeding with plans to construct log cabins on a parcel of GNP land assigned to the group for use as an adult summer educational camp.

The request for land was made in October 1971. Following approval from Great Northern, Thoreau Fellowship members accompanied by Al Ingalls, district forester, Millinocket, toured prospective sites and decided upon a spot near Pockwockamus Deadwater overlooking Thoreau's Trail facing the slope of Katahdin.

* * *

New Equipment At Portage.... Plans to expand and improve the debarking and chipping facilities at Portage are being implemented this month with the construction of a new
debarking line. Start-up is planned the first part of October and a 100 percent increase in production is expected.

When the new line is in operation, the existing system will be shut down and removed. A new, second debarking line and related equipment, including conveyors and surge bin, will then be installed.

Both machines are scheduled to be operational around the beginning of November.

** **

Wet and Wild...A very good turnout was reported at the annual Foreman's Picnic held August 3 at Rice Farm in Millinocket.

In spite of rain which lasted most of the day, a total of 375 persons participated in the event sponsored by the Northern Division.

Because of the inclement weather, the usual sports events were curtailed, but an elaborate menu, including native lobster, clams and steak was enjoyed.

** **

Wood Production....Wood production in Millinocket has been hampered by heavy rains and an inadequate labor supply. Precipitation on July 26 was recorded at 2.95 inches in a 24-hour period.

** **

New Equipment....The basis weight and moisture control system for #5 and #6 paper machines at East Millinocket has been awarded to Taylor Instrument, Process Control Division, Rochester, New York. Following installation, the equipment will undergo a six month trial period.

Record Set....The sulfite mill set a record the week of August 7 with a total 223 cooks. This figure surpasses the previous record of 216 cooks set the week of July 30 which also included a daily record of 34, the most cooks in a 24-hour period.

SOUTHERN DIVISION

Southern Division Gets New Cars. After lengthy negotiations between our Southern Division transportation department and Southern Railway System officials, 181 woodrack cars have been assigned for transporting pulpwood.

These woodracks bring the total number of Southern Railway cars utilized exclusively by Cedar Springs to 715. Included in this total are 496 boxcars, 32 woodchip cars, 6 plywood log cars and the 181 woodracks.

According to the transportation department, the railroad agreed to cooperate because of the excellent turnaround time maintained by CNP loading and unloading crews. This is an experimental situation and if proven successful, will be expanded to other paper mills.

The Southern Division has also received assurance from SRR officials that they will soon be receiving seven additional Super-Sixty boxcars. Because of their size, these sixty-foot interior length cars are responsible for substantial savings in plywood transportation costs.

** **

Rail Wood by Weight....Cedar Springs is now purchasing rail delivered pulpwood by weight. The new system, which replaces the old method of measuring cords, is said to be more accurate.

The buying "by weight" system has been used very successfully in the purchase of truck transported pulpwood.
GN-Plywood has received Price Commission approval for a 4.37 percent average increase in the price of softwood plywood and miscellaneous products.

The approval was announced August 22 and according to K. Hoseid, vice president and general manager, it will go into effect immediately. The increase is applicable to all orders currently on hand, as these contracts were written on a "price at time of shipment" basis.

Requested nearly three months ago, the increase still keeps GN-Plywood pricing below the general market.

* * *

New Operating Schedule....
Because of extremely strong market demand, a seven-day, 24-hour schedule has been put into effect at GN-Plywood.

According to K. Hoseid, this is a "first" for the Plywood plant, and additional personnel have been hired to meet the new four-shift operation.

This new scheduling has been under study for quite some time, Mr. Hoseid explained. "When a serious loss of production was experienced because of the recent Southern Division power failure, the plan was put into effect on a trial basis," he said. "The success of this trial and the healthy condition of the plywood market, warranted maintaining the new schedule on a permanent basis."

* * *

New Offices....New office facilities at GN-Plywood have been completed and occupancy by K. Hoseid, Chuck Harris, sales manager, Judy Moore, sales coordinator-wood products, and Deborah Sconyers, secretary, took place July 15.

The additional space was required to accommodate the company's continuing growth in wholesaling.

NEKOOSA EDWARDS

More on the Environment....Our sister company, Nekoosa Edwards Paper Company, Inc., is converting its Port Edwards power boilers from coal and gas to fuel oil and gas with the changeover to be effective early in September.

This will put the mill in compliance with particulate rules promulgated by the Wisconsin Department of Natural Resources.

Nekoosa voluntarily accelerated the completion date of the conversion to September, 1972. State rules had required dust emission improvement at Port Edwards by July 1, 1973.

Major equipment required as part of the oil-gas conversion include the construction of two large oil storage tanks located west of the Port Edwards mill, with a total capacity of 1.5 million gallons. This is enough fuel oil to keep the mill boilers operating for 20 days during very cold weather if no supplemental gas is available.

Auxiliary equipment presently being installed includes a pumping station for unloading rail tank cars to the storage tanks and a pumping station and pipeline for transferring oil from the storage tanks to a "day tank" in the mill.

Roy Charters, pollution abatement engineer, points out that when the changeover is complete, the improvement will be quite noticeable. He explained that particulate emission (smoke) could be expected to disappear almost entirely.

GUEST COLUMNIST

Retirement Plan Changes Subject of New Booklet - by Edwin N. Grindle, Salary & Benefits Administrator.

The complete text of the Retirement Plan for Salaried Employees, with
all amendments effective September 1, 1972, (listed below) has been distributed to more than 900 salaried employees.

In the near future, employees will receive a second publication containing a summary of the Plan with a question and answer section.

Each employee is urged to study the Plan carefully and ask questions that will allow him or her to relate the provisions of the amended Plan as closely as possible to his or her particular situation.

Amendments to the Retirement Plan include the following:

... Eligibility provisions now allow for more than 200 monthly and weekly salaried employees to join the Plan immediately, regardless of past or present reasons for non-participation ...

... an amendment to what is generally referred to as the alternative or minimum benefit formula will provide some employees with a greater benefit at the time of retirement ...

... likewise, the adoption of an additional minimum benefit formula will provide for a similar improvement ...

... a pre-retirement death benefit option will give other employees an opportunity to protect their accrued benefit in the case of death prior to retirement.

Application cards are available for employees to whom the above provisions are applicable at this time. The cards may be obtained from the Salary & Benefits Department at Stamford and Millinocket, the Personnel Department at Millinocket, and the Industrial Relations Department at Cedar Springs. They must be completed and received by the Salary & Benefits Department in Stamford prior to November 1, 1972.

INVESTMENT PLAN

The Investment Plan for Salaried Employees will go into effect October 1, 1972. The distribution of a booklet describing the Plan will be made on September 8 to monthly and weekly salaried employees. The booklet is being prepared in two parts: Text of the Plan and a summary designed to answer many questions.

NAMES IN THE NEWS

WILLIAM E. COZENS, general sales manager, was recently elected secretary of The Paper Club of New York during that group's annual meeting.

Mr. Cozens also served as a member of a special committee which prepared for the 22nd annual conference of the Research and Engineering Council of the Graphic Arts Industry.

***

LAWRENCE E. MCKEE, service representative, is serving as vice chairman of the newly formed Finishing Division of TAPPI.

***

CHARLES L. NELSON, area superintendent, West Branch, and ROBERT P. KNIGHT, junior engineer, attended the 13th annual Pulp and Paper Summer Institute recently conducted at the University of Maine, Orono.

***

JOHN H. STAPLES, vice president - sales, has been elected a member of the executive committee, Newsprint Division, American Paper Institute.

***

RUSSELL W. YORK, education and training director, has been appointed to serve on the University of Maine (continued on next page)
Pulp and Paper Foundation education relations committee.

PROMOTIONS

JOSEPH E. FARMER has been promoted to the position of industrial relations manager, Southern Division. Mr. Farmer has been with the company since 1956 and had been industrial relations assistant, Southern Division, since 1969.

RICHARD L. GREENE has been promoted to the position of industrial relations assistant, Southern Division, since 1969.

JUDY MOORE has been promoted to the newly created position of sales coordinator-wood products, GN-Plywood. Mrs. Moore’s duties will also include responsibilities in the area of wholesale buying and selling.

JAMES E. SALTER, formerly safety and training coordinator, Southern Division, has been promoted to the position of industrial relations assistant at that location.

NEW EMPLOYEES

JOSEPH W. (Bill) ENRIGHT has joined GNP, Millinocket, as tour foreman, #11 paper machine.

Mr. Enright previously served as tour foreman with Nova Scotia Forest Industries, Port Hawkesbury, Nova Scotia.

JOSEPH M. GARCIA has joined the Southern Division as safety and training coordinator.

A graduate of Florida State University, Mr. Garcia was formerly employed by the State of Florida, Personnel Division.

GARY A.J. KURPIEWESKI recently joined the controller's department, Stamford, as a tax accountant.

Mr. Kurpiewski, a graduate of Norwalk Community College, is presently attending the University of New Haven. He previously was employed as a tax accountant with Pitney-Bowes, Inc., Stamford.

MURRAY G. VICK, attorney, recently joined the legal department, Stamford.

A graduate of the Wharton School of Finance and Commerce, University of Pennsylvania and Cornell Law School, Mr. Vick was previously with Lycoming Division of Avco Corporation, Stratford.

ANNIVERSARIES

HAROLD A. LYONS, day foreman East Millinocket, 35 years, June 9.

CALVIN C. TAPLEY, tour foreman, East Millinocket, 25 years, June 9.

WILBUR R. NICHOLS, superintendent, stores, Millinocket, 15 years, June 3.

ROSARIO R. CARUSO, head foreman - yard, Millinocket, 35 years, July 3.

TERMINATIONS

J. TIMOTHY SAMWAY, salesman, Stamford office.

SCOTT B. WELDON, manager of manufacture, Northern Division.
NEKOOSA BREAKS GROUND FOR
POLLUTION ABATEMENT SYSTEM

Ground was broken and dedication ceremonies conducted June 7 by Nekoosa Edwards Paper Company, Inc., Great Northern's sister company, for two new water pollution abatement systems.

According to Gerard E. Veneman, Nekoosa president, "These facilities represent the largest single commitment to industrial pollution abatement by any company in the history of the state of Wisconsin."

