1978

The Great Northern Paper Company, Chapter 22: The Greater Great Northern, and Appendices

John E. McLeod

Follow this and additional works at: https://digitalcommons.library.umaine.edu/great_northern

Part of the United States History Commons

This Book Chapter is brought to you for free and open access by DigitalCommons@UMaine. It has been accepted for inclusion in Great Northern Paper Company Records by an authorized administrator of DigitalCommons@UMaine. For more information, please contact um.library.technical.services@maine.edu.
CHAPTER XXII

THE GREATER GREAT NORTHERN

This concluding chapter can be no more than a sort of round-up of the events of the next ten years or so. It will of necessity be less discursive than most of the foregoing, and will be chronological as far as possible. It will straggle a bit beyond the point where we intend to end our story, but in that it does not differ from other parts of the narrative.

Manuel C. McDonald (1896– ) was a distinguished-looking, well-built, slightly balding, quiet-voiced, pleasant-mannered, gregarious, persevering six-footer, who had been associated with the paper business all his working life. Generally considered a Southerner, he was actually almost a native New Englander, born in Granville, in northern New York, right on the Vermont border, and he told the writer at one time that his first paying job was mixing color in one of the wall-paper factories on the Hudson River. He had graduated from the University of Michigan in Chemical Engineering in 1919, after a short hitch in the U.S. Navy during World War I, and had then gone to work in New York for George F. Hardy, the paper mill engineer mentioned earlier in our story. This led him to a Resident Engineer's job on construction at the Brown Paper Mills Company of Monroe, Louisiana, where he remained as Assistant General Manager, becoming Vice-President and General Manager in 1932. At this place he made a name for himself as a highly able manager and administrator, and in 1945 moved to the Chesapeake Corporation of Virginia, at West Point in that state, as President.
and General Manager, proceeding to modernize and expand this mill into a highly profitable operation. By these successes, he had established a reputation as a builder, which was what the New York people were looking for. In addition, his experience had been entirely in kraft, and as this was the direction in which it appeared Great Northern should be headed, he was the man who had been selected to make it grow. However, he was not mandated to make it go any particular way, but was left free to do what he thought best, and he did not choose the kraft route, as we will see.

Leaving out Garrett Schenck, who had led the Company almost by divine right, William A. Whitcomb had managed it by sheer force of character, and William O. McKay by a personal magnetism that brought forth the best efforts of his organization. M. C. McDonald (He did not like his first name, and soon became "Mac" to all his near associates) had no Great Northern tradition, and while he had much of the inner hardness of William A. Whitcomb and perhaps even a little more of the human touch than William O. McKay, he made use of the power of money as they had never done. William O. McKay's salary had been $36,000 a year, M. C. McDonald started at $80,000, with a five-year contract, an option to extend for another five years, and an option for 20,000 shares of Great Northern stock at 95 percent of its market price, which was $52.75 when he became President on January 1, 1952; and one of his first moves, made at the regular January meeting, was to recommend a restricted stock option plan to make 30,000 shares of the Company's stock available to key employees on the same terms, which is indicative of his policy.
He had apparently given a great deal of study to his plan of action. He had picked Bangor as his headquarters because, as he told the writer, Boston was too far from the mills, but he did not want to live practically in the mill yard as he had at other places, and Bangor, which was just a couple of hours' drive from any of the three plants, provided certain amenities for his wife and two daughters. He brought no one with him from the Chesapeake Corporation, apparently being satisfied with the quality of the personnel of the existing Great Northern organization, and wishing to disturb it as little as possible. He arrived in Bangor early in January, in the midst of the worst snowstorm of the winter, and during the rest of that month and part of February he held personal and private interviews with all the management people down to the level of the mill superintendents. As it was his intention to have all his Vice-Presidents and their key people in the same office with him, those not already in Bangor had to be willing to move, and he found them all agreeable, except one.

Creighton Stanwood had already announced that he would not leave Boston, and his resignation was accepted on February 20th, Charlie Carrier, Superintendent of the Lower Mill, being elected Vice-President and Manager of Manufacture, on the new President's recommendation, the same day, at a salary of $24,000 a year.
The result of these interviews was the announcement that as of March 1st Charlie Carrier would be located in Bangor, with the writer as Assistant Manager and coordinator between the Manufacturing, Engineering and Research Departments; Neal Merrill, then Superintendent of the Madison mill, would take over the East Millinocket plant; Chub Bartlett, the writer's assistant, would go to the Madison mill as Superintendent, and Creighton Stanwood would remain in Boston as Director of Purchases, a new position created at William O. McKay's suggestion. The Traffic, Insurance and Purchasing Departments were to remain in Boston for the time being, we believe because there was no space available for them in Bangor at that time. There were no other changes in the organization, and the writer went to Bangor at the end of February to get things organized for the Manufacturing Department.

At the Annual Meeting on March 19th, the Directors elected for 1952 were A. R. Caspar, Dick Croft, Walter Dunnington, Barklie Henry, M. C. McDonald, William O. McKay, Eustis Paine, Hilbert Schenck, Fred Trask, Sheldon Wardwell and Jock Whitney, there being no change from the set-up which had been effected at the first of the year. Dick Croft was Chairman of the Board. The Executive Committee was made up of Dick Caspar, Dick Croft, M. C. McDonald, William O. McKay, Eustis Paine, Fred Trask and Sheldon Wardwell, with William O. McKay as Chairman. The officers elected following this meeting were M. C. McDonald, President; A. R. Caspar, Vice-President and Manager of Sales; C. M. Carrier, Vice-President and Manager of Manufacture; William Hilton, Vice-President and Manager Woodlands Department, the Spruce Wood part
of the name having been dropped on March 1st; and Roy V. Weldon, Vice-President, Engineering and Research. Dick Caspar was delegated to serve in the incapacity of the President, B. C. Ward remained Treasurer and Les Kewer, Auditor and Assistant Clerk. Counsel were Carter, Ledyard & Milburn of New York; Wardwell, Ranney & Allen in Boston and Louis C. Stearns and Louis C. Stearns III in Bangor. In the meantime, the Charitable Trust mentioned earlier had been set up with the United States Trust Company in January, the stock option plan for key employees had been approved, and a few routine matters, like the transfer of the old North Twin road to the State had been taken care of by the Directors, action had been started on having the Company's stock listed on the New York Stock Exchange, and membership was taken out in the Newsprint Service Bureau.

The space on the top floor of the Eastern Trust Building that had been occupied for so many years by the Spruce Wood Department, plus some additional space made by moving other tenants to other floors was redecorated and refurnished -- a very classy job by old Company standards -- and an air conditioning system was being installed when the writer arrived there late in February. By early March Neal Merrill was at East Millinocket and Chub Bartlett was at Madison, and after the Annual Meeting Charlie Carrier moved down from Millinocket. William Hilton and Roy Weldon were already there, so that the President and all the Vice-Presidents except Dick Caspar, who we believe it was decided should stay in New York for the time being, were in Bangor, with a minimum of disturbance, and no new people at all, other than an extra secretary or two.
There was some dissatisfaction. Ashton Gourley, the Purchasing Agent, who did not get along well with Creighton Stanwood, was very much upset at being put under him. He accepted the situation, but the big problem was Bob Hume, who felt that he should have had the job of Vice-President and Manager of Manufacture, instead of Charlie Carrier, and was outspoken about it. We will tell about what came of this later, but at this point perhaps we should write as objectively as we can about Charles Mosher Carrier (1893- ) whose career to this time we have followed in our story. He was a broad-shouldered man of medium height and slight build, a hawk-like face with piercing dark eyes, a dark complexion and an odd, barely perceptible hesitation in his speech. Quick-moving, nervous to the point where his hands trembled, he was a fantastic organizer, an able negotiator, highly popular with men and management alike, and a good friend. He was probably the best mill superintendent the Company has ever had, but we are sorry to say that he was not a particularly good Manager of Manufacture, spending far too much time on things of little importance at the expense of the broader aspects of his job. He held the position of Manager of Manufacture for only five years, retiring in March, 1957, at the age of 64. To be fair, he did not have, under the new set-up, quite the same weight in decision and action that his predecessors had carried, and he had already made a magnificent contribution to the Company before he became Vice-President.
There began to be little indications of the disappearance of the mores of the old Company. Along with the change in the name of the Spruce Wood Department, the Sales Department began to be called "Sales", the Engineering Department "Engineering", and so on, and the "Lower Mill" became officially the East Millinocket Mill. Expressions like "critical path" and "on stream" came into use. A daily morning conference with the Vice-Presidents and the two Assistant Managers, John Maines and the writer, with others called in as required, was instituted by the President "to get all our ducks in a row," as he was fond of saying. At first, discussions centered upon his plans for the growth of the Company. As we have explained, he did not see a kraft mill. His study of the situation had convinced him that breaking into this field was a slow process, not likely to be immediately productive; that the Company's reputation with the publishers was such that large amounts of additional newsprint could be sold, and that the answer to growth was a big increase in newsprint production on modern, high-speed, high-capacity machines, running seven days a week, and the gradual conversion of at least some of the older units, almost obsolete for news, to other groundwood grades, for which he felt that a market could be found, in spite of the trouble that Madison had had with them. To take care of the proposition that the Company should be using its hardwoods, he intended (the idea had come from Pete Heuer) that a proportion of the additional pulp needed be made by the so-far untried Chemi-groundwood process, using hardwoods, the characteristics of this pulp being said to be somewhere between those of groundwood.
and those of sulphite. He was in a hurry, and how to go about all this was the subject of the earlier discussions. These meetings were a good way to get out ideas, although this was not the way things had been done in the past. As the program developed, they began to get into details, and aspects of operations other than the expansion were considered, but at many meetings most of the talk centered about some point in which only a few were interested, or about which they had little knowledge; they were held at less frequent intervals, and after the first year or so were discontinued on a regular part of the routine, although conferences by various groups on all kinds of things proliferated.