The groundbreaking took place at Nekoosa's Port Edwards facility where construction of a $7.8 million chemical plant (Copeland process) is planned.

The new plant is the first step in an extensive air/water pollution abatement program now underway at both the Port Edwards and Nekoosa mill locations which is expected to cost approximately $16 million.

Upon completion in mid-1973, the system will reduce the BOD (biochemical oxygen demand) of dissolved wood material by 85 to 90 percent.

The Copeland process is chemically similar to the MgO recovery system in operation at GNP's Millinocket mill. However, because of the size of the Port Edwards facility and the fact that Nekoosa uses a slightly different pulping process, management determined that the Copeland system would be more satisfactory.

Ceremonies conducted late in the day dedicated the recently completed $200,000 abatement facility at Nekoosa's Whiting-Plover Division near Stevens Point, Wisconsin. This operation consists of a mill waste collection system and twin settling lagoons for the removal of suspended solids.

According to mill manager Ralph Atkins, the system is operating well and should substantially reduce the amount of suspended solids now going into the Wisconsin River.
Production for the five months ending May 31....

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Two Paper Unions Vote Merger....
The International Brotherhood of Pulp, Sulfite and Paper Mill Workers and the United Papermakers and Paperworkers unions have agreed to merge according to an announcement from their respective executive boards.

A ratification convention is to be held August 7 in Denver. If the merger is approved, the United Brotherhood of Paperworkers International Union would have 345,000 members in the U.S. and Canada, forming the eighth largest international union in North America.

Representatives from both unions are present at Great Northern's two Northern Division mills and in the South at Cedar Springs and GN-Plywood.

Approximately 310 employees at Millinocket and 153 at the East Millinocket mills are members of the Papermakers Union.

A membership of 546 at Millinocket and 340 at East Millinocket is listed with the Pulp and Sulfite Union.

At the Cedar Springs mill, 209 employees are Pulp and Sulfite Union members and 287 are listed with the Papermakers.

GN-Plywood reports a membership of 175 employees in the Pulp and Sulfite Union.

* * *

Timber Resources Report Available.
Maine still ranks as the nation's most heavily forested state - over 90 percent or 17.7 million acres is timberland. Forest industries (lumber, pulp and paper companies, etc.) own nearly one-half of the land which is approximately one-third covered by saw timber and two-thirds softwood species.

This and other information was recently published as part of a survey of timber resources in Maine conducted by the U.S.D.A. Forest Service.

In a statement concerning the report, John T. Maines, GNP consultant, commented that the facts revealed in the survey confirm Great Northern's judgement concerning the future supply of timber in Maine. "The present and projected growth figures contained in the report back up The Northern's decision to construct its #11 paper machine which will increase production by some 135,000 tons annually and naturally affect timber consumption in the state," he explained.

The survey also pointed out that while Maine's forested land area has increased almost three percent since 1958 and saw timber volume is up 19 percent, some species such as white pine, yellow birch and sugar maple are now being overcut.

The report suggests that if Maine's timber-based industries are to continue to grow at a rate comparable with recent years, land will need more intensive management, especially in southern and western portions of the state where most of the land is held in small tracts by private, non-industry owners.

* * *

J. H. Heuer Scholarship....A scholarship fund of more than $10,000 has been established with the University of Maine, Pulp and Paper Foundation, by 135 friends and corporations in memory of J. H. (Pete) Heuer, formerly vice president - operations for GNP. Mr. Heuer was president and chief
executive officer of Fraser Paper Company Ltd. at the time of his death, January 1, 1972.

Income from the fund will be awarded annually to a student at the University who is training to enter the pulp and paper and/or allied industry.

***

Rate Increase Suspended....In accordance with recommendations of the Price Commission, the Interstate Commerce Commission has suspended, for seven months, an average 4.1 percent general increase on rail rates which was scheduled to become effective May 1, 1972. The increase was intended to replace a 2.5 percent emergency surcharge implemented February 5, 1972.

NORTHERN DIVISION

New GNP Mobile Lab To Test Environment....The advantage of mobility has been added to the environmental testing and research aspects of Great Northern Paper Company's analytical laboratory with the recent purchase of a 1972 Dodge 300 Van. The vehicle, designed by the company's environmental specialists, carries modern technological equipment which will support the work now being done in testing the quality of air and water in and around Millinocket and East Millinocket.

According to Patrick H. Welch, environmental protection supervisor, the idea of a GNP mobile laboratory originated nearly two years ago. "Although The Northern has been deeply involved since 1952 in both testing and research aspects of an overall environmental protection program for its manufacturing facilities," Mr. Welch explained, "these efforts have concentrated mostly on water pollution, and they have been carried out at our analytical laboratory in Millinocket. With the increased awareness and concern about air pollution, we felt mobility was a necessity. The traveling lab and related equipment will effectively fulfill our testing requirements in this regard."

While the mobile unit will service mainly company needs, Mr. Welch pointed out that GNP is ready to perform any tests or service which would prove beneficial to the community.

***

#11 Report....As part of their training, the #11 paper machine supervisory group visited the Canadian International Paper Company Gatineau mill and saw an operating Verti-Forma as well as a 382" Black Clawson four-drinier machine.

The orientation portion of the training program for #11 crewmen is reported progressing well. These training sessions are now being held in the new conference room of the #11 paper machine room. Ulric Turmel and Warren Brown, tour foremen for #5 and #6 paper machines at East Millinocket, transferred to Millinocket as of June 1, as tour foremen for #11. Both men are currently involved in training the new crews.

All orders for clothing for #11 start-up have been placed with vendors. Fabric wires, wet felts and dryer felts are scheduled to be made and in suppliers' warehouses by August 1, 1972.

***

Education - A Year-Round Project At GNP....June is traditionally the month of graduations, but for those involved in furthering their education at Great Northern Paper Company, completing courses of study happens the year round.

Since its inception 16 years ago, over 200 employees have graduated from Northern Division educational courses. Many of these graduates were enrolled in the first Papermakers Apprenticeship Program in the world initiated by GNP in 1962.

Presently, there are approximately 245 men working for certificates in areas of study including instrumentation, mechanics, electronics, piping, and paper making.

Supervision and administrative details of all programs offered are handled and coordinated by the training section of the company's central personnel department (continued on next page)
under the direction of Russell W. York, education and training director.

Each program is registered with the State Apprenticeship Council and is governed by standards that have been developed by a joint effort of management and employees.

Using these standards, each trade has an autonomous committee comprised of two management and two union representatives who review applicants for entrance qualifications, monitor student progress, make recommendations on step rate increases, disciplinary actions, program improvements. They also determine when the apprentice has fulfilled requirements for graduation.

Currently, sixty-one GNP employees are enrolled in the mechanical trades apprenticeship program which requires 8000 hours of on-the-job training and a related I.C.S. study program. This classroom instruction is given by the vocational education department of the local public school system assisted by company personnel in areas of specialization.

Six thousand hours of on-the-job training and three years of related classroom instruction is required to complete the papermakers' apprenticeship. The classroom training is given by GNP paper mill supervisors and members of the research and engineering staffs and service engineers from equipment suppliers. Presently, 184 GNP employees are involved in completing this program.

* * *

GNP Retirees Honored,...The 17th annual banquet honoring all retired employees of Great Northern Paper Company was held on May 25 in the auditorium of St. Martin's Church, Millinocket.

Fifty-seven employees who retired from June 1, 1971 to May 31, 1972 were specially recognized during the affair.

Russell W. York, education and training director, served as toastmaster. Opening remarks were given by Robert J. Shinners, vice president, Northern Division, who introduced Sam Casey, GNP president, guest speaker for the evening.

Adelard Bilodeau, 93, was the eldest GNP retiree in the audience of approximately 450. Richard Hubert, 103 years of age, who retired in July 1942 after 41 years of service with the company, was one of 36 retirees unable to attend the affair.

* * *

Contracts Reduced....Woodcutters employed by St. Regis Paper Company in the Mattawamkeag area report that their 1972 contracts have been reduced to about half of what they cut during 1971. This reduction should have a beneficial effect on Great Northern's wood procurement activities in that area.

* * *

New Bleaching System Considered....The Northern Division has recommended that a Borol bleaching system be installed at Millinocket. Borol was chosen over a new material from Virginia Chemicals, our present supplier, because of lower chemical costs. One pound of Borol is equivalent to 2.75 pounds of our present bleaching material, zinc hydrosulphite, which was increased in price $.02 per pound in May. A further increase of another $.02 looks possible for the very near future.

Simpler material handling and proven high efficiency of the Borol process were other considerations in making the recommendation.

* * *

Park Authority Headquarters....Frederic C. Morrison, manager of townsite, GNP, met recently with James Erwin, chairman of the Baxter State Park Authority, concerning the purchase of land in Millinocket for construction of a Park Authority headquarters building.

The new building will be constructed on a 200' x 340' lot on Balsam Drive. It will accommodate three or four Park personnel and will contain offices, a public reception area, rest rooms, a garage, workshops and a residence for the chief ranger.
New Commission Formed..., The Town Council of Millinocket voted favorably recently on the issue of forming a local Conservation Commission. This group will conduct research and give advice concerning protection, development and use of the natural resources located within the territorial limits of the Town.

According to a Council spokesman, local industry will be invited to send representatives to serve as Commission members.

SOUTHERN DIVISION

Site Preparation Equipment Sold By Woodlands Department..., Bruce P. Ellen, vice president, Southern Division, reports the sale recently of a drum chopper to the Early County Forestry Association. According to Mr. Ellen, "This sale will help promote conversion of idle land in Early County to tree producing areas."

The Early County Forestry Association, Inc., organized in 1972, was formed by farmers and private landowners for the purpose of promoting reforestation and timber production on idle or cut-over lands.

Woodlands that have been cut with no provisions for natural or artificial regeneration are currently being mechanically treated by Association members to reduce or eliminate undesirable species. This function, known as site preparation, is accomplished largely by using a heavy tractor that pulls a drum chopper over unwanted trees and vegetation. The chopper is a heavy gauge steel drum with radial blades that cut or chop the woody growth into short pieces that are left on the ground surface to decay and form organic matter in the soil.