Then there was the series of small cocktail parties and cook-outs at M. C. McDonald's home, one of the big old lumbermen's houses, which he had restored. This kind of thing was frowned upon in the old Company. They were pleasant little affairs of only a few of the key men and their wives at a time, and they also petered out after a time, as we recall. However, they set up a new atmosphere of informality, a little foreign to the old Great Northern people, but serving the new President's purpose very well.

Another thing was the nature of the Annual Report for 1951, issued early in 1952, one of the writer's first tasks after arriving in Bangor. Out of deference to William O. McKay, the cover design was unchanged, and the report "on behalf of the Directors" was signed by him as Chairman of the Executive Committee, as well as by the new President, but for the first time full color pictures, including a center spread aerial view

The Greater Great Northern - 8
of the Millinocket mill, were used, an extravagance that had never heretofore been allowed.

We are quite sure also that before the end of this first year the old Daily Production Reports had disappeared in favor of a much more comprehensive but also much more complicated form worked out mostly by the writer. The Weekly Cost Sheets had also been revised, and many other reports had been changed or eliminated, so that it is almost impossible to make certain comparisons after this time.

Decision was quickly made that the expansion would be at East Millinocket, where there was plenty of room available, and early in March Pete Heuer, Warren Daniell, Jim Starkweather, his assistant, Neal Merrill and the writer were sent to Syracuse University to investigate the Chemi-groundwood process, visiting a small pilot plant at the idle St. Regis mill at Harrisonville, N.Y., on the way. Their report was unanimous on the capability of the process to produce a pulp of good strength at low horsepower per ton, and on April 16th the Directors authorized spending $250,000 for a pilot plant to be built at East Millinocket, the details of an arrangement for consultation with the people who had developed the process having been worked out. No royalty was involved, because of the Company's membership in ESPRA, previously noted. At this same time, application was made to the National Production Authority, one of the Government's Korean War control agencies, for a Certificate of Necessity, which allowed accelerated amortization of 45% of cost, to cover the installation of two newsprint machines and supporting equipment, increasing the Company's paper production by 125,000 tons a year, and this was approved shortly.
In May, probably in the course of the Securities & Exchange Commission investigation in relation to listing the Company's stock, it was discovered that no formal agreement had ever been made between Great Northern and the West Branch Driving & Reservoir Dam Company to allow the former to use water from the North Twin and Ripogenus dams for the generation of power, and this was taken care of, under the 1917 amendment to the W.B. & R.D. Company charter, at a special meeting at Bangor in June. A statement was filed with the Salary Stabilization Board to the effect that action on the stock option plan would not be used as an excuse to increase or delay any justifiable reduction in the price of paper, and the Directors voted to authorize the officers to begin to liquidate or otherwise dispose of the various subsidiary companies. This took several years to accomplish, culminating in 1956 with the sale of the Millinocket and Northern Water Companies. We have told the story of each of the subsidiaries in other places, and will say here only that after 1956 all that remained of a list which at one time had totalled more than thirty was a handful in which the Company held only minority interest. All the rest had been liquidated, merged with Great Northern, or sold.

John Paul Jones had been in touch with the writer early in the year about his Saskatchewan project. This had been explained to M. C. McDonald, who had no interest in it whatever, but consented to a meeting with him, at which he was brushed off, and that was the end of that.
Quite a lot of work was going on at Millinocket in 1952, and we will run this down quickly. A new streambarker was installed in the wood room to replace the one sent to East Millinocket; a new 2,000 KVA load center, the first of its kind used by the Company, was provided for power to No. 6 machine and the air compressors, to relieve the load on the Millinocket generating station; a new locker room was built in the sulphite screen room for the sulphite mill crew; a radio communications system was set up between Millinocket and the McKay station; a screw-type bark press, intended to take enough water out of the bark to allow it to be burned was tried, but the fir bark was too much for it, and it failed to produce; three 8' x 16' vacuum groundwood thickeners replaced 11 old gravity units; a paper testing laboratory was built in the corner of No. 1-6 machine room next to the wall separating it from Nos. 7 and 8 -- by this time Pete Heuer had built up a substantial control organization--the cooking of culled wood and dri-ki was discontinued and some control equipment was added to the acid plant and sulphite mill in a move toward the increased production that would be needed; the piers and deck of the North Twin dam were repaired -- seven of the gates were inoperable at this time; the old gypsum plank roof on the grinder room was removed and replaced with a concrete slab; storeroom space was enlarged by the addition of a mezzanine floor; a new office -- an extension northward of the first aid room -- was built for the Mill Superintendent; a lump breaker roll was put on No. 2 machine; fourteen six-plate Impco flat screens were installed in an effort to improve the quality of the sulphite going to the Madison mill; part of the 1929 wood
block floor in the finishing room was replaced with a new type; a midfeather and propeller agitator were put in No. 4 machine chest; two more exhaust fans were added to the machine room ventilating system, and the last two 4,000 h.p. motors, Nos. 5 and 6, were put in. Some of this work ran over into 1953. Very little, however, was done at East Millinocket.

Labor negotiations started on April 23, in Bangor for the first time, with Charlie Carrier and the writer speaking for the Company, and M. C. McDonald in and out. The first meeting, which lasted two days, was largely devoted to exploration of the union and Company agenda. The newspapers were of course full of news of the impending expansion, which was going to make the Company a lot of money, and the union demands were heavy. The writer recalls that individual adjustments requested over and above any general settlement, involved some 1,200 men out of a total of perhaps 1,800 in the mills at this time. On the other hand, the Company was making a pitch for restoration of seven day operation of the paper machines at all mills, an essential part of M. C. McDonald's plan, as it would add an immediate 16 percent to capacity, basing its argument on the fact that the Company was facing new competition from the newsprint mills being built in the South; Southland had expanded, Coosa River was in production in Alabama, and Bowaters Southern was about to start construction at Calhoun, Tennessee, with other mills projected, and all the southern industry was running seven days.
The second meeting was held starting June 24th, and resulted in a hefty settlement; a 6 cent general increase; double time instead of time and one-half for Sunday work (this was a first in the newsprint industry); a third week of vacation after ten years of service; a 20 percent increase in the existing pension plan benefits, with the promise that the Company would work out and adopt a formal plan; improvements in the sickness and hospital insurance benefits, including up to $150 surgical expenses for dependents; $1,000 contributory group life insurance was added to the $500 non-contributory then in effect; and the Company agreed that it would extend the $500 non-contributory life insurance to pensioners, and to a 40-hour Christmas shutdown. It was also agreed that the relationship of rates in the wage scale had become distorted as a result of the wage controls, and that some rates were out of line with those in other mills, and a committee was set up to make what came to be called the "Inter-plant and Intra-plant Inequity Study." This, however, did not prevent quite a large number of individual adjustments. All this ran to well over half a million dollars a year, which, as the President said, was peanuts if it would buy seven day operation. It did not.

Continuous operation of the paper machines was premised on adoption of the so-called Southern schedule for tour workers, which, with double time for Sunday, resulted in an average of 48 hours' pay for 42 hours' work and four consecutive days off every fourth week, over a four-week period, with four crews working three shifts, but this left the day workers confused as to where they would come out, and while this was the meeting
at which John P. Burke made the statement extolling the Company's management, from which we have quoted several times, he was careful not to give any directions, asking only that the delegates consider the Company's request seriously. There was quite a lot of hope among the management people that it would get a favorable reception, given the generous settlement and the general feeling of good will, but over half a century of tradition lay behind six day operation of the machines; the life-style of the mill communities was geared to it; there was some objection on religious grounds; the workers seemed to feel that there must be a hooker in it somewhere, and it was a disappointment to have it rejected. The delegates themselves, not being convinced, made little effort to convince their constituents. M. C. McDonald, having planted the seed, chose not to make an issue of seven day operation at this early stage, and to settle on the above terms.

Approval had to be obtained from the Wage Stabilization Board, which cut the 6 cents to 5-1/2 and disallowed the third week vacation provision. However, on February 6, 1953, all the W.S.B. orders were revoked, and the Company immediately put the new vacation schedule into effect, and paid the one-half cent retroactive to May 1, 1952. This one-year agreement was signed by Fred Rochford for the Paper Makers, John P. Burke (by Ralph W. Leavitt) for the Pulp & Sulphite, John J. McNamara for the Firemen & Oilers, William Francis for the Carpenters & Joiners, John J. Regan for the Electrical Workers, Harold F. Reardon for the Machinists, Colin MacDonald (again by Ralph Leavitt) for the Painters, and Eugene Bradshaw for the Pipers and Steamfitters.

The Greater Great Northern -- 14
Most of these are familiar names from a previous chapter. Ralph Leavitt, who had replaced Fred Morris, has not appeared before, but he had attended many conferences, and from this point represented the Pulp & Sulphite for many years, John P. Burke becoming a somewhat less active participant in negotiations about this time. Ralph Leavitt was a very fine man, a Vice-President of the International, a fair-minded negotiator with a keen sense of timing, which allowed him to get many a conference by a tense situation with a joke in his best French accent, and he was and is a close friend of the writer's. Thirty local delegates, on the whole as fine a bunch of men as ever signed an agreement, took part in this conference.

Intensive study was being given to the first new paper machine, Roy Weldon heading up the effort. He, with Warren Daniell, Neal Merrill and the writer, visited the Baie Comeau mill of the Quebec North Shore Paper Company, whose big machines were running at over 1800 feet per minute, using pick-up felts, to see what problems they had run into in getting up to this figure, and as the result of their report, and after a lot of pro and con discussion, it was decided to go for a speed of 2500 feet. Trim was very important, and after a lot of study, a width of 276 inches, trimming 256 inches (this later got up to 260 inches), was arrived at. Three machine builders, Rice Barton Corporation, Bagley & Sewall Company (or perhaps it was Black Clawson; we do not remember) and Beloit Iron Works, were called in to go over the requirements and submit specifications and prices. Estimates were made on the other construction and equipment involved, and by September things were pretty well rounded up.
Two million dollars was borrowed from the First National Bank of Boston as seed money, and on September 17th the Directors authorized the officers of the Company to proceed with the installation of one new 200-ton-per-day newsprint machine, with the necessary supporting equipment, at an estimated cost of $19,000,000, (this we believe was only for the machine room, the machine, and the equipment directly connected with it, as the cost of the whole job, as envisioned, would clearly be much greater) Dick Croft and M. C. McDonald being delegated to arrange financing. Dr. Charles Carpenter's final report, the gist of which we have outlined, was submitted in October, and was quietly shelved.