Following mechanical treatments, the prepared lands will be planted with pine seedlings during the winter months. It is anticipated that approximately 1,500 acres of non-productive lands within a radius of 40 miles from Cedar Springs will receive treatment and be reforested during the first year of the Association's existence.

Commenting on the organization and its purposes, Southern woodlands manager James W. Richardson said, "We have been pleased with the accomplishments of similar groups in Alabama, and we are looking forward to working closely with our neighbors here in Early County, Georgia. We believe that this program of mutual cooperation will benefit not only the landowners, but will also provide future timber crops for wood-using industries in this area."

A meeting of staff members and field personnel of the woodlands department was held recently at our Southern Division. Topics discussed included status of commitments under the Profit Improvement Program, evaluation of first thinning methods for pine plantations, and solutions to problems associated with purchasing rail pulpwood by weight.

A summary of the past tree planting season indicated that 3,808,203 pine seedlings were planted on 5,236 acres of company timberland. Initial field checks indicate excellent survival can be expected for these planted pines.

A target date of October 1, 1972 was set for completion of stand description field work on 244,000 acres of company land. This program reviews the activities and work needed on company land. It also provides current volume estimates from which cutting budgets and other information is gathered.

Wholesaling Activity Increases..., Office expansion is presently underway at GN-Plywood to accommodate additional personnel who will be actively engaged in buying and selling wood products produced by other manufacturers.

This step is part of GN-Plywood's expanding involvement in the wholesaling area - the purpose of which is to be able to offer customers a complete line of wood products from one source.

George (Chuck) Harris, sales manager, attended the annual convention of the North American Wholesale Lumberman's Association held recently in Boca Raton, Florida. During the meeting Mr. Harris (continued on next page)
reported getting acquainted with many new companies and their sales personnel from the West Coast and British Columbia. "These new relationships will be very helpful in developing sources for the wholesaling end of our business." he commented.

***

Modifications have been made to the dry veneer sorting tables at GN-Plywood to allow men at the final work station more time to sort all usable veneer. The maintenance department added a new section to the sorting tables which slows the speed of the wood before it reaches the final stage.

***

Block Peeling Record Set. ... A new record for number of blocks (logs) peeled was set May 15th at GN-Plywood - approximately 1,800 in an eight hour period, or 225 per hour.

In order to set this remarkable record, the green end crew, shift I, had to peel nearly 3 3/4 logs every minute.

***

WATS It All About... From the time, several years ago, when Great Northern Paper decided to take advantage of the WATS system, people have been asking - what's WATS, why do we need it, when should we use it?

WATS, which stands for Wide Area Telephone Service, is explained by the Southern New England Telephone Company as a communications system tailored for specific business needs. In actuality, it is a tariff paid for a one-trunk line from a given point to any phone within a specific zone.

If used properly, it provides companies with a less expensive and more efficient overall telephone communications network.

Great Northern pays an annual telephone bill of nearly $400,000. WATS, used wisely, can substantially decrease this figure.

At GNP, we have two types of WATS lines - full time and measured time. The full time lines is in operation constantly. (Before its installation, the telephone company measured the normal amount of out-going, long distance phone traffic in a given day to determine how many trunk lines would be needed to effectively service the requirements of the company). When this line is overloaded by an unusually high amount of calls, the auxiliary system, the measured time line, is used. But, the company is charged an extra rate for all service on the measured time line which runs over ten hours a month.

In addition to the above lines, Great Northern uses Tie Lines (two-way connections between specific areas). These lines carry calls between the Stamford office and our Northern and Southern Divisions.

Our phone system also includes special foreign exchange lines and regular toll service.

The common denominator throughout the system is the need for sensible telephone use. Basic rules to keep in mind in order to use the services provided most efficiently are: 1) Before placing your call, think about what you want to say - collect your thoughts so one call will answer all questions rather than placing two or three calls to the same person or location in the same day; 2) Check your company telephone directory to be sure you are using the correct zone prefix - long distance calls on the wrong zone prefix can be very costly; 3) Use discretion when placing personal calls. Keep chit-chat to a minimum - a long conversation can tie up all out-going lines and switch another call to measured time.

By following these simple rules, the telephone system at GNP can maintain a level of service which will help to reduce the number of busy signals and overloaded lines as well as cut costs.

NEKOOSA EDWARDS

Forest Crop Law Needed... A "proper tax climate", such as provided to paper
companies through the Wisconsin forest crop law, is "a necessity for Wisconsin-based forest industries," according to Bruno Berklund, management forester for Nekoosa Edwards.

Addressing members of the state Senate's Natural Resources Committee, Mr. Berklund said, "The earning potential of forestry lands must be able to sustain the tax levied, or private forestry lands and the industries they support will be jeopardized."

The Wisconsin forest crop law was first passed in 1927. Under the law, acreage accepted by the state as forest croplands is exempted from local property taxes in lieu of per acre payments to the local unit of government. A revised law passed this year calls for payment of 20 cents per acre by the landowner, and the same amount by the state to the local unit of government.

Nekoosa Edwards over the last year and a half has applied to the state to enter an additional 118,000 acres in Wisconsin under the law. This has drawn criticism from local officials and property owners who object to the anticipated loss of tax revenue.

Berklund told the committee that part of the current problem results from rapidly rising land values of rural recreational lands, which has raised the equalized value of forestlands 244 percent between 1961 and 1970.

The recreational values developed from relatively small acreage devoted to that purpose has unfortunately carried over into the equalized value of forestlands used primarily for the production of industrial wood requirements. "Unless corrected," Berklund explained, "this situation may eliminate long-term forest management, encourage liquidation of current forestland holdings, and, in the process, eventually strangle the state's wood-based industry."

NAMES IN THE NEWS

RICHARD ANGOTTI, head instrument man at Great Northern Paper Company's Millinocket mill, has announced his candidacy for a seat in the Maine State Senate representing the newly apportioned 30th District.

Mr. Angotti, who has been with GNP since 1946, is a resident of Millinocket and has been active in a number of area civic and social organizations.

***

BRUCE P. ELLEN, vice president, Southern Division, was recently re-elected for a second term as president of the Pulp and Chemicals Association.

Mr. Ellen served as guest speaker at that group's 25th anniversary meeting held recently. His talk concerned the tall oil and turpentine industry.

***

JAMES W. RICHARDSON, woodlands manager, GNP, Cedar Springs, Georgia, was elected a director of the Alabama Forestry Association during that group's annual meeting held in April.

***

GERARD E. VENEMAN, president of Nekoosa Edwards Paper Company, Inc., has been elected chairman of the board of Butler Paper Company. Paul Butler, who has served as board chairman since 1963, was named honorary chairman.

Butler Paper, a multi-operational system of paper distribution houses located throughout the midwest, southwest and far western states, was acquired by Nekoosa in 1967 and operates as a subsidiary.

Mr. Veneman has also been named chairman in the 7th Congressional District for the re-election campaign of President Nixon.

Mr. Veneman's responsibilities will cover campaign activities in his area, including 17 counties in Central and Northwest Wisconsin.

***

Three Great Northern executives were named chairmen of committees during the (continued on next page)
22nd annual Pulp and Paper Foundation's Open House and Annual Meeting held at the University of Maine.

ROBERT J. SHINNERS, vice president, Northern Division, was elected to serve as head of the scholarship committee; DR. VICTOR F. MATTSON, director of engineering and research, was named chairman of curriculum; and JOHN T. MAINES, GNP consultant, will head the forestry committee.

PROMOTIONS

WILLIAM E. LLOYD has been appointed to the position of director, industrial relations, Great Northern Paper Company. His responsibilities will involve personnel and industrial relations for both the Northern and Southern Divisions, direction of the Salary and Benefits section, office management in Stamford, and the corporate functional direction of the Industrial relations in the Northern and Southern Divisions.

Mr. Lloyd, formerly manager industrial relations, Southern Division, will make his office in Stamford and will assume his new duties sometime in August.

* * *

JAMES A. BLICKLE has been promoted to newsprint salesman, mid-Atlantic area.

* * *

GEORGE (Chuck) HARRIS has been promoted to sales manager, GN-Plywood.

* * *

ROGER P. KNIGHT was recently promoted from associate engineer to junior engineer, Millinocket.

* * *

GERALD L. MARTIN has been promoted to area foreman on the night shift, Millinocket mill.

* * *

HOWARD R. MILLER has been promoted to area foreman, Millinocket.

NEW EMPLOYEES

JAMES A. BROWN recently joined GNP as a sales service representative in the Chicago, Illinois area. He previously held the position of mill representative, Ecusta Division of Olin Corporation, Chicago.

* * *

THOMAS A. DE BRIZZI joined the controller's department in Stamford as a staff accountant. Mr. DeBrizzi was formerly a junior accountant with an area C.P.A.

* * *

HENRY C. CONKLIN has joined the company as technical assistant, reporting to R. J. Shinners, vice president, Northern Division. Mr. Conklin recently received his Masters degree from the University of New Hampshire where he majored in Natural Resource Management.

* * *

NORMAN F. COOK recently joined GNP as area foreman in the plant engineering department, Millinocket. He was formerly plant engineer at McMillan-Rothesay, Ltd., New Brunswick.

* * *

DUANE L. JOHNSON recently joined our sales department as a sales service representative in Columbia, Maryland. Mr. Johnson previously served as supervisor with Kable Printing Company, Illinois.

* * *

ROCHELLE KANET has joined the company as a systems analyst in our administrative services department, Stamford. Mrs. Kanet previously served as a programmer analyst with Turnkey Systems Inc., Norwalk.

* * *

JOEL S. ROBBINS recently joined the administration department in Stamford as office services assistant. He was formerly a security officer with Wachenbut Corporation, Terrytown, New York.
SAM CASEY NAMED CHIEF EXECUTIVE OFFICER OF GREAT NORTHERN NEKOOSA

The board of directors of Great Northern Nekoosa Corporation today re-elected Sam Casey president and named him chief executive officer to succeed Peter S. Paine, who continues as chairman of the board.

In explaining the realignment of responsibilities Mr. Paine stated that he has completed 10 years as the company's C.E.O. and will be 63 next month. He said the time had come to place the mantle of ultimate responsibility on younger shoulders.

Mr. Casey, 57, has been president of Great Northern Nekoosa since January 1, 1971. He joined Nekoosa Edwards Paper Company in 1946 as company counsel and became its chief executive in 1962. He was previously a practicing attorney in Chicago and served in the military from 1942 to 1946.

Mr. Casey was graduated with a B.A. degree from Bradley University in 1936 and received a degree from the
(continued on next page)
Production for the four months ended April 30...

Production:

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SAM CASEY NAMED CHIEF EXECUTIVE
(continued)

University of Illinois College of Law in 1939. He is a director of the Marshall & Ilsley Bank of Milwaukee, Wisconsin, and a trustee of the United States Trust Company of New York.

Peter S. Paine was elected president and chief executive officer of Great Northern Paper Company on January 1, 1962. Under his leadership the company increased sales five fold from $65 million to over $355 million, earnings have quadrupled to $14.2 million, and per share earnings have multiplied 220%.

When Mr. Paine became chief executive officer in 1962, Great Northern was almost entirely a single-product manufacturer in one location. Since that time the company has grown into a diversified producer of paper and board products, including pulp and plywood, in five states: Arkansas, Georgia, Maine, New York and Wisconsin.

FIRST QUARTER EARNINGS
(continued)

Mr. Paine said GNN has moved into the second quarter in a stronger position than a year ago. Cost increases leveled off somewhat, and higher prices have taken effect on certain product lines. Requests for price increases on other lines, enabling the company to partially recover previous cost increases, are presently before the Price Commission. Mr. Paine said he expects GNN to benefit from any improvement in the economy during the balance of the year.

** * * *

The Price Commission has approved a weighted average price increase of 3.74 percent effective May 1 on Great Northern's containerboard and containerboard mill by-products. Distribution of this increase to individual products will be announced to customers shortly.

** * * *

Ultra 11 Film..., The shooting of the raw footage for what will ultimately be a 12-15 minute 16-mm, sound, color film depicting the Northern Division and our new #11 paper machine at Milli- (continued on next page)
Millinocket, was recently completed. One of several promotional tools the sales department will be using to familiarize customers and prospects with GNP's advanced technology and capabilities, the film will feature comments from Sam Casey, GNP president; Robert J. Shinners, vice president, Northern Division; Dr. Victor F. Mattson, director of research and development; and Scott B. Weldon, manager of manufacture; and Ralph W. Currier, woodlands manager; as well as Arthur E. Dentremont, manager of the Millinocket mill; Carl H. Reed, manager at East Millinocket and some of their key associates.

The Ultra 11 campaign was launched April 18 with an advertisement in The Wall Street Journal. The same ad appeared in Business Week (April 22) and The New York Times (April 25). It will also appear in the May 15 Annual Directory issue of Forbes.

A reprint of the ad made into a sales promotion piece is attached to this edition of the Newsletter. The reprint was mailed to all GNP newsprint and commercial customers and prospects with this comment from John H. Staples, vice president — sales: 'The same excellence in technology that brought Ultra 11 into being, is behind every product of Great Northern. We take our partnership in print communications seriously.'

* * *

Co-Authors... An informative booklet entitled, "Seedling Survival in Spruce-Fir After Mechanical Tree Harvesting in Strips", has been released by the United States Forest Service. The report was written cooperatively by Robert M. Frank of the United States Department of Agriculture, Forest Service, and Eugene L. Putnam, superintendent — recreation management, Great Northern Paper Company.

The booklet has been added to the USDA's growing list of informative publications available to the country's forest owners.

* * *

GNN Performance Meeting... The first in a series of management meetings planned to review performance was held in Stamford in March.

Sam Casey, president, opened the session by welcoming the executives and offering his comments on the importance of communicating ideas concerning departmental performance and objectives.

A financial report was given by Emery E. Allain, vice president — finance, covering 1971 forecasts and results for GNN, GNP Northern and Southern Divisions, and Nekoosa Edwards.

John H. Staples, vice president sales; Randolph K. Crippen, manager, marketing and administration; James A. Bellis, general sales manager, board sales; and Joseph V. Carena, vice president — export sales, commented on sales performance for last year and their respective outlooks for 1972.

Performance meetings were also held in Millinocket and Cedar Springs in March for the benefit of Northern and Southern Division executives and Stamford management. Total company performance and current progress and objectives were discussed.

Similar meetings have been scheduled to take place throughout the year.

* * *

Great Northern's traditional Hunt Breakfast, an affair held each year as a courtesy to GNP customers attending the annual convention of the American Newspaper Publishers Association, took (continued on next page)
place April 25 at the Plaza Hotel.
Approximately 500 guests attended
the breakfast and met with sales de-
partment personnel and GNP executives
who served as hosts.

NORTHERN DIVISION

#11 Control System Training...Pre-
parations for a training program to ben-
efit supervisors and crews involved with
the #11 paper machine control system are
now in the final stages. Included in
the program will be charts and diagrams
developed to cover all the areas opera-
tors must know to use the system effi-
ciently.

Our research department, working
with training and engineering, is making
every effort to coincide training on
the process control system with overall
#11 paper machine training.

Supervisors will be offered the
program initially followed by classes
for the operating crews.

* * *

Stevedoring Costs Studied...Meet-
ings between Great Northern and Inter-
national Terminal Operating Company
personnel have been taking place in an
effort to reduce stevedoring costs on
paper products exported from the Port
of Searsport. The high rates for steve-
dores at this location has greatly af-
cected GNP's ability to book shipping
for our export tonnage.

At a meeting held March 24, Jerry
D. Perkins, director of transportation
and purchases, Phillip P. Paul, traffic
manager, Northern Division, and J. J.
Farrel, Jr., and H. Fraser, executive
vice president and vice president, re-
spectively, of I.T.O., reviewed ways of
increasing stevedoring efficiency and
thus reducing cost per ton of paper
shipped.

As a result of this meeting, I.T.O.
agreed to investigate the use of mechani-
cal equipment and a larger capacity loa-
ing sling to permit faster handling.

The company said it would like to
have all export shipments handled at
Searsport, eliminating use of the Port
of St. John and the premium rail charges
incurred. In order to do this, GNP ex-
plained that Searsport costs will have
to be competitive with other ports.

* * *

Logging Rates Reviewed....John F.
Marquis, formerly manager of wood pro-
curement and operations, and Henry J.
Deabay, personnel supervisor - woodlands,
attended a meeting of the Manpower Com-
mittee, American Pulpwood Association,
called in March to review new logging
and lumbering rates which become effec-
tive May 10, 1972.

Representatives from the United
States Department of Labor, Maine Em-
ployment Security Commission and the
woods industry were also present.

Following the meeting, it was re-
ported that there will be only minor
changes in the 1972 rates.

* * *

Experiment at Logging Camp....Grant
Farm, a GNP logging camp abandoned in
the early 1900's, was the site of "an
experience in the wilderness" undertaken
recently by a group of 40 Massachusetts
high school students.

Under the direction of staff members
of Hurricane Island Outward Bound School,
the students participated in a 21-day
winter survival course on the GNP pro-
erty located 28 miles up the east side
of Moosehead Lake, Greenville, Maine.
(continued on next page)
"The whole idea was to learn to live and be responsible for oneself," explained the course director. There were no modern conveniences at the farm. Heat came from two wood stoves, the students slept on mats on the floor, toilet facilities were outhouses 100 yards away from the farmhouse, water was obtained by melting snow and logs had to be split for firewood.

During briefings held at the farm, students were taught snowshoeing, first aid, cooking and survival in the bitter cold. During the 21-day period, the group spent eight nights sleeping outdoors in tents and ended the excursion with a five-day hike up Spencer Mountain.

The experiment was the first segment of an alternate semester program being tried at the Massachusetts schools.

* * *

Bangor Airport Modernized...Great Northern travelers using facilities at Bangor Airport are enjoying modern conveniences now offered at the new Bangor International Airport Terminal which opened March 20.

All Northeast Airline flights to and from Bangor are handled from the new terminal which is equipped with upper and lower level escalators, enclosed tunnels for direct terminal-plane boarding and private conference rooms for business meetings.

A new 400-room motel, adjacent to the terminal, is planned for the near future.

* * *

Two From GNP Serve On Council,...

Jack Nicholson, finishing day foreman, and Winston Brooks, superintendent - stores, Great Northern Paper Company, have been selected by Millinocket voters to serve as Town Councilmen. Residents made their choice during an election held March 10.

* * *

Fabrics Replace Wires...The installation of fabric on #6 paper machine at East Millinocket was completed on April 12. These forming fabrics are now being used on all six machines at the mill in place of the conventional bronze wires.

One of the fabrics was removed from #5 machine on April 3 after running a total of 42 days.

* * *

Circuit Break Stops Production....A circuit break in the old boilerhouse transformer at East Millinocket resulted in the shut-down of four machines at the mill in March.

New cable was run and connected to correct the failure. Total lost time was approximately 28 hours, or seven hours on each machine.

SOUTHERN DIVISION

Port of Panama City Enjoys Increase In GNF Business,...Approximately 144,000 tons of kraft and linerboard is scheduled for export this year. Most of this tonnage will move via the Port of Panama City, Florida. During 1971, 103,728 tons of linerboard was handled at this port. This figure compares with a total 36,912 export tons in 1965 via all ports of which only 6,838 tons were shipped from Panama City. (continued on next page)
Because of the increase in our company's export business, particularly into Central America most recently, GN-P is delighted with expansion projects presently being undertaken at the Port of Panama City to handle our needs.

***

Barging of Linerboard...After a lapse of nearly ten months, barging of linerboard will resume in May from dockside at Cedar Springs. The shipments will travel via the inland waterways - Chattahoochee and Apalachicola Rivers - to Port St. Joe, Florida.

A total 1,300 tons for export to a customer in Africa will move aboard the decks of two barges for the 150-mile trip down the river for loading aboard another vessel.

The Southern Division will continue the use of barge transportation in order to maintain a competitive situation between various modes of transportation.