While one new machine had been authorized, the plan was of course for two, and the supporting plant had to be designed accordingly, with provision for expansion. The Engineering Department was greatly augmented, not all at once, but quite rapidly, with outside personnel, overflowing its limited space in the Administration Building and shortly taking over the first floor of the old Oxford Street School, just outside the mill gate, the space being rented from the Veterans of Foreign Wars, who owned the building at that time. The pilot Chemi-groundwood pre-treatment plant, patterned physically after a pole and tie treating operation, after investigation of such a facility near Montreal by Roy Weldon, Warren Daniell and the writer, and considerable experimenting with a small pressure vessel and the little 12" grinder, was designed by the Engineering Department, the liquor-making and cooking processes being worked out by the Bureau of Tests in conjunction with people from Syracuse University.
This was installed in a temporary building put up between the grinder room and the screen room; two horizontal pressure vessels, each holding about ten cords of hardwood loaded on several small industrial-type rail cars, treating enough wood to produce about 50 tons of pulp a day which was ground on a Great Northern four-foot grinder. This plant was in operation, as we remember, by at least as early as February, 1953. The first newsprint containing a substantial percentage of the new pulp was used successfully by the Bangor Daily News, and seemed to prove the viability of the process. However, this premise had already been accepted, and plans for a commercial plant were in the works even before this trial.

While participating in this experiment and in the discussions on the new plant, the writer had to take on the Inter-plant and Intra-plant Inequity study agreed upon at the June negotiations. The relationship between the Company and its employees, as we have said, was extremely good, and the results of his work in gathering information from an agreed-upon list of other mills in the United States and Canada, and relating this to the Great Northern wage scale and the differentials therein was pretty much accepted by the delegates from the four main labor groups -- the Paper Makers, the Pulp & Sulphite, the various Mechanical Trades as a unit, and the Firemen & Oilers. Each was a separate problem, and a series of meetings was held with each group in Bangor, with Charlie Carrier and the mill superintendents sitting in. There was of course a certain amount of difference of opinion, which caused some delay, and total agreement had not been reached before the 1953 conference came around. We will therefore include the results with those of the 1953 negotiations.
Except for the work at his own mill and the first labor negotiations, Bob Hume had not been involved in any of the foregoing. He was, as we have said, most unhappy at the turn of events, and after a couple of sessions with M. C. McDonald, who had sized up his shortcomings pretty well, and at which he got nowhere, he resigned early in June, effective July 1st, bitter to the point of selling all the Company stock which he had accumulated under the old stock purchase plan, in which he was one of the first to participate. Ivan Ames, his Associate Superintendent, was immediately put in charge of the Millinocket mill, at a salary of $18,000 a year.

Ivan C. Ames (1893 - ) was a short, heavily built, cheerful man, popular with everybody. Born in North Haven, Maine, he had come to Great Northern from the old Orono Pulp & Paper Company in 1918 as a draftsman in the Engineering Department; became Assistant Engineer in 1921; was transferred to the East Millinocket mill in 1925 as Assistant to the Master Mechanic, became Night Superintendent of that mill in 1927, Assistant Superintendent in 1931, and in 1947, as we have noted, had been made Associate Superintendent at Millinocket. He was a good, though not especially forceful, administrator, and had his troubles, particularly in his first year, partly due to the great difference between his methods and those of his predecessor, but he held down the job adequately until his retirement in 1959.

The situation in the newsprint industry, as we have noted was fairly good at this time, and as the year 1952 opened, the Company's price was at $115.00 a ton, New York, against a general figure of $116.00, with the several Government investigations
covered in a previous chapter ongoing. M. C. McDonald could see no reason why the Company should be only $1.00 under the market, and on April 1st he went up to $116.00 like everyone else. As early as February there were rumors that the Canadian mills were planning another jump in price; there was some high-level communication between United States and Canadian price control authorities, and some sort of agreement about consultation before any further increase, but notwithstanding, Abitibi raised its price in May $10.00 a ton, to $126.00, effective June 15th, on the grounds of increased cost and the appreciation of the Canadian dollar. This brought a flurry of protest from the publishers, and meetings of the Beckworth and Celler committees. However, the publishers did not press for a roll-back, or even for the establishment of a new ceiling, in view of the supply situation, and Great Northern announced an increase of $7.00 a ton, effective October 1st, making its price $123.00, where it remained for the rest of the year.

The expansion at East Millinocket really involved the design and construction of a complete new mill, surrounding the old one, and using parts of it. It was far too big a job to be handled in the time-honored way, and while some other engineering firms were considered, it did not take long to pick Stone & Webster as the general contractor, and to assist with design, and the whole concept had been worked out to the point where an accurate general description of the project was included in the Annual Report for 1952, issued in February, 1953. So that the reader will have some idea of what occupied the center of the stage for the next year and a half, it seems appropriate at this time.
to describe what was done, giving considerably more information than was contained in this report, while going very little into detail. It was originally intended to carry out this project in two steps, with some undetermined interval between. As it turned out, it became a continuous job, but at this point we will take up essentially what was done in what was to have been the first step.

The job entailed a number of pieces of construction. Three or four of Stone & Webster's men arrived on March 2d to get the work under way. A silo for storage of bulk cement was put up, and construction equipment and material began to arrive. Offices and storage buildings were erected in the yard west of the mill road and elsewhere. Six or seven barracks for some 400 men and a commissary building with a kitchen and dining hall were set up on the high ground near the foot of Eastern Avenue, between the highway and the railroad; the location is marked by the footbridge to the mill yard which replaces a temporary one provided at that time; and a 90-space trailer park, with full hook-ups and a service building, was built near the Hathaway Farm on the East Branch. These facilities were nowhere near adequate for the construction crew, which at its peak reached a total of some 1,800 men from all over New England. Some of these people lived as far away as Bangor, Island Falls and Dover-Foxcroft, and to be driving in from Mattawamkeag when the crew was driving out at the end of the day could be classed as a hazardous occupation. They were safe workers, however, as there was no fatality or disabling injury during the entire job.
A new concrete wood room building was erected on the point of land above the dam, from which the submarine cables of the Dolby power line had taken off (the logan north of this point had been nearly filled with bark by this time, and this fill was completed and covered with gravel). Two new 12' x 45' barking drums were installed, and the equipment from the old wood room was moved into the new one. The old suspended-cable piling conveyor was removed, and a double-arm stacker with a reach of 178 feet was installed on tracks to pile softwood in two piles holding some 80,000 cords, parallel to the river, about on the location of the old logan, with a second small single stacker a little further toward town and running parallel with the other, to handle about half as much hardwood. A railroad spur for car wood was also run along the location of this pile. Chain conveyors ran from the wood room to the stacker feed conveyors, the one for softwoods a rubber belt, reversible for reclaiming wood, being put back onto it from the piles by portable cross-conveyors, loaded by cranes; that for hardwood a double chain, also reversible, wood being reclaimed in the same manner; the rubber belt conveyor running to the block tanks in the grinder rooms, the chain to the uptake to the top of the Chemi-groundwood pre-treatment building. A 900-foot cable and button conveyor was also provided for handling hardwood from cars to the stacker, and there must have been truck unloading facilities, but we do not recall how these were located. The wood room and wood handling system were the first parts of the project to get into operation, in the fall of 1953. The old wood room was made into a water filtration plant, with entirely new screens and filtering equipment.
raw and filtered water pumps and a fire pump connected to both
the mill and the new wood pile protection systems.

A new brick and steel grinder room was built just north
of the filter plant. This was sized for an installation of sixteen
Great Northern-Waterous grinders, in lines of two, but only eight
were provided in the original installation; six for softwood and
two for hardwood, arranged so that additional units could be
used for either type of wood. These were Nos. 7, 8, 9 and 10
lines, each driven by a 6,000 horsepower Westinghouse synchronous
motor. The divided stock spout led to a separate coarse screen
room at the east end of the building, where there were six
Jonsson vibrating bull screens, three for softwood and three
for Chemi-groundwood, and three Jeffrey shredders for the
rejections, which were pumped to three Bauer refiners in the
screen room. The old grinder room was left undisturbed, except
for piping changes.

The old screen room was extended westward, and was provided
with an entirely new screening and thickening system; three
vibrating screens to pre-thicken the shredded bull screen
rejections for the three refiners; eight lithcoted Cowan fine
screens, five for softwood groundwood and three for Chemi-
groundwood; two 11'6" Improved valveless deckers for groundwood,
and three 9'6" x 12' vacuum thickeners of the washer type, to
remove residual chemicals, for Chemi-groundwood. The decker
chest was divided for the two pulps, and new agitation was put in.
All the thickener vats and the decker chests, as we remember, were
tile or tile-lined, and space was left for additional equipment to
be added as required.

The Greater Great Northern -- 22
A chain uptake ran from the end of the hardwood piling conveyor to the top of the new Chemi-groundwood pre-treatment building, a tall steel-framed structure covered with insulated surface-treated steel panels, located just east of the wood piles. Part of this building contained the spray-type sulphur burner and liquor-making equipment, storage tanks for chemicals and raw and fortified liquor being located outside, along a new spur track taking off from the main line west of the mill. This being the first commercial application of the Chemi-groundwood process, everything had to be specially designed, and there was much debate about the digesters in which the four-foot hardwood sticks were to be cooked, ending up with vertical unlined steel units, 10'6" in diameter and 60 feet high, each holding about 25 cords of wood, fed in from the top, the bottom a huge, flat, hinged drop door, opened and closed hydraulically and seated against a gasket in a slotted flange when closed, held in place during the cooking process by a multiplicity of hydraulically locked bolts. These digesters were placed over long concrete tanks partly filled with water, into which the cooked wood was dropped when the door was opened. Space was provided for six such units, a swing spout from the uptake feeding wood to one or another, but only two were installed originally, one over each of two of the three tanks. The cooked wood was reclaimed from these by a grapple operating from an overhead crane, and was dropped onto a conveyor leading to the new grinder room, passing on the way through the streambarker moved from the old wood room, which acted as a washer and removed any bark remaining. The cooking system was entirely automated. Each digester was pumped...
partly full of water to break the fall of the wood, and it seems to us that this, and the draining of it, along with the opening and closing of the top and bottom doors, was manually controlled. Otherwise, the cycle of vacuum, filling with liquor, cooking time and draining and reclaiming of liquor were all automatic operations in sequence. The digesters in this building were made by Bethlehem Steel, but there does not seem to be much point in going into the list of suppliers of the mass of other equipment.

More steam and power were of course required. A survey was made for a hydro-electric development at Ambejamackamus, but this idea was abandoned, and it was decided to put in sufficient boiler and steam turbo-generator capacity to make the system less dependent upon water power. A new boiler house, of steel frame and insulated aluminum panel construction, was built about 50 feet north of the old one, a connection between them providing space for a sophisticated feedwater testing and treatment plant. This building was designed for two boiler and turbine units, but the water treatment plant as installed was large enough for only one, and in the first step, one Combustion Engineering Co. boiler, capacity 300,000 lbs. per hour at 1,300 p.s.i., superheated to 855 degrees F., the furnace designed to burn either oil or coal, but set up for oil, was installed, along with one 12,500 K.W. General Electric 6,900 volt, 40 cycle turbo-generator, operating on steam at 1,250 p.s.i., bleeding at 210 p.s.i. and exhausting at 40 p.s.i. A lined steel stack was used, and all the auxiliary and control equipment was the best available. Pressure reducing valves for 200-lb. and 40-lb. steam were also provided for use as such times as the turbine might have to be
shut down. The old coal trestle, now used for oil, of course, was left in place, and a second oil storage tank of 55,000 bbls. capacity, was erected near the first one, but on the other side of the mill road. The old boiler house was left intact for standby service, but the old steam and condensate piping was loaded with lubricating oil from the reciprocating paper machine engines, and the high-rate boiler would not tolerate oil, so the whole system had to be boiled out with caustic soda, and to prevent the further entry of oil, the Corliss engines on the old paper machines were removed and replaced with turbines operating at 200 p.s.i., connected to the old basement line shafts.

The new machine room, 150 ft. wide and some 500 feet long, for two machines, was another separate building on the east side of the old mill, parallel to the old machine room, from which it was separated by a court about 70 feet wide. Beyond it, at the north end, was a second finishing room, approximately 150 feet square, and beyond that again a second trainshed ran at right angles downriver, with five loading tracks coming into it from the switchback to the east. At the north end of the court, between the old office and finishing room, a new office and a machine shop were built, the latter down at the level of the old shop, the new offices on the upper level, connected to the new machine room by a mezzanine passageway from which one looked down on the new machine shop, which was provided with a new roll grinder, new lathes and other tools to handle the larger machine parts, and was served by a 60-ton crane. A similar passage at the south end connected with the screen room.
The Chemi-groundwood pre-treatment plant and the boiler house were designed by Stone & Webster, all the rest by the Company's Engineering Department. Stone & Webster also did much of the purchasing. One result of this was the installation of a lot of unfamiliar equipment, which would have happened anyway, given the scope of the job, but perhaps not to the same extent. Of incidental interest, electrical equipment of a number of makes was used, which happened to be bought within a time period when a number of manufacturers were convicted of price-fixing conspiracy, and Great Northern was among the first to sue its old friend, General Electric, along with others for damages on this account, and collected.

The selection of a paper machine builder was of first importance, and presented some difficulties. As we remember, one bid was high and was rejected. Rice Barton and Beloit were very close. Both were good designs. Rice Barton had had a long connection with the Company and had built a great many newsprint machines, but none this big. Beloit, which had never done any business with the Company except indirectly, had built many wide machines, but few if any to make newsprint, most of their experience being on kraft. As we recall, their first big news unit had just then been built, was being installed in Finland by the firm of Enzo Gutzeit, and had not at that time started up. However, they had the edge, as M. C. McDonald was a Beloit man from away back, and figured that it was all paper. This was a mistake, as there was a vast difference between a kraft bag or liner sheet that as someone said "you could jump up and run across" and fragile newsprint that would break if one
looked hard at it, and we think that later he wished he had never heard of Beloit, but anyway, to the great disappointment of Rice Barton, the first machine, No. 5, installed on the west side of the new room, was a Beloit, like nothing that any Great Northern man had ever seen. It was about 375 feet long. It had a pressure headbox, the level of the stock controlled by compressed air. The wire was 137 feet long, on a conventional removable fourdrinier with a wire drive roll beyond the 44" suction couch. The sheet was removed from the wire full width, by a pick-up felt running around a suction roll swinging down to touch the paper in the space between the couch and the drive roll, and passing through a conventional transfer press, which on the old machines would have been the first press, with the sheet sandwiched between it and the regular press felt. Ropes were used to carry the paper through the following first and second presses, the first press different from the transfer press in that the suction bottom roll was loaded and the top roll fixed, and the second press was inverse -- that is, the suction roll was the top roll. This arrangement required a lot of overhead structure, quite different from older designs. There were fifty-four 60" dryers, staggered, in three sections; an open-side ten-roll calender stack, quite different from the older types in that it allowed of pulling a roll out without tearing down the whole stack. Incidentally, ten rolls were never used, to our knowledge, but it was thought best to have the capacity to "put the iron to it" if it were necessary. The Beloit reel was a modification of the old Pope reel, making a much larger diameter set, and there was a Beloit winder, with a reel-off stand fitted with a brake, and motor-driven slitters.
The drive was of the mechanical differential type, designed by Beloit, basically a series of big P.I.V. units combined with right-angle gears, driven from a turbine midway of the back-line behind the dryer section, with motor helper drives on the couch and some other heavier loads, powered by generators in the back-line. All the drive being above the main floor, there was no basement line shaft. A mezzanine floor ran along each side wall the length of the machine, with a washroom for the paper makers on one side at the dry end, and an office for the paper room foremen on the other. The machine was provided with a Briner economizer system, and the dryer section was completely enclosed in an aluminum hood with movable side panels, extending all the way down to the basement floor. The room was served by a crane -- a second one was added in 1959 so that work could be done on both ends of the machines at the same time -- an opening in the floor between the two units at the dry end allowing rolls to be lowered onto a flatcar on a spur track running into the basement, which as in the old mill was not really a basement but a first floor at the grade of the mill yard. Almost everything was operated electrically or pneumatically from push-buttons on consoles at strategic points. A gantry crane, on rails flush with the floor picked up the paper from the reel and moved it to the reel-off stand. The winder, designed to run at a speed of 5,000 feet per minute, had a mechanical shaft puller, and unloaded itself onto a sloping steel holding deck, from which the rolls went onto a dished belt conveyor leading to the new finishing room, making two right-angle turns by means of swinging sections of conveyor on the way. This conveyor system, and a semi-automatic finishing machine in the finishing room, were
furnished as a unit by the Lamb Grays Harbor Company, and included scales and a de-elevator that dropped the finished rolls down to the trainshed floor below. Both Nash and Rootes-Connorsville pumps were used on the suction rolls; there was an 18-foot Shartle Hydrapulper for dry broke under the stack, a Jones pulper for press broke, and stock was proportioned by a Fischer & Porter system.

There was glazed tile all over the place; all stock and water piping was transite or stainless, and there were centrifugal cleaners in the groundwood screen room and on the sulphite pulp coming from Millinocket. One unique feature was that there were no conventional paper machine screens. These were not used on kraft machines, and M. C. McDonald was insistent that there should be some way to get by without them on newsprint. This was a place where the argument got a little hot, but the President said that he was not going to have any paper machine screens; that is, any Bird screens, period, and it was finally agreed to try Shartle Selectifiers ahead of the machine, with a Jonsson vibrating screen for the tailings, and a battery of ten Selectifiers was installed. We are quite sure that Great Northern was not the first to make newsprint without the usual Bird screens, but it was the first to do so at high speed, the Selectifiers being reasonably satisfactory as long as they were backed up by enough centrifugal stock cleaners and were properly operated. We neglected to mention, back where we should have, that the dryer gears were totally enclosed, running in oil under pressure and continuously filtered, and that all rolls were in anti-friction bearings. This machine was designed to be the
widest, fastest and most efficient newsprint producing unit in
the United States, and was expected to turn out somewhere between
200 and 250 tons of paper a day.

What we have written is only a bare-bones description of
this phase of the expansion project. It was far too large to
detail as to progress as has been done on other jobs, and it
makes little mention of the hundreds of pieces of machinery
installed in the supporting systems, nor of the complexity of
the piping and electrical work -- there were more than fifty-two
miles of wiring in the machine room alone -- nor of the difficulty
of keeping the four old machines in operation while all this was
going on over, under and around every part of the old plant.
We will just leave it there while we look at what else took
place between the fall of 1952 and late 1954, when No. 5 machine
was started up.

Late in 1952, Roy Weldon's salary was raised to $26,000,
Dick Caspar's to $29,848, and Les Kewer's, as Auditor and
Assistant Clerk, to $14,300; the Freeport Sulphur Company, one
of the Whitney concerns, was given exploration rights on Caratunk,
East Moxie and The Forks, in addition to rights which it already
had on other towns; 850 shares of stock being held in the Treasury
were sold, and the President, who had been working on financing
for the expansion, was authorized to make short-term agreements
with a number of banks, as a temporary measure, for loans totalling
$32,000,000, divided as follows:
First National Bank of Boston 25 percent
Guarantee Trust Company of New York 22 "
Hanover Bank 22 "
First National Bank of New York 16 "
J. P. Morgan & Co. 7 "

The money was to be taken out as needed, on 3-1/4 percent notes for three years, and by the end of 1952 a total of $5,000,000 had been borrowed, in addition to which some $4,000,000 of Government Bonds out of a total of $9,000,000 in cash and securities held at the first of the year, had been sold. Steps were immediately taken to set up a long-term financing program, and in February, 1953, it was voted to change the name of the stock from "common" to "capital" so that "the authorized capital stock of the Company shall be $30,000,000 of capital stock, divided into 1,200,000 shares, par value $25 each."