***

New Cars Save Money....Because of utilizing Seaboard Coast Line "Super" sixty-foot interior length boxcars, the Southern Division is realizing a substantial savings in plywood transportation costs. With these new cars, assigned to Cedar Springs by the railroad, we are now able to load plywood four and five units high. This permits a laden weight of approximately 186,000 pounds for many of our rail delivery shipments, 78,000 more than the average weight allowance of conventional fifty-foot cars.

The additional two feet in ceiling height and ten feet in length of the new equipment reduces transportation costs approximately 16%. This is because GN-Plywood shipments are priced according to incentive rates and these rates provide for a reduction in freight charges for all weight above 90,000 pounds loaded in a single car.

***

Records Broken....Production at GN-Plywood continued to break records during the month of March. In an 11-day period, 4 1/2 million square feet, 3/8" basis, was produced for an average of 385 thousand square feet per day. This total includes a new 24-hour day press record of 499,099 square feet set on March 23.

***

Price Fixing Claimed....A 60-day extension was obtained by GN-Plywood in replying to a complaint filed in the U.S. District Court in New Orleans. The complaint names GN-Plywood as a defendant in a suit filed by Gabriel Building Supply Company, Inc. against virtually all U.S. plywood and lumber producers, charging the producers with jointly agreeing to fix and stabilize prices of Southern pine plywood by applying West Coast freight rates. It also states that defendants agreed to fix arbitrary freight weights for lumber and plywood in excess of actual weights and to charge rates on that basis.

The suit further contends that the defendants utilized the various plywood and lumber associations as a means to coordinate efforts to eliminate competition in the distribution and sale of the products.

The company believes the suit is without merit and that it can successfully defend the action.
NEKOOSA EDWARDS

Management and Employees Meet.... The fourth series of employee-management meetings were held in March by Nekoosa Edwards Paper Company, Inc. The three-day sessions were planned to permit a two-way exchange between management and Port Edwards and Nekoosa employees in a continuing effort to improve employee relations through better communication.

Gerard E. Veneman, president, opened the meetings with a "state of the union" address and information related to company progress and plans for the future.

John E. Spalding, vice president - manufacturing operations, discussed pollution abatement efforts and their financial impact on the company, capital programs, top management's position on OSHA and the outlook for future operations at Port Edwards and Nekoosa.

The company's financial picture was presented by John P. Melsen, vice president - treasurer. Mr. Melsen talked about profit performance and the impact of the freeze on the company and its employees.

Harry G. Brown, vice president - marketing, reviewed the sales outlook, Nekoosa's 1972 product mix, product development plans, and the impact of acquiring new distributors.

A question and answer period followed the talks.

* * *

Land Acquisition.... Over 4,000 acres of forest land in Arkansas was recently purchased by Nekoosa Edwards Paper Company, Inc. The property will supply raw material to the company's large pulp-paper mill at Ashdown.

"This acquisition strengthens Nekoosa's position as an area employer by increasing our controlled wood supply base," commented A.L.C. Nelson, newly appointed southern woodlands manager.

"When we begin scientific harvesting on the land," Mr. Nelson explained, "we will also add to the local economy."

This statement was substantiated in a recent Arkansas Forestry Association study which reported that for every $1.00 of value in timber products harvested, the economy of the area benefits by $25.00 in labor, remanufacturing, transportation and other related sources.

* * *

"PERSONELITIES"

Carl L. Anderson In Panama.... Carl L. Anderson has been appointed executive vice president for Industria Panamena De Papel, S.A., Panama City, Republic of Panama, the company in which CNN purchased a one-half interest last October. In connection with this investment, GNN entered into long-term contracts to supply containerboard to the Central American market. Mr. Anderson will manage the mill which presently manufactures kraft paper and board.

A pulp and paper technology graduate of Syracuse University, Mr. Anderson was associated with several companies in the pulp and paper industry before accepting the Central American assignment.

* * *

Woodlands Manager Named.... Ralph W. Currier accepted the position of woodlands manager with Great Northern Paper Company. In this capacity, Mr. Currier will be responsible for approximately two and one-half million acres of Great Northern timberland and will direct the operation of the purchased wood department, the operated wood department and land management. (continued on next page)
Mr. Currier was formerly woodlands manager with St. Croix Pulpwood Company and St. Croix Pulpwood Ltd., both subsidiaries of Georgia Pacific Corporation. A native of Oromocto, New Brunswick, Mr. Currier is presently a resident of Calais, Maine. He and his family plan to relocate in the Millinocket area.

* * *

NEW EMPLOYEES

RICHARD V. BAILEY recently joined GNP as administrative analyst, Millinocket.

RICHARD K. BARRETT joined our sales department as a sales representative, newsprint, based in the Cincinnati, Ohio office.

WILLIAM HALLINAN has joined the internal audit department of GNN in Stamford as management auditor.

THOMAS R. JANES recently joined the company as assistant paper machine superintendent, Millinocket.

LAWRENCE MCKEE joined our commercial sales department, Stamford, as a sales service representative.

WILLIAM PATRICK joined GNN as an internal auditor. He will serve as resident auditor at Cedar Springs.

SAMUEL W. PICKERING joined the company as budget analyst, Millinocket.

PROMOTIONS

ELLIOTT R. BOYD, JR., supervisor, general accounting, has assumed responsibility for pulpwood accounting functions, Millinocket.

HERBERT W. BRAGDON, supervisor, pulpwood accounting, promoted to assistant supervisor, general accounting, Millinocket.

WINSTON H. BROOKS, JR., administrative analyst, promoted to superintendent of stores, Millinocket.

CHARLES R. CHANDLER, manager of accounting, Southern Division, promoted to director of profit planning in Stamford.

ARTHUR D. FULLER, promoted from accountant, Northern Division, to manager of accounting, Southern Division.

THOMAS M. KNIGHT, coordinator of project purchases, promoted to manager of purchases and stores for the Northern Division.

CHARLES H. RIDEOUT, promoted to the position of computer operations supervisor, data processing department, Millinocket.

JOHN A. WILTSE, promoted from junior engineer to engineer, Millinocket.

ANNIVERSARIES

FRED G. EATON, JR., plant accountant, Millinocket, 15 years in May.

EDWIN N. GRINDLE, salary and benefits administrator, 25 years in April.

EUGENE L. MOORE, district forester, woodlands department, Millinocket, 25 years in April.
GREAT NORTHERN NEKOOSA CALLS SERIES A PREFERRED

On February 2, GNN announced it would redeem on March 9 all of its series A convertible preferred stock at $10 per share. The redemption involved 1,090,858 outstanding shares. Holders of the preferred had the right to convert their stock into GNN common stock at the rate of one share of preferred for two-sevenths of a share of common. Approximately 80% of the series A preferred stock was converted.

GNN 1971 ANNUAL REPORT NOW BEING DISTRIBUTED

"While 1971 was an unsatisfactory year for the paper industry, the most encouraging achievement during this period was the effectiveness of our managers in attacking the problem of cost reduction in the face of continuing inflation of both wages and materials." So commented Peter S. Paine, (Continued on page 3)

CASEY ANNOUNCES IMPROVEMENTS IN GNP EMPLOYEE BENEFIT PLANS

Sam Casey, Great Northern President, announces the following changes in the benefit plans presently provided for GNP monthly salaried employees:

COMPREHENSIVE MEDICAL INSURANCE
Effective May 1, 1972, contributions by monthly paid employees toward the cost of their own Comprehensive Medical Insurance will be eliminated. Employees with dependents covered by the plan will continue contributions at the current level.

LIFE INSURANCE
Effective May 1, 1972, life insurance for active employees, including Accidental Death and Dismemberment, will be increased from the present 1 1/2 to 2 times annual base salary. GNP pays for the first $10,000. For the amount in excess of $10,000 the cost to employees will be reduced from $.60 to $.40 per thousand per month. The maximum benefit available is now increased to $75,000.

Life insurance coverage in the amount of $10,000 will be provided upon retire-
Production for one month ended January 31...

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<td>Millinocket</td>
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</table>

and will be entirely paid for by the company. Active employees 55 years of age and over have the option of continuing with the present plan at the same cost level or selecting the new plan.

RETIREMENT

To correspond with changes in the Social Security Act, the wage base related to GNP's Salaried Retirement Plan has been changed, effective January 1, 1972, from $7,800 to $9,000. Employee contributions will be reduced to 2% of the first $9,000 and 4% of any excess over $9,000 each year. Contributions have been at the rate of 2 1/2% and 5% respectively. Benefit percentages remain the same on the new wage base.

Coinciding with these changes, the minimum retirement benefit has been improved and a pre-retirement death benefit option made available for the first time.

* * *

Investment Plan Announced...Subject to stockholders' and Pay Board approval, the GNN board of directors has authorized management to set up an investment plan.

All full-time salaried employees who are not members of any collective bargaining unit will be eligible to participate.

The plan will be described in detail in the company's proxy statement which will be mailed to stockholders early in April and will be voted upon at the stockholders' annual meeting May 2.

If approved, members of the investment plan will be permitted to contribute 2%, 4%, or 6% of their regular salary. The company will contribute 50% of the amount paid in by each member.

Members' funds may be invested in either or both a "Fixed Income Fund" and/or an "Equity Stock Fund". The company's contribution will be invested in GNN stock.

Further details concerning the proposed investment plan will be made available in the next issue of the newsletter.

* * *

A general sales meeting involving company executives and sales department personnel was held March 10 at the Holiday Inn, Darien.

(Continued on next page)
John Staples, vice president - sales, opened the session with his comments on past performance and expectations for 1972. Donald Grennon, marketing coordinator, Wayne Mangels, director of market research, and William Cozens, general sales manager, served as speakers during the all-day affair which also included division meetings of newsprint and commercial sales personnel. Victor Mattson, director of research and development, and Scott Weldon, manager of manufacture, attended the morning session.

Preceding the general sales meeting, Sam Casey, Great Northern president, met with GNP salesmen during an informal dinner held Thursday evening, March 9, at the Wee Burn Country Club, Darien. Mr. Casey welcomed the men and offered his remarks regarding goals and obligations of GNP's sales department.

Bernard Schacter, executive vice president and creative director of Ted Barash & Company, Inc., GNP's new advertising agency, also attended the dinner meeting and reviewed some of the promotional activities scheduled for newsprint and commercial grades during the coming year with emphasis on #11 paper machine.