At the 1953 Annual Meeting, held in March, new By-Laws, effective January 1, 1953 were adopted. There was considerable change in and rearrangement of the wording, but for our purposes the essential difference, from a cursory comparison, was provision for thirteen Directors, instead of the former "not less than nine nor more than eleven." We might add here that there were several more changes in the By-Laws between this year and 1965, none of which was of any great importance. The Directors elected at this meeting were Dick Croft, Dick Caspar, Walter Dunnington, Barklie Henry, M. C. McDonald, William O. McKay, E. Spencer Miller (President of the Maine Central Railroad), Eustis Paine, Hilbert Schenck, Fred Trask, Sheldon Wardwell.
Roy Weldon and Jock Whitney, the new men being E. Spencer Miller and Roy Weldon. On the Executive Committee were William O. McKay, Chairman, A. R. Caspar, Richard Croft, M. C. McDonald, Eustis Paine, Fred Trask and Sheldon Wardwell. The officers elected and counsel appointed after the Annual Meeting remained unchanged. However, Eustis Paine, who had not been present at recent Directors' meetings, died on March 27th, the usual memorial entry in the minutes of the meetings of the Board of Directors mentioning the importance of his grandfather, Col. A. G. Paine, in the formation of the Company and the interest which his father, Augustus G. Paine, had maintained in it (which was probably true, although perhaps not in the context of the statement), and ended: "We, the members of the Board of Directors of the Great Northern Paper Company, realizing the great loss which we have sustained through the death of George Eustis Paine, a member of the Board of Directors for twenty-one years, desire to have inscribed upon our records this tribute to his character, his industry and his unfailing loyalty. The Company has lost the wise counsel of a devoted and able Director, and the members of the Board have lost a sincere friend." All of which was certainly true. Eustis Paine had been a good man. On May 20th, his younger brother, Peter S. Paine, another man who came to be very important in the Company's affairs, was elected to fill the position. The vacancy on the Executive Committee was not filled.
Bryan Seelye, who had retired as Auditor in 1949 to handle Townsite affairs, was still Clerk in 1953. However, as we have noted, his place as Auditor had been taken by Leslie G. Kewer, who in November was given the title and duties of Controller, the first of a number of changes of this kind that were soon to take place. We have not had much to say about Les Kewer (1910 - ), a native of Brockton, Mass., who had come to the Company from Lucius Beebe & Sons in 1940 as Assistant to the Auditor. He was a quiet, pleasant man of middle stature, well-versed in his profession, although inclined to quibble about the minutiae, and very stubborn in his beliefs, which caused some friction with his peers from time to time. He was well liked by his people, and did a capable job for the Company as Auditor and as Controller, which last position he held until 1962, when he was made Vice-President and Treasurer of Great Northern's new southern operation, moving to Dothan, Alabama at that time, then back to New York as Vice-President, Planning, a new position, in 1965. At this, he was not so successful, and was washed out in 1970, in the bewildering merry-go-round of changes in organization which was then going on, and which we do not intend to go into, retiring at the age of 60.

Dick Croft and M. C. McDonald had been discussing financing with the John Hancock Mutual Life Insurance Company, reporting at the March, 1953 meeting of the Board that they could arrange to borrow $32,000,000 from a combination of insurance companies on 4 percent notes due in 20 years but not later than October 1, 1974, with a sinking fund of $1,800,000 a year, payment to begin in five years. The money was to be taken down and notes issued
as needed, not all at one time, hence the 1974 due date on the package rather than a straight 20-year deal. There were some strings attached, covering early redemption, the maintenance of a certain amount of working capital and the like, and no dividends were to be paid except from earnings after the end of 1952.

At this meeting, the proper officers were authorized to work out such an agreement on no less favorable terms, and on May 20th the Directors approved purchase agreements for loans from the following insurance companies, on 4 percent notes, under the above conditions, in the following amounts:

- John Hancock Mutual Life Insurance Co. $12,000,000
- Aetna Life Insurance Co. 5,250,000
- New York Life Insurance Co. 3,750,000
- New England Mutual Life Insurance Co. 3,000,000

This was a total of $24,000,000 and it is interesting to note that the Company did not pay as much for this money as it had for that borrowed for the construction of the Millinocket mill fifty-odd years before. Provision was made for the Company, at its option, to obtain up to $8,000,000 additional, prior to October 1, 1954, from the same companies, in the same proportions and on the same terms. However, on June 2d it was voted to revise the form of the purchase agreements to provide that the option to borrow up to another $8,000,000 be changed so that, if exercised, the whole amount had to be taken by January 1, 1954.

While it does not appear in the record we have been using, this date must shortly have been extended to April 1, 1955, as that date is given in the footnotes to the Balance Sheet as of December 31, 1953, at which time $20,000,000 had been borrowed.
half of which had been used to pay off the bank loans under the original agreement, and cash on hand was back to $8,000,000.

The Annual Report for 1952, published in the spring of 1953, was radically different from any of its predecessors, being full 8-1/2" x 11" in size, with a full-color photograph of the Millinocket mill on its glossy cover, with more up-to-date color treatment and both black and white and colored cuts, and it contained, as we have said, a description of the expansion project. It was pretty crude by later standards, but was much more informative than any previous report and was altogether a much more sophisticated approach, reflecting the change in the attitude about putting out information about the Company, which had turned completely around, as a matter of policy.

Labor negotiations opened on April 27, 1953, the first business being to finish up the Inter-plant and Intra-Plant Inequity study. That this was done honestly and with the cooperation of the representatives of all segments of the labor force is indicated by the results -- a 6 percent increase across the board for the Paper Makers; a large number of adjustments in the Pulp & Sulphite scale, with several new occupations added, all averaging out to about 2-1/2 cents an hour; increases of from 2 cents to 9 cents an hour for all mechanics except Class D helpers, and increases of from one cent to 10 cents in the Firemen & Oilers rates, all effective immediately. This out of the way, a second meeting was held starting May 1st. After the experience of the previous year, it had been decided not to bargain for seven-day operation at this time, but just to keep the subject alive so that everyone would be aware that it was
still an issue, and hopefully to give more time for the advantages of it to sink in. Therefore, while it was discussed, there was no pressure on it, and the result was a one-year settlement for a 2-1/2 percent general increase over and above the changes brought about by the Inequity study; a $1.00 per day increase in daily hospital insurance benefits (from $11.00 to $12.00) for employees and a $2.00 per day increase (to $11.00) for dependents; $1,000 additional group life insurance on a contributory basis, bringing the total to $2,500, the first $500 paid for by the Company, pensioners to have up to $1,500 carried for them by the Company; an increase of one cent in the shift differential on the 12-8 shift, making the figures 0-4-7 cents, and a change in the basis of vacation pay from 40 hours straight time to the average hours worked the previous year, with a minimum of 40 hours and a maximum of 48. The Mill Rules had been re-written as of May 1, 1952, for the first time in many years, to cover the vacation change negotiated at that time, and were revised again as of May 1, 1953, for the same reason.

This Agreement was signed by Robert P. Gagne, Vice-President of the Paper Makers, and otherwise by the same International officers who had put their names to it the year before, (except that there was no signature for the Painters, who we believe had joined one of the other organizations) and by 33 local delegates, about half of them men who had been at the 1952 conference. By this time many of the old perennials mentioned in a previous chapter had dropped out, and there was beginning to be a new generation of regulars; people like Tommy Simpson and Ken Harmon
(grandson of the Clarence Harmon who had been so active in the early days), Carmen Brigalli, Rosie Caruso, Mike Gallo, "Chickie" McLaughlin, Ed. "Zibbie" Chasse, George Grant, Bill Brown, Marty Roach, Hollis Ward, Paul Baker, Tom Pelkey and Ralph McKenzie. These and others, with a few exceptions, were intelligent, responsible men, some outstanding, some a little unpredictable at this stage, but the writer could call them all friends; some close friends, and this negotiation was as short and as peaceful as could be expected. The formal pension plan, which the Company had agreed to the year before, had been worked out during the spring, and had been adopted, after negotiation, on April 15th. We do not have the terms, but it departed from the Social Security formula, providing for some increase, which, however, was not large, and the agreement was for a three-year period.

The McKay hydro-electric station, which we have described in another place, was started up, and a substantial amount of work was done at the Millinocket mill in 1953. Beloit suction first presses were installed on Nos. 7 and 8 machines; a steel figure-eight stock chest replaced the old horizontal wooden tank which had served No. 1 machine since 1900 and had finally begun to rot, and a new steel frame garage, 80' x 100', covered with asbestos panels, was built in the yard just south of the old barn, which remained in use. Three more 2,000 KVA load centers, with fifteen distribution circuits, were put in. A new hot well for condensate was installed in the machine room basement, and there were some other minor jobs. The big project, however, was in the sulphite mill, which was soon going to have to make more pulp than ever before. Improvements were made in the sulphur handling and burner systems; a heat exchanger was installed in the relief system;
No. 3 Jenssen tower was made into a recovery tower for fortifying acid; two 87,000-gallon tile acid storage tanks, under cover, with new raw acid and eductor pumps were installed and a lot of new piping was put in, all this making a hot acid system that reduced cooking time materially. The sulphite decker chest was fitted with propeller type agitators. A new building was put up in the court between the finishing room and the room housing the accumulators, and a second-hand Kamyr wet press, about 90 inches wide, with pre-dryers and a sheet cutter, was installed in it, three new stainless steel gravity deckers recently bought for the Madison mill being brought over for use as pre-thickeners, and a new passenger elevator, in an enclosed shaft, replaced the old open cage lift in the digester building. Some of this work ran into 1954. At East Millinocket, the Trimbey stock proportioning system for the old machines was replaced by a Taylor stock meter; the Dolby transmission line was rebuilt again, and a new Farrell roll grinder was put in for rolls from the old machines. A hydrapulper, with conveyor equipment from the railroad spur at that location was installed, as we remember, in the Chemi-groundwood pilot plant, to handle sulphite pulp from Millinocket, as the new machine room was sitting on top of the old unloading shed, and it seems to us that the Millinocket wet machines were put back on lap pulp at this time for shipments to both Madison and East Millinocket until the Kamyr machine got into operation. In this year also, the radio communications system was extended until it took in Mattaceunk, Dolby, the Ashland-Sheridan operation and many woods depots. Otherwise, work proceeded apace on the expansion program which we have described, but, as we have said, will not make much attempt to follow. It seems to us that it was also in
this year that the Superintendents' houses, which were being rented to them at a nominal figure, were sold to them at assessed value. Some years later, however, the turnover made it necessary for the Company to buy them back again. At Millinocket, the Garret Schenck Jr. house at the corner of Maine Avenue and Central Street was remodelled and made into a guest house, a large dining room being added later. Work on this was started late in 1953 and finished the following year. The so-called Bowler house became the Superintendent's residence.