ANNUAL REPORT BEING DISTRIBUTED
(Continued from page 1)

chairman of the board, and Sam Casey, Great Northern president, in the company's current annual report now being distributed.

According to the executives, "Another achievement in 1971 was the turnaround that took place in our plywood division. Operating at 130% of designed capacity, the plant went from a loss in 1970 to a highly satisfactory profit in 1971, due largely to efficiency improvement."

Sales in 1971 were $355,458,000, essentially unchanged from 1970. However, after tax income was down 13.5% at $14,249,000, compared with $16,480,000 in 1970. On a primary per share basis, with 10.6% more shares outstanding, earnings decreased from $3.42 in 1970 to $2.65 in 1971.

Our earnings, which began to decline in the second quarter of 1970, reached the low point in the first quarter of 1971, and gradually improved through the balance of the year. This improvement resulted from an aggressive cost reduction effort, together with a somewhat stronger market for our products. "GNN's participation in the industry is too selective to be treated collectively," the executives explained. "We are in several markets that followed different cycles during the 1970-1971 recession. Containerboard and plywood sparked the earnings recovery. Newsprint, printing, and business papers normally lag in any cyclical recovery, and this was the case with Great Northern Nekoosa.

"Looking at the year ahead, we expect that the improvement in the general economic climate will be reflected in increased demand for Great Northern Nekoosa products, that there will be some improvement in pricing, and that we will have an opportunity for greater plant utilization and productivity gains. Before the paper industry can achieve a satisfactory return on investment, however, there must be a substantial increase in prices to absorb the vast cost increases experienced in the last two years."

The executives ended their letter to stockholders by saying that with an improving economy, demand should more than offset new capacity scheduled for the next two years, as well as whatever excess capacity presently overhangs the market. GNN's new #11 paper machine at (Continued on next page)
Millinocket should provide a sound base for continued profit growth in 1973 and beyond.

The annual report was mailed to stockholders February 29. Additional copies may be obtained by contacting mill personnel offices in Millinocket, East Millinocket, and Cedar Springs. The Bangor office and Public Relations Department in Stamford also have a supply.

JOHN T. MAINES TO RETIRE;
LAND MANAGEMENT GROUP
REPORTING LINE CHANGED

John T. Maines, vice president - land management, has elected to retire April 1, 1972.

Mr. Maines, who joined Great Northern in 1940 as a forester, was named head of the company's entire woodlands department in 1961. He maintained this responsibility until 1968 when the wood procurement and operations functions were separated from land management. Mr. Maines will be retained by the company as a consultant.

Coinciding with Mr. Maines' retirement, the reporting line of employees in the land management group will be changed to R. J. Shinnners, vice president, Northern Division. It is contemplated that the Bangor office will be closed and its personnel relocated in Millinocket.

***

More Newspapers Go Offset...Offset has gained such a foothold in the last five years with the weekly and community dailies, according to a recent poll conducted by Publishers' Auxiliary, an industry publication, that some newspaper publishers concede, "letterpress is on its way out." Most of the papers which convert to offset have converted completely to cold type or have definite plans for total conversion in the near future. Among the advantages of offset publishers said, is the need for fewer production employees and speed in getting out the finished product.

Web offset is also an important growth area for GNP. Paul DeMarra, manager of commercial sales, points out that Great Northern has been very active in this line starting back in the late 1950's. "We supply all grades of newsprint for offset use," Mr. DeMarra explained, "and Astrolith for web offset printing. In fact, GNP supplied new print to the first daily to go web offset, the Middletown Record, Middletown, New York."

It is estimated that approximately 1/3 of all uncoated tonnage and 1/2 of all coated tonnage produced in Maine is printed web offset.

***

Business Week at Reduced Rate...
Shortly, you will receive at home a brochure explaining the details and offering the opportunity to subscribe to Business Week at the reduced rate of $8 a year. The normal rate is $12.

This home solicitation is supported by Great Northern in that we have provided Business Week with a mailing list. The list will be used only for this special rate solicitation.

NORTHERN DIVISION

Mills Break Records...The Millinocket sulphite mill had a record production of 213 cooks during the last week in January. Normal production approximates 200 cooks per week.

East Millinocket set a new record on tubing production January 27 when 13,875 feet was produced in eight hours. The 1971 average production for eight hours was 7,000 feet.

(Continued on next page)
Another record, the second highest daily production average, has also been set at the East Millinocket mill. A total 1,172.9 tons was reported during the last week in January. The record of 1,174.8 average tons per day was set during the week ending May 26, 1969.

**/**

Poplar Chip Refiner To Start-Up
In July...A refiner groundwood system using poplar chips is now under construction in part of the old boiler house at Millinocket as part of the #11 expansion program.

Scheduled to be operational in July, the new system is expected to produce stronger, cleaner pulp than presently obtained by stone grinding of poplar. The refiner method will also allow for a greater utilization of poplar pulp.

Major equipment being installed includes the following: six Sprout Waldron 2500 h.p. disc refiners, a Grafstrom chip bin and feeder system, stone and metal traps, a chip drainer and unit substation, associated pumps, a stock chest, piping and appropriate controls.

A new 250-cord chip storage silo addition and a pneumatic conveyor is also being added to the north end of the existing silo. This outside construction, held up in the fall because of weather conditions, is scheduled to resume in April.

**/**

Protection For GNP Shipments...
The first of what will eventually be a fleet of 200 boxcars designed especially for paper traffic has been received for loading in Millinocket. Expected to be delivered over a two-month period, the new cars are 50 feet long with a capacity of about 70 tons. They are equipped with sliding sill cushioning devices to protect the contents from impact, steel bulkheads and laminated steel floors.

Bangor & Aroostook officials stated that the new cars, which will cost the railroad approximately $3.5 million, are needed to meet the increased production of paper mills on their line.

**/**

Roto Paper Improvements...Major efforts on rotogravure development continued during the month of February at the Millinocket mill.

A program for meeting printability competition for Pub R, GNP's standard publication grade, was reviewed and several changes were made on #5 paper machine in Millinocket. After running a day, the sheet was examined for rotogravure printability. The Diamond National control test showed this grade to be within established guidelines.

**/**

Railroad Surcharge...Effective February 5, a 2 1/2 percent emergency surcharge was added to the total freight charge of all Northern Division ingoing and outgoing shipments with the exception of fuel oil. This surcharge has an expiration date of June 5, 1972 at which time the railroads will request a permanent general increase on selective commodities.

At the Northern Division, estimated increased expense based on actual freight costs during 1971 will total $109,744 for the four month period.
Delimming Machine...A two week demonstration period for the Swedish delimming machine, the Logma, was completed in January.

Nearly 100 visitors from the forest industry of New England and New Brunswick visited our Telos operation in the West Branch area to view the machine.

Lester Hazelton, manager - operated wood, reports the Logma is efficient and deserves further testing by CNP.

* * *

Jackman Area Wood...For the first time in several years, wood from our wholly-owned Jackman timber block on the Canadian border is being delivered to Northern Division mills.

Great Northern used to obtain wood from the Jackman area, a remote part of our West Branch Forestry District, but discontinued shipments due to the difficulty of transporting it to Millinocket.

* * *

New basis weight and moisture measuring devices installed on #9 paper machine at Millinocket are expected to produce a more uniform product as crews gain experience and fully utilize this equipment.

A special training session for crews and supervisory personnel has been conducted by members of the central engineering and research and development departments together with a representative from the supplier, Electronic Automation Systems.

The equipment is now undergoing a calibration program to certify basis weight accuracy and to establish the necessary moisture calibration settings.

Results to date indicate that the basis weight gauges are measuring accurately on uncoated and coated grades and that the monitoring devices have also proven helpful in controlling coat weight/base stock relationships.

* * *

Losses Minimized...The final steps have been completed in a program to minimize losses at the East Millinocket mill on the #3 paper machine when running colored grades. The steps included direct use of colored broke in #3 machine furnish; use of residual colored broke on all remaining machines by bleeding it into the white broke system; and deckering, or draining off, all #3 machine excess white water.

As a result of these steps, 15 tons per day that were previously sewerized when running colored grades are now recovered.

* * *

Water Storage...The hydro system at Millinocket is reported operating at minimum flow due to the results of a preliminary snow survey taken February 1 indicating that spring runoff will be considerably below normal.

While there is no concern about running out of water before spring break-up, the relatively light snow cover at present may make for a tight water situation during the summer.

Following subsequent surveys' scheduled throughout February and March, the flow will be adjusted accordingly.
Profilng System...In order to assist in evaluating various proposals, for digital scanning systems to be used at the East Millinocket mill, Paul Hubbe and Ralph Gross, control superintendent, visited the Georgia-Pacific mill in Toledo, Oregon and the Simpson Lee mill at Ripon, California to inspect profiling equipment.

Measurex, which was observed at Simpson Lee, has more systems in operation; however, the Taylor system at Georgia-Pacific is less expensive and provides some attractive features.

** **

#11 Computer Ready...A factory acceptance test of the process control computer system for #11 paper machine was conducted recently at Foxboro Company, Foxboro, Massachusetts. Members of GNP research, central engineering, and plant engineering participated in the three-week demonstration and checkout.

The computer and related hardware was shipped to Millinocket the week of March 6 and is now being installed.

** **

Wood Buyers' Seminar...In addition to their regular January meeting, wood buyers in Millinocket were given the opportunity to attend an informative two-day seminar. Purpose of the sessions was to standardize record keeping and reporting procedures for all five buying districts.

** **

Blade Coated Offset...The new starch makedown, cooking, and metering system for the addition of wet end starch to the base stock machines was successfully started in February. The system will provide more uniformity and convenience in adding starch to coated offset base stock.

** **

Baxter Run...The largest continuous run to date of Baxter Text at the Millinocket mill started January 12 and was completed January 20. Total elapsed time was about 198 hours with a corresponding 77.7 percent time efficiency.

** **

SOUTHERN DIVISION

Single Day Production Up...The single day production record was broken during the week of January 23 at the Cedar Springs mill. Better than 2,600 tons per day were reported, compared (Continued on next page)
to the November 14 record of 2,332 tons per day.