We should at this time say something about Neal Merrill, who had been in charge at East Millinocket since March, 1952; a tall, thin man, with a lined face, a scarred upper lip and a nervous manner of speech. A native of Bangor, he had joined the Company in 1920 as a chemical engineer, attached to the Bureau, having previously worked for the Atlas Powder Company at a plant in Missouri; was made foreman of the pulp mills at Madison in 1929, becoming Assistant Superintendent of that mill in 1930, and Superintendent in 1948. Neal Merrill was a gentleman; fair-minded, much respected by his people, but bearing responsibility rather heavily, making him somewhat moody but not at all affecting his performance. He presided over the expansion at the mill level, but the pressures that followed it, which we will try to explain later, drove him into early retirement in 1957.

Things were rather quiet in the newsprint industry in 1953. The Celler Committee came out with its final report in this year. It had learned a great deal about the law of supply and demand as it applied to newsprint production and price, but very little about any action involving violation of the anti-trust laws, the area
which it had been formed to investigate. Great Northern raised its price another $2.00 a ton, to $125.00, New York, on July 1st, leaving it again $1.00 under the market, if we have interpreted available figures correctly, but as far as we know, there was no other price action in this year, nor, with a lot of new production coming in, was there any for the next three years.

Some time in 1953, Frank Keenan, the Traffic Manager, and his assistant, Alan Hamel, were moved from Boston to Bangor. At this time, there were only four people in this department, one man being located in New York. Cleve Hooper, the fourth man, who had been the Company's Traffic Agent at Bangor and Northern Maine Junction for many years, disappeared in November of this year while on a hunting trip in the North Branch country, and no trace of him was ever found. Ashton Gourley and the Purchasing Department were still in Boston. The organization of the Sales Department had been somewhat augmented, and the New York office had acquired a statistician, Marvin Winship. Warren Daniell's Engineering Department and Pete Heuer's Bureau of Tests were together up to a total of 110 very active men, with the Apprentice Foreman program back in operation, and a real quality control and an incipient research program going. Dick Caspar was frequently in Bangor, but his office was still in New York at the end of 1953, as we remember. Lining up increased newsprint sales at the rate of some 60,000 tons a year, with more to follow, was no small task, particularly in view of the upcoming Bowaters Southern production, and at this time there were only six salesmen, plus two Assistant Managers and an office staff of sixteen.
The Annual Report for 1953, put out early in 1954, was a simple 12-page pamphlet with red and black color treatment -- the first departure from the traditional green -- containing the President's letter and the financial reports. However, it was accompanied by an imposing 52-page illustrated booklet, titled "A Greater Great Northern", from which the heading of this chapter is derived. It was intended to familiarize the public with the Company and its plans, and was the subject of much study and discussion. Information for it came from many sources, but it was coordinated by the writer, and designed and put together by Rufus Jones, of Simonds-Payson Company and Malcolm McGhie, a freelance New York public relations man. The name was Marvin Winship's suggestion, chosen by M. C. McDonald during a conference at which many others were suggested. Only six pages, mostly photographs, were devoted to the expansion, there being a section on this in the President's letter. At this time, the new wood room and wood handling facilities were in operation; the filter plant was nearing completion; steel had been erected and brickwork had been started on the new grinder room; the foundations for the Chemi-groundwood pre-treatment plant were being built; work was going on in the new office and machine shop area; steel was partly up and brick was being laid at the new machine room, and the frame of the boiler house was up, with the first boiler going in, although the aluminum exterior panels had not been put on. Things were going so well -- there had been, as far as we can remember, no work stoppages or delay on materials of any importance -- that it had been decided to go right ahead with the second step of the expansion, and No. 6 machine and other equipment, on all of which options had been taken.
out when No. 5 was bought, had been ordered in November, 1953. It was noted that the estimated price of the job had escalated from $32,000,000 to $38,000,000 based on changes in the Chemi-groundwood system and experience with costs to date, and at this point arrangements were made to borrow another $6,000,000 from the insurance companies on the terms previously noted, for a total of $38,000,000.

The rest of this booklet covered the past history of the Company, its current position and its future prospects, bearing heavily on its status in the newsprint field. At this time, consumption of newsprint in the United States was about the same as it had been in 1951, around 6,000,000 tons. Of this, the United States industry, which had recovered to some extent from the low estate to which it had fallen, and was gaining ground, was making about 21 percent, Great Northern accounting for nearly one-third of that, or about 6 percent of total consumption, and losing. The point made, by the use of charts, was that the expansion was to increase the Company's output by about 150,000 tons a year by 1960, which, if nothing adverse happened, would at least allow it to hold its sales position relative to the projected growth of consumption. Great Northern had about 250 contract customers, and was still heavy on small consumers, nearly 70 percent of its production going to publishers who used less than 500 tons a year, as had been the case throughout most of its history, and its price to them was no higher than it was to those with large contracts, which situation, as we have noted, being one of the reasons for its strong position in the marketplace. There was a section on specialty papers, but this
was devoted to the output of the Madison mill, it being deemed unwise to disclose the plan to get into specialty papers at the larger plants, as this might cause panic among the publishers who depended upon the Company to remain a power in the newsprint field. While this booklet was mailed to stockholders as part of the Annual Report, it was also used as a publicity piece, and got a lot of attention. It was like nothing that had ever been done in the time of the old Company.

1954 was some kind of a year. There was no change in the Board of Directors, the Executive Committee or counsel at the time of the Annual Meeting and the following meeting of the Board in March, but this was the year in which the organization began to change. The office of Vice-President, Engineering, was abolished, Roy Weldon, who had been directly in charge of the expansion project, and had become increasingly important to the Company, was made Executive Vice-President, and Robert Hellendale, a young lawyer from Carter, Ledyard & Milburn, who had been working for them on Company affairs for several years, and who had joined the Bangor organization in January as legal advisor, was elected Clerk. The other officers remained the same. In July, Emery Allain (1922 - ) a handsome, serious young man, previously with the Royal Lace Paper Works, who had been employed in April as Accountant, was made Assistant Controller. It appears that Donald E. York, who had been Assistant Auditor, had also been given this title on January 1st, and as he held it until April 15, 1955, it would seem that there were two men on this job during that period, but we have found that the records do not always reflect the actual situation. Emery Allain, incidentally, became
Controller in 1962, when Les Kewer went south. In September, Howard G. Brush was hired from the Brown Company of Berlin, N. H. and was elected Vice-President-Finance. He was also made Treasurer of the Company, B. C. Ward who was 72 years old, being retired.

Howard Brush (1903--1971), who was located in Bangor, was a big, slow-moving, slow-speaking man, a native of Buffalo, N.Y., who had been with Price Waterhouse, then for a number of years with Motor Products Company of Detroit before coming to the Brown Company to straighten out its finances. However, he could not get along with the Brown management, had quit this job, and was unemployed when he was picked up by Great Northern. He was employed and the Controller's Department was given to him because he was a smart financial man, and because the escalation of the cost of the expansion had caused the New York people to feel that Les Kewer could not control M. C. McDonald and Roy Weldon, who were spending money like it was going out of style. Howard Brush could not control them either, but there was no way of knowing that. We have no record of the salary at which he was hired, but the Directors had voted a figure somewhere between $25,000 and $30,000 a year. Anyway, he held this position until his retirement in 1968, being succeeded as Vice-President, Finance, but not as Treasurer, by Emery Allain. By the time Howard Brush arrived in Bangor, Dick Caspar was also there, and the President and all the Vice-Presidents were under the same roof, the offices now taking up the entire top floor of the Eastern Trust Building. The Insurance Department, that is, Sally Whittam, who still held the title Executive Assistant, was moved to Bangor in this year, and she was made Insurance Manager, at a salary of $7,200 a year, which was a substantial increase.
The Purchasing Department was also moved to Bangor in 1954, space having been found for it on the third floor of the building. This left only William O. McKay and his secretary, Doris Kimball, in Boston. Creighton Stanwood resigned, and Ashton Gourley was again head of the Purchasing Department, with the title Purchasing Agent. As none of the young women who had made up his staff in Boston would come to Maine, he had to put together an entirely new organization, which he was permitted to select, largely from existing mill office personnel -- Erlon Crowther and Scott Johnson from Madison, where the staff was being cut, and Jerry Michaud from East Millinocket. The Manufacturing and Woodlands purchasing departments were combined at this time, Jim Hooper, the Woodlands Purchasing Agent and his people, Leon White, Herman Chick and John Houston, being made responsible to Ashton Gourley. This made sense, but Jim Hooper refused to work by any rules but his own, and this resulted in a lot of friction. However, the arrangement was held together in one way or another until the Purchasing operation was moved to Millinocket in 1962, at which time it was split up again, the Woodlands purchasing department remaining in Bangor until 1965, when it too was moved to Millinocket and was augmented by some additional help. However, it was not placed under Ash Gourley, but under John F. Marquis, a new Manager of Purchases and Stores, hired from Georgia-Pacific at Woodland. Jim Hooper as Buyer for the Woodlands Deparment did not fit into this situation either, and was retired in 1969 at the age of 56. Incidentally, it was probably just before this time that the Woodlands Department rented for office space part of a steel building on Route 157 at the entrance to the town, owned by a local contractor. Within a few years it had taken over the whole property.
We have mentioned Ashton Elmer Gourley (1907 - 1971) many times, and will finish his story here. He was a clean-cut, good-looking man of average build, a native of Melrose, Mass. As we have noted, he had come to the Company in 1927 as a typist in the Boston office, and was a close associate and good friend of the writer. While not very strong physically, he carried out his duties well, and became a competent Purchasing Agent. Although generally well-liked, he was a man with rather fixed ideas, and was not entirely comfortable with new concepts. Nevertheless, he did all right until he was put under John Marquis, with whom he came into immediate conflict. At the time his department had been moved to Millinocket, he had acquired an assistant, Eugene Fairley, from one of the mills, and it was only a matter of months before the purchasing job was split up, Gene Fairley was given more authority, Ash Gourley's salary was cut, and not much later -- we believe in 1966, although the record is not clear -- he was forced out at the age of 59, after nearly 40 years of service. However, he was only one of the casualties of the organizational turmoil of that time. Gene Fairley lasted only a few years, resigning under pressure.

One of the results of the moves we have noted, and of special programs and increases in sales and service type staff, that had really begun before the arrival of M. C. McDonald, was that G&A (General and Administrative) expense, covering the sales office and other activities not directly charged to production, which was running about $1,250,000 in 1950, was up to $2,000,000 by 1954, and by 1962, near the end of our story, had more than doubled.
It seems to us that it must have been about this time that candy and ice cream dispensing machines were allowed to be installed in the mills. They were handled by an employee or an employee partnership as a private venture, part of the profit going to the union locals, who used it for charitable purposes. This operation later grew into a full-scale food dispensing operation, but we have not tried to follow its history.

Labor negotiations in 1954 were much more involved than those of the previous year. While we do not remember the circumstances, nor even that it happened at all, the 1954 Annual Report states that the paper machines at the East Millinocket mill had been run on a seven-day basis for the first four months of the year, on a special agreement, probably on a five day plus Sunday work schedule, resulting in a prohibitive amount of premium pay, so they must have been running this way when the conference opened on April 13th. At this first meeting, the Company offered a 4 percent general increase, hospital insurance for pensioners and sickness insurance coverage back to the first week after four weeks, in return for a one-year agreement for seven-day operation at all mills, with an alternate offer to extend the existing contract without change, for six-day operation. The 4 percent offer was higher than the pattern in the industry, but M. C. McDonald was willing, perhaps a little too willing, to put out for what he wanted. Mass meetings were held on this offer in all three towns, and it was rejected. A second two-day meeting, starting May 6th, was mostly talk, finally getting down to consideration of an agreement to run some number of Sundays, and was adjourned to allow the Company to prepare an
offer on this basis. During this meeting, there was considerable discussion of the disparity between Great Northern rates and those being paid in the eastern Canadian mills, the reason for this being that during the Korean War Canadian wage increases had been approved by the Government as dollars per week, on a temporary basis. However, at the end of hostilities, these had been added up and made permanent, translated into a percentage, which gave the most benefit to the higher-paid people, this putting the rates for some of these jobs above the Company's. Study of this situation was made by the writer, and at a third meeting starting on June 2d the Company again offered 4 percent, plus equalization with eastern Canadian rates where indicated, and the same insurance changes as in the original offer, again with the alternative of a one-year extension of the agreement then in force for six-day running. This too was rejected after mass meetings. These mass meetings were something new, but so was the idea of continuous operation at this point in time. Things got a little rough during all this, even some of the clergy in the towns getting into the act on one side or the other. While there was some lip-service to the seven-day concept, it became evident that it could not be sold for the money offered, and the Company was not willing to go any higher without some stronger evidence of commitment. Therefore, at a fourth two-day meeting starting June 9th, continuous operation was dropped as an issue, and a one-year settlement was reached on the basis of a 3 percent general increase and equalization with the Canadian rates, plus the insurance changes originally offered, and some individual adjustments. The equalization study resulted in another special raise for the Paper Makers, whose Standard Scale was run up to Class
74 to cover the new machines at speeds up to 2549 feet per minute, and about 3 cents an hour more for many of the higher-paid jobs in the Pulp & Sulphite organization and in the Trades. No. 2 machine at Madison had been shut down; the people there agreed that No. 1 could be run seven days a week; and a special agreement was made offering jobs at East Millinocket to men laid off at Madison, seniority rights being spelled out. This contract was signed by Fred Rochford for the Paper Makers, otherwise by the same International officers that had signed the year before, and 31 local delegates.

In March of this year the writer had asked Roy Weldon for permission to set up at the Penobscot mills a program of so-called industrial relations meetings with representatives of the locals, such meetings having been held at Madison for over a year. While we do not remember just when these were started; there is reference to an industrial relations committee in the notes on the 1955 conference, and it seems to the writer that it was some time before that. Meetings were held one month at Millinocket and the next at East Millinocket. The President and one man -- a different one each time -- from each local, the Mill Manager, Rod Farnham, and one superintendent or foreman -- also a different one each time -- participated, and the writer acted as moderator. This program started off a little shakily, but became very successful. No formal grievances; only the nitty-gritty gripes from both sides in connection with day to day operation were discussed, as the accumulation of these little irritations was often the source of greater troubles, and either action was taken on them, or acceptable reasons were advanced as to why this or that was done.
or could not be done, and the meetings gradually became more and more relaxed. They were carried on, with some interruptions, to the best of our memory, until the writer retired, although they were held less frequently after the first couple of years, by which time they had run out of steam, the point having been reached where there were actually almost no complaints, and they had served their purpose. We believe that a similar program was in effect after the writer's time, but it is our impression that it was not as productive as this early effort, so much change having taken place in organization and in attitudes.

Early in 1954, interest began to be evinced in Millinocket in the formation of a credit union. M. C. McDonald was very much in favor, and turned the matter over to the writer, who did the preliminary work with William J. Lynch, a Federal credit union organizer, and at an organization meeting on May 3, 1954 put together the highly successful Katahdin Federal Credit Union, suggesting the name, unashamedly hand-picking the Directors, committees and officers, to get broad representation, and making the qualifying deposit of $25.00. He holds Book No. 1. This unit took in all the employees of the Company, as we remember, except those at the East Millinocket mill, who wanted their own, and the smaller Eastmill Federal Credit Union was organized there in 1955, the same procedure being followed, except that the writer could not belong to this, and did not make the first deposit.

Although almost all available money was going into the East Millinocket expansion, a few other jobs were done at the Penobscot mills in 1954. Three Selectifier screens and a Jonsson auxiliary replaced the Bird screens on No. 4 machine at Millinocket and...
a Beloit Type M winder was installed on this same unit. These jobs marked the beginning of the production of groundwood printing papers other than newsprint at this mill. Some thought that this could be done with minor changes, but the writer insisted, at several conferences, having in mind his experiences at Madison, that if money were not spent on the necessary equipment and revisions in the stock system, these papers could not be made to meet specifications, and a great deal of such work was done later, some of which we will record. Three small metal buildings were put up in the yard as repair shops for wood handling equipment; a Beloit suction first press was put on No. 9 machine -- as the old Millspaugh rolls were removed they were held as spares for those of that type still in service -- and some changes were made on the first floor of the Administration Building to provide for an office for a guard at the road end of the building, an office for the Credit Union and more room for the payroll machines. At East Millinocket, selectifiers replaced the Bird screens on No. 1 machine, and the old log sluice and fishway were replaced with a new timber structure.

It has always seemed to the writer that the week before Christmas was a bad one for accidents, and in this year there was a tragedy in the Millinocket sulphite mill on December 24th. There were three men on the charging floor of the digester house; No. 1 digester had been filled with chips and sealed, and the second cook helper went down to the blow-valve floor to pump in the acid. By some aberration, he turned it into No. 4, which was empty, with the cover off; this digester pumped full and the acid spilled over onto the operating floor, running down the elevator shaft and stairwell, and around the other digesters. Such things had
happened before, but this was hot acid, which had been being used for a relatively short time, and the fumes from it were many times stronger than they would have been with the old system. The second helper was asphyxiated in the elevator. The cook and first helper started to run to an escape door leading to a bridge to the towers, and the cook got out, but the first helper turned back, for some reason, to a window which could not be reached from outside by any ladder, and died there. This was a sad Christmas all around the Company.

Stock was put on the wire of the new No. 5 machine on October 11th. Charlie Carrier did not bother to go up to the mill for the event, but the writer was there, and stayed there for most of the next two months. The first carload of paper from this machine was shipped on November 3d, but it was put together from the few fairly good rolls made up to that time. The fact was that with the start-up Murphy's Law immediately took effect, and anything that could go wrong did.