An excellent weekly production rate was also reported during the same time period with a total 16,153 tons of good board produced.

***

Loading Increased...The average loading of containerboard on outbound cars at Cedar Springs is reported to have reached a record high of 61.01 tons per car.

New methods of stacking and the development and use of higher cubic capacity boxcars account for the increase in loading capabilities.

Due to the freight rate incentive arrangement with the railroads, substantial savings are realized on carloads of 100,000 pounds and over.

***

Conveyor Installed...A new debarker infeed conveyor, of the hour-glass roll type, was installed at GN-Plywood on January 17.

This conveyor was designed, fabricated and installed by Plywood personnel to eliminate the problem of interruptions in debarker feed. Knots and other log irregularities caused stoppages with the previous equipment.

A similar conveyor is planned for the cut-off saw infeed as the final step toward making this a two-shift operation.

GN-Plywood personnel are also credited with the design and installation of automatic controls for the debarker's hydraulic kickers, devices which push the cut log, or block as it is called, off the conveyor into the block pockets or bins.

NAMES IN THE NEWS

PAUL D. HUBBE, paper research supervisor, served as panel moderator during a discussion of "Computer Dependability" at the 26th TAPPI Engineering Conference held in Atlanta.

"PERSONALITIES"

PROMOTIONS

WARREN L. HARKNESS, formerly a systems analyst within the systems department, was promoted to the position of market analyst and systems coordinator in the board sales department effective January 31.

ANNIVERSARIES

ARNOLD R. BOYNTON, tour foreman, Millinocket mill, 35 years on February 16.

***

CLARENCE P. ALBERT, tour foreman, Millinocket mill, 25 years on February 17.

***

EUGENE L. PUTNAM, superintendent - recreation management, Bangor, 15 years on February 4.
GREAT NORTHERN PAPER COMPANY
NEWSLETTER
FOR MANAGEMENT EMPLOYEES

Vol. XI No. 1  Stamford, Connecticut  January 31, 1972

GNN REPORTS 1971
SALES AND EARNINGS

As released to the press on
Wednesday, January 26, 1972:

Great Northern Nekoosa Corporation's
sales for 1971 slightly exceeded those
of 1970. Net income improved in the
fourth quarter but was down for the year
as a whole.

Net sales were $355,458,000 in 1971,
compared with $355,291,000 in 1970. Net
income decreased 13.5%, from $16,480,000
to $14,249,000. Primary earnings per
share were $2.65, while in 1970 they
were $3.42.

For the fourth quarter, sales were
$92,870,000 and net income $4,323,000
in 1971, compared with $89,432,000 and
$2,973,000 in 1970. The third quarter
of 1971 also showed improvement over
1970.

"We hit our low point in the first
quarter of 1971", Peter S. Paine, chair-
man of the board, said. "An aggressive
cost reduction program, together with a
somewhat stronger market for our products,
has enabled us to report three successive
improvements in quarterly earnings. We
have not been able to recover the mas-
A total of 971 residents cast ballots,
substantially exceeding the 518 register-
ed voters needed to meet requirements set
by law. From the total, 932 voted yes,
37 voted no. Two votes were marked void.
"Great Northern is not only delight-
ed with the outcome of the voting," Mr.
Morrison stated, "but is pleased with
the large number of residents who came
out to voice their opinion on the issue."

Officials of Millinocket's municipal
government, Great Northern, and the Maine
Municipal Securities Approval Board held
a public hearing January 5 to answer
questions regarding the referendum. This
meeting, required by law, was attended
by Patrick Welch, environmental protec-
tion supervisor, who explained the pro-
ject and why it was needed. Clifford
Andreasen, manager of the MMSAB, talked
(continued on next page)
Production for the twelve months ended December 31 ...

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about recently enacted pollution control legislation and the effects on the Town.

Under state law, GNP must have its pollution abatement facilities ready before start-up of its new #11 paper machine. Approval of the municipal bond issue by Millinocket voters should result in substantial savings in financing the project, as interest rates on municipal bonds are lower than those on corporate obligations. Since the lender does not pay income tax on interest received from municipal bonds he is willing to accept a lower interest rate.

GNP must now wait for approval of the tax-free status of the bonds from the Internal Revenue Service.

***

Recovery Predicted For '72. Some good things and some bad things will befall the industry in 1972 according to Leo Cherne, executive director of the Research Institute of America.

Mr. Cherne's predictions were offered during a speech given at a recent meeting of the Sales Executives Club of New York where he stated that:

Phase II will continue throughout most of 1972. However, toward the end of the year, controls will apply only to large corporations and major unions. Small businesses and small unions will be excluded. This will mark the beginning of Phase III, which will extend well into 1973.

Unemployment will drop somewhat but not dramatically. This is due to an influx of young people on the job market and returning veterans from Vietnam. The unemployment level will remain over five percent.

Interest rates will remain, for a while, at the level they are at now. However, they will rise at the end of the year but not dramatically.

The weakest link in our industrial recovery in 1972 will be business' lack of overall confidence. The strongest support will come from consumer optimism backed up by massive savings.

***

Clear-Cutting Endorsement. The controversial issue of clear-cutting was endorsed in a report on California's environment recently released by "Nader's Raiders". The report states, "Categorical criticism of any or all clear-cutting, although popular with emotional conservationists, is over-simplistic. Clear-cutting is often necessary to assure proper tree regrowth, to cut down on forest road building activity, and to prevent tree damage from high winds."
Freight Rate Increase Sought. The Interstate Commerce Commission recently turned down a request by the nation's railroads to impose on January 1, a 2.5 percent interim surcharge on freight rates to be followed by a subsequent request for a permanent general increase on selective commodities.

The increase, according to carrier spokesmen, is needed for interim relief with a permanent freight rate increase of 8 to 10 percent required to offset increased labor and material costs.

Although the initial request was rejected, the Commission did grant the railroads authority to publish the 2.5 percent interim surcharge no earlier than February 5, subject to protest and possible suspension by the Commission. The Price Commission on Phase II will also have to consider the sought increase.

The southern railroads propose to except numerous commodities from application of the surcharge, in addition to observing a nationwide 2 cent per 100 pound hold down on lumber and lumber products including Plywood. Of all the exceptions, however, the only exemption affecting GN traffic is the exclusion of any increase on lime within the south.

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Magazine Industry Seen In Good Health. "In spite of the demise of Look magazine and the widespread speculation about the future of consumer publications, the magazine industry is in good health" according to Charles D. Hepler, publisher of Reader's Digest.

Mr. Hepler explained his outlook during the quarterly meeting of American Paper Institute's Printing-Writing Paper Division held in January.

"In 1950 there were 567 magazines, Mr. Hepler pointed out. Today there are 676. In 1950 3 1/2 billion copies of magazines were sold annually. Today, its 5 1/2 billion. It is estimated that 90 percent of U.S. adults read an average of seven different magazines a month."

"Magazines will continue to grow and prosper," Mr. Hepler said. "Not just because the population is growing. Not just because the level of education is growing. Or income. Or leisure time. The basic reason why magazines are in good shape for the future is that they perform a vital service for readers and advertisers."

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According to Mr. Locke, paper production in 1971 was about equal to that of 1970 with no notable gain. Paperboard rose almost three percent and construction grades were up about 13 percent.

The total industry output was approximately 54 million tons, about equal to the all-time record attained in 1969. This figure is roughly 3 percent above the 52.5 million tons produced in 1970.

As for the future, Mr. Locke stated, "To the extent that the recent improvement in the economy continues and the new economic policy of the Administration succeeds, the paper industry is bound to make encouraging progress in 1972."

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An Interesting Development. The Wall Street Journal carried a story recently concerning Local 1 of the United Papermakers and Paperworkers in Holyoke, Massachusetts. The Local replaced its customary fall job-safety campaign with a drive "to save jobs by halting the ecology steamroller." It is reported that union officials contend a local paper company had to abolish more than 150 jobs this year because of the "excessive cost of a pollution-control system."
Newsprint Freight Rate Reduction.
Effective February 1, 1972, newsprint rates from our mills in Maine will be reduced on traffic destined to points east of the Mississippi River and north of the Ohio River.

The reduction, actually a rollback of an increase which was not applied in the south, amounts to 6% on shipments of a minimum 100,000 pounds and over, and 2% on shipments of less than 100,000 pounds. The reduction was necessary to keep New England newsprint producers competitive with producers in the south.

The Transportation Department estimates the reduction will result in an annual savings of $160,000.

A Palette+Plus Forecast? Although the content of printed matter is still the single most important factor in whether or not an advertisement will be read, running a close second is the use of color. This observation was pointed out in a report issued by the Bureau of Advertising. Summarizing a number of research projects documenting how the use of different typefaces, layouts, type sizes and copy styles affect the newspaper reader, the report notes that particularly in a black and white medium like the newspaper, the presence of color has almost a physiological effect on the eye. The eye is pulled to a contrasting color and whether he likes it or not, the reader is exposed.

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Paper Consumption Affected. According to an American Paper Industry report, when Look Magazine ended publication October 19, 1971, it reduced consumption of periodical papers by 46,000 tons. Approximately $11 million in sales was involved.

NORTHERN DIVISION

Additional Tax For Budworm Control.
The spruce budworm, a caterpillar which has been plaguing Maine forests almost annually since World War II, will be attacked in spring 1972 by an aerial spray program estimated to cost $1.2 million.

The Maine Forestry District Advisory Committee agreed to raise one-third share of the cost of the project. Land owners will be assessed two and three-quarters mills in a district tax. This new assessment will result in an additional tax for GN in 1972 of approximately $95,000. It is hoped that the spraying project will keep spruce and fir trees alive on the 500,000 heavily infested acres of central Aroostook County.

This year Zectran has been proposed as a substitute for DDT. The chemical is said to be harmless to fish and wildlife and does not hurt aquatic insects.

The state has been spraying approximately every three years, but never has had to cover more than 470,000 acres. DDT was used until 1967 and it is felt that one reason for the heavy outbreak this year has been the decision to restrict and then eliminate the use of that insecticide. Sumithion was used on 200,000 acres in 1970, and tests of Zectran were run this summer. Neither chemical has the long-range toxic effects of DDT; yet opponents say that a mass spraying program annually or biennially will harm some helpful insects and disrupt the food chain of fish, birds, and other wildlife.