The crews for No. 5 machine had been selected from the men in the No. 1-4 room by bid, only active, agile people being taken, because things were going to happen fast and it was necessary to climb ladders to get up to the level of the wire and to the press part. In spite of preliminary training, some of them were afraid of this colossus, and some who bid for jobs on it did not stay, or were sent back to the old room under an agreement about transfers. They did the best they could with equipment with which they were not familiar, although we must say that there were some whose best was none too good, but this was only one of the problems, and they were too many to remember. The effect of the new hardwood groundwood
was hard to judge; the pressure head box did not work the way it was supposed to; wires were damaged or ran into wrinkles almost as soon as they were put on; the pick-up felt filled up; the boxes in the suction rolls froze; press felts ran off; there was no felt on the first six bottom dryers, and the sheet bagged on the front side at about the sixth dryer so badly that every so often it folded back on itself when it hit the felt and snapped off; and a snap-off in this dryer section was something to behold, as the sheet literally exploded, and it took two men to handle the thirty-foot spear if it went around a dryer, which it did frequently. Adjustment of the draws was critical, and the machine had to be run for a long time, for all kinds of reasons, at not much more than half the speed for which it was designed, at which point there was of course far too much dryer capacity and the sheet was over-dried, making it almost impossible to get any finish or to build a good reel; and brittle, so that it broke often at the stack or on the winder, the latter many times getting so far behind that the machine had to be shut down to catch up. A special crew had to be put on to slab down great numbers of rolls unfit to ship, and the only way to get this paper back into the hydrapulper was through the broke hole under the reel, this interfering with the work of the backtender. The paper broke over and over in the presses before it got through the dryers, and there was so much trouble at the dry end that the wet end pulper could not possibly handle the resulting press broke, which was piled up eight feet high the length of the basement many times. Some of these things did not happen one time, but again and again, for months, and made the management wonder whether they should not have stuck with Rice Barton, who knew something about building a newsprint machine.
However, all the troubles were not in the machine room. There was difficulty finding the proper feedwater treatment; the front journal of No. 1 groundwood thickener broke, dropping the cylinder into the vat; all kinds of trash, like an old shoe, banana skins and broke worked through the piping into the stock meters, although the system was supposed to have been flushed out; there were frequent electrical failures, shutting down one part of the mill or another, sometimes the whole works, and the safety valve blew off so often with such a roar that it disturbed the whole town, and a baffle had to be put up around the exhaust head to cut down the noise. The entire plant went down once when a small sheet metal screw which had been driven through a cover plate into the copper tubing of the vacuum control line to the boiler house draft fans was removed. All the troubles in other parts of the mill could be and were corrected without too much difficulty, but the problems on No. 5 machine were hard to figure out. The things we have mentioned, and more, went on, as we have said, week after week, with the machine down much more time than it was in operation, and the result was that the mill did not make as much paper in 1954 as it had been turning out several years before, and while the new machine was running a little safer, at around 1650 feet, as we remember, by the end of the year, it was a long way from coming up to expectations.

Late in the year, the Vice-Presidents all got salary increases, Dick Caspar going to $32,000; William Hilton and Roy Weldon to $30,000 and Charlie Carrier to $28,000; and Les Kewer, the Controller, was raised to $16,000. Salary increases in these first years of the Greater Great Northern were not confined to the officers; the writer went to $18,000 on January 1, 1953, and to $20,000 on
January 1, 1954. As we have said, M. C. McDonald put his money where his mouth was, with regular increases and other benefits for people all over the upper and middle management group, wherever they seemed to be warranted. This largesse, however, did not get down even-handedly to the front-line troops.

Meanwhile, by December 31, 1954, a total of $32,000,000 in long-term loans had been taken down, work had been started on the installation of No. 6 machine and its supporting equipment -- No. 10 line of grinders had started up in October--and the second boiler was going in. It had become clear that there was not going to be enough money to finish the job, and in June an issue of 150,000 shares of 4.4 percent preferred stock, $100.00 par, had been authorized, of which 100,000 shares were outstanding at the end of the year, a sinking fund provision requiring that some part of the stock be retired each year, starting in 1959, the Company having the option of calling it all at any time, at a declining premium.

There was no change in the Board of Directors, the officers or counsel in 1955, except that Dick Caspar had his title revised to Vice-President in charge of Sales, but the Executive Committee was reconstituted, William O. McKay retiring, and M. C. McDonald becoming Chairman, the other members being Dick Caspar, Dick Croft, Peter Paine, Fred Trask and Roy Weldon. The only major change in the nature of the Annual Report was that a ten-year statistical comparison was added, former reports having compared the figures only with those of the previous year.
While work proceeded on the so-called second phase of the expansion at East Millinocket and on changes at the Millinocket mill, it was necessary for the management to turn its attention again to labor negotiations. The attainment of an agreement to run the mills seven days a week was now a matter of over-riding importance, and this year had to see the showdown.

It was usual for the unions to notify the Company of their desire for negotiations prior to the expiration of an existing agreement, the contract providing for automatic extension if not amended or terminated. As evidence of its intention in this year, however, the Company got there first, putting out a 60-day notice calling for a conference, and stating that it would consider the contract terminated if agreement were not reached by May 1st. In addition, M. C. McDonald had declared that if the men did not want to run the machines on Sunday, there would be no Sunday work for anyone; pulp production during the week was pushed up, shutdowns for repairs were being taken as needed, and no Sunday work was being done at all, except in the power plants.

By the end of the first conference, which started on March 22d and lasted four days, the Company had offered to adjust upward any rates that were lower than those paid in the Southern newsprint mills (these had already been surveyed by the writer, and they were high, as these mills had had to buy their men from other plants); a general increase of 4 percent with a minimum of 8 cents an hour; an Easter Sunday holiday; a general $2.00 a day increase in hospital benefits, additional sickness benefits, and a change to vacation eligibility as of the employee's anniversary of employment.
instead of a fixed date. The original offer for a general increase had been for 3 percent with a minimum of 5 cents, but John P. Burke, who was present at this meeting made it quite clear that this would not buy what the Company wanted. Neither did the larger offer.

At a second meeting starting on April 8th and running into two days, the Company offered a non-paid Sunday shutdown when a holiday fell on a Saturday or a Monday, a fourth week of vacation after 25 years of service and overtime for tour workers, on top of the above. This was turned down because the money offer was not considered high enough. By this time the delegates were beginning to take seven-day operation seriously, but the Pulp & Sulphite wanted to put it on a straight five day plus Sunday working schedule instead of the Southern schedule offered, which was not acceptable to the Company. At a third meeting on April 18th and a fourth on April 22d, the Company refused to make any more money concessions, and while this position was not accepted, there was a great deal of argument over work schedules, the Pulp & Sulphite day workers insisting that they should be allowed to work every other Sunday, the mechanics equally insistent that they should not be required to work more than one Sunday in four, and the Firemen & Oilers still objecting to the Southern schedule. These points were taken under consideration, but the amount of the wage increase had not been settled, and the unions called for a Federal mediator, for the first time in history, to our knowledge.

At the fifth meeting, starting on April 26th, the mediator met with the Company and unions together, then with the Company and union representatives separately, but was not present when the two
got together again and finally came to agreement, the one-year settlement being that offered at the March 22d and April 8th meetings, with the provision that the Southern tour schedule was not sacred, and that the men in each department could pick their own, provided that it did not result in more than 48 hours pay for 42 hours work in a four-week period. Production day workers were to work every other Sunday, and mechanics not more than one Sunday in four.

Negotiations were then under way for the sale of the Madison mill, and the 1954 agreement was extended without change as it applied to that plant, with the proviso that if the sale did not go through a new contract would be worked out with the Madison people and would be incorporated in the general contract. The Madison boys, cooperative as always, went along with this, although they were disturbed by the prospect.

This was the most expensive settlement made to date, running to over $2,000,000 a year; $800,000 in increased rates, and $1,200,000 for double time on the Southern or equivalent schedule, but M. C. McDonald had put a lot of pie in the sky, and it was costly. There were no new International signatures on this contract, and it bears the names of 34 local delegates, including Hollis Ward, who, as we said in another place, later went on to become an International Vice-President, one of the very best, in the old tradition, and Jim Adams, who a few years later became the Company's Manager of Personnel.

There was a lot of work to do after this conference. A whole fourth crew of tour workers had to be found, to begin with. The
Paper Makers adopted the Southern schedule, but some of the other departments came up with weird and wonderful schemes which had to be tried, and gave a lot of trouble. There were not enough mechanics under the new arrangement, and there were other problems that had to be ironed out, even special provisions for a few men who refused to work on the Sabbath for religious reasons, but it was rather curious how the extra money erased the scruples of many who had opposed the move on that ground. However, in spite of all that had happened over these two years, and the minor squabbles that followed this agreement, no real ill-feeling was generated, nor as far as we know was there any serious strike talk. All negotiations were between people who knew and trusted each other -- M. C. McDonald had left most of the work to Charlie Carrier and the writer -- the unavoidable hard words were soon forgotten, and before the contract year had passed it would have been difficult to find more than a handful of men who would have gone back to the old arrangement.

In this year, the old Waterous second screens on groundwood at Millinocket were replaced with new lithcoated Cowans, with stainless steel stock spouts. A vacuum car unloading system was installed near the Kamyr building, and a clay slurry tank was put in this building or an addition to it, and pipe connections were made to new clay storage and mixing tanks in the beater room; two new deckers, a tile chest, pumps and piping were installed to get flat screened sulphite for Nos. 3 and 4, all this to assist in making specialty papers on these machines. A new locker and wash room was built on the mezzanine at the south end of the beater room and provided with modern tiled showers. From this point on, all washrooms were tiled,
with up-to-date shower and washroom equipment. As the linings in the digesters wore out, they began to be replaced with an acid-proof type, Nos. 1, 2, 6 and 7 being so lined in this year; a 9-foot diameter 12 disc American filter was put in as a thickener on groundwood to increase decker capacity and reduce stock loss, and the car unloading conveyor extending out by the Administration Building, together with the uptake from it to No. 2 pile were entirely rebuilt. At East Millinocket, a brick building was put up around the sulphite hyrapulper; a new locker and wash room was built for the crew of the old grinder room and the screen room, and, on the expansion project, additional equipment was added to the feedwater treatment plant; the second boiler, duplicate of the first, went on the line on August 1st (the second turbo-generator was not put in at this time) and two more Chemi-groundwood pre-treatment digesters, along with Nos. 11 and 12 grinder lines, were installed. Two of the barracks buildings for the construction crew were cut up, set on foundations built on Spring Street, and sold as five dwelling houses, three finished inside, the other two only shells.

Stock was put on the wire of No. 6 machine, 290 inches wide, trimming 272 inches, very much the same as No. 5 except for the press part, in which there were substantial differences, on August 8, 1955, and it made shipping paper on August 10th. With the experience gained on No. 5, there was less start-up trouble on this unit, but it was a long while before it got up to speed. With the start-up of the second machine, the expansion program at East Millinocket was substantially completed. Originally planned to be carried out in two separate steps, and there is indication
that at some time three steps may have been contemplated, it actually was, as we have said, a continuous job, the only work of consequence remaining undone at the end of 1955 being the installation of the second turbo-generator and the usual additions of smaller equipment, alterations in equipment as installed, to correct oversights or error in construction and design, and clean-up, which in itself was quite a project. It had been administered almost