State Forestry Commissioner Austin Wilkins said that the department decided to spray only after consulting with the State Department of Inland Fisheries and Game, the State Department of Sea and Shore Fisheries, and other state and federal agencies concerned with wildlife.

In addition to the additional tax for land owners, Wilkins said the legislature will be asked to raise $396,000 from general state revenues. The federal government will pay the rest.
Plan For Air Quality. A public hearing on the Maine Air Quality Implementation Plan was held in Bangor on December 22, 1971.

John T. Maines, vice-president for land management, presented a brief statement for GNP in which he stressed the company's support of a program to protect the air quality of Maine but urged the Environmental Improvement Commission to avoid arbitrary emission standards where an air quality problem does not exist. V. F. Mattson, P. H. Welch, and R. D. Kroeger also attended the meeting.

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During a meeting of the Associated Industries of Maine Subcommittee on Air and Water held the first week in January, revisions to the Air Quality Implementation Plan were suggested to provide a program necessary to protect the air quality in Maine with a minimum of economic hardship. The recommendations were presented to the Environmental Improvement Commission during their meeting held January 7. Action on the recommendations is pending.

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Paper Made From Garbage. The St. Regis Paper Company announced on January 13 that it had successfully produced paper from fibers processed from ordinary garbage.

The Company said it had produced three types of offset printing papers at its Deferiet, New York mill from pulp that included 30 to 50 percent fiber reclaimed from garbage.

St. Regis reports that papers made from the reclaimed fiber, which it calls "urban fiber", had some characteristics that compared favorably with papers made from standard wood pulps while other characteristics did not.

No final data is yet available on the economics involved. According to St. Regis, future use of "urban fiber" will depend largely upon the widespread availability of local solid waste reclamation centers in urban areas in proximity to paper mills due to the high cost of gathering municipal solid wastes and transporting it to reclamation centers.

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Historic Site Donated. Bible Point, the 27-acre parcel of land in southern Aroostook County, where in 1873 Theodore Roosevelt stopped to read his Bible, will be developed in the near future for picnicking and hiking purposes.

Announcement of the plans was made recently following the acceptance by Governor Kenneth M. Curtis and the Maine Executive Council of the acreage as a gift to the state. In a letter to the three land donors - Great Northern Paper Company, James M. Pierce, and the heirs of Dr. Manning C. Moulton - Governor Curtis stated, "Let me thank you for your generosity and your interest in preserving for the public, some of the important private pleasures of this state."

Bible Point, named to the Maine State Register of Historic Places in 1970, is located just south of Mattawamkeag Lake and has some 1,600 feet of frontage on the west branch of the Mattawamkeag River.

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Man Eating Tigers. GNP woodcutters may have to battle the elements to meet their quotas but they "have it made" compared to the trials of their peers operating out of East Pakistan.

According to The Forest Log, a recent slump in log production for the Khulna newsprint mill in East Pakistan has been blamed on man-eating tigers. Seven loggers have been reported killed in the last two months.
It's A Man's World. These words seem to be challenged lately as female faces appear more and more often on the business and professional scene. Not to be excluded from this feminine infiltration is the paper industry. According to the Ohio Paper Industry Council, ever increasing numbers of co-eds are taking advantage of job opportunities available in the industry.

It is reported that at Miami University, Ohio, about 10 percent of the students in the Department of Paper Technology are young ladies.

Great Northern is also doing its share to disprove the "man's world" theory having recently promoted two women into positions usually considered to be the domain of the male. The two ladies, Mrs. Opal Arnold and Mrs. Rene McAvoy, are employed as "buyers" for the company.

Mrs. Arnold has been with GNP for five years. In her new position, she is responsible for purchasing everything from nuts and bolts to replacement parts for giant paper machines. Keeping the proper inventory of more than 23,000 individual stock items is a major part of her job.

Mrs. McAvoy's area of concern has to do with "machine clothing", the felts and wires which are replaced on paper machines. She started her GN career 12 years ago as a statistical clerk.

The ladies' husbands, Gilbert Arnold and William McAvoy admit its really a family affair as they too are employed by GN on shift work at the Millinocket mill.

No Lights Brighten Christmas. Needy children in the Millinocket and East Millinocket areas had their Christmas "brightened" this year because of a change in plans concerning GNP's traditional holiday outdoor lighting and decoration policy.

"In the past, GNP has spent a good deal of money on decorations," according to Frederic C. Morrison, administrative assistant and manager of townsite. "We have seen many of these decorations broken or stolen and because of this, came to the conclusion that it was a poor way to spend our money."

After considerable thought, the company decided to use the funds set aside for decorations to buy new toys, purchased from local merchants, for distribution to the needy in the area. "We didn't completely forsake the Christmas decoration program," Mr. Morrison explained, "however, this year it was very modest."

In addition to the company gifts, employees participated in the program by also contributing gifts and volunteering their time to wrap the packages.

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Successful Start-Up. The Central White Water System, first of the subdivisions of Project 11, was put into operation December 21. Start-up was successful with no significant problems encountered. This system now allows white water inventory changes of up to 100,000 gallons without the addition of cold fresh water.

A GN Gift. The Pink Panthers, a local drill team, was very happy to see Great Northern's group of Tibetans leave Maine - not that they had anything against them you understand - but because their departure proved to be profitable for the youngsters.

When the last Tibetan left for new horizons, GN found it no longer had any use for the GMC bus it had purchased to transport the men from their homes to the woodlands. After careful consideration, it was decided to donate the vehicle to the drill team which was in need of transportation in order to participate in competition conducted around the state.

Upon hearing that they would be the recipients of the bus, the Panthers expressed their sincere appreciation and stated that they thought it was just a "purr-fect" gift.
Supercalendars Serviced. The No. 1 supercalendar at Millinocket started up January 4 following a complete grinding and replacement of all rolls. The coater and No. 2 supercalendar was put back in operation January 3 after the Christmas shutdown and inventory adjustment.

SOUTHERN DIVISION

Classes Held For Green Clippermen. Training classes were held the first week in January for GN-Plywood's green clippermen. The sessions included viewing the company's "Sound-in-Slide" program for clippermen, verbal instruction by supervisors, and discussion of equipment and maintenance needs as experienced by clipper operators.

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Panel Grade Sets Record. GN-Plywood's endeavors toward a 90%+ American Plywood Association certification on panel grades continues to be successful. A new full week record of 93.6% APA was reported in January.

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Production Report. A report from GN-Plywood notes that plywood production for 1971 ended up at just over 92 million square feet, 3/8" basis. This figure is up from the 74 million reported in 1970 and the 71 million of 1969.

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Anti-Pollution System. The new bark and sand removal system at Cedar Springs paper mill has been partially installed. Start-up took place during the first week in January.

Operating problems with pitch and rosin blinding the face wires are being experienced but experimental work in this area promises to solve these problems shortly.

The removal system, an anti-pollution unit, is part of the Southern Divisions's continuing efforts to improve the efficiency of its water treatment.

Wood Swap Arranged. A wood exchange agreement was recently finalized between Cedar Springs and the Dixon Lumber Company.

The lumber company will cut 3.3 million board feet of saw timber in the De-Funiak Springs, Florida, area and in return, the Southern Division will get 20,000 cords of pulpwood from Dixon's Everett tract near Marianna.

The swap was arranged mainly for the transportation savings involved.

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Planting Units Operating. The two new planting units ordered in December have been received and are reported "on the job", by John T. Maines, vice-president - land management.

The annual tree planting operation got underway in December with 358 acres planted in Georgia, Florida and Alabama.

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Merchant Sales Meeting. The recently adopted "Merchant Sales Program" at GN-Plywood is reported quite successful. Purpose of the program is to allow GN salesmen to operate as wholesale brokers. Under this arrangement, the salesmen can service customers' needs for GN plywood as well as the variety of forest products produced by other companies.

A sales meeting, conducted in January, had as guest speakers representatives from participating paper companies.

Sales of plywood, lumber and particleboard is reported going well.

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Southern Economy Helped By Paper Industry. A survey conducted by the Southern Forest Institute (SFI) indicates that the pulp and paper industry made direct contributions of slightly more than $2 billion to the economy of the southern states in 1970 through $1 billion of pulpwood purchases and an aggregate payroll of $1.09 billion.
NEKOOSA EDWARDS

New Address. The North Central sales office of Nekoosa Edwards is now located at 2850 Metro Drive, Bloomington, Minnesota.

NAMES IN THE NEWS

JOHN F. WARD, retired GNP townsite manager, received a Life Membership Certificate from the Millinocket Chamber of Commerce during ceremonies held December 7, 1971. The award represents the highest honor presented by the Chamber.

Although retired, Mr. Ward serves as clerk of the corporation at GNP, is active as an attorney and director of the Millinocket Trust Company.

"PERSONALITIES"

PROMOTIONS

JACQUES L. DARDENNE has been promoted from sales representative, Chicago, to southern district manager, commercial sales. He will relocate to Columbia, Maryland.

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TERRY N. PENDLETON, formerly district sales manager, Columbia, Maryland, has been promoted to the position of regional manager, commercial sales. He will relocate to the Stamford office.

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EUGENE L. PUTNAM, formerly assistant superintendent, division of forest engineer-

ing, has been promoted to the position of superintendent - recreation management.

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WILLIAM L. SHAUGHNESSY, formerly eastern district manager, has been named to the newly created position of manager, coated products. He will remain in the Stamford office.

NEW EMPLOYEES

TERENCE J. GRANT recently joined GNP as budget supervisor in the controller's department - not in administrative services as previously reported.

TITLE CHANGE

PAUL K. PATTERSON has assumed the new title of manager - timberlands and forestry.

ANNIVERSARY

RAYMOND L. MICHAUD, tour foreman pulp, East Millinocket, marked 25 years of service with the company January 13.

DEATH

JOHN H. (Pete) HEUER, 54, died January 1, 1972 while vacationing in Florida. Mr. Heuer was president and chief executive officer of Fraser Company Ltd., and Fraser Paper Ltd. Before joining that organization in 1968, he served as vice-president of operations and a director of GNP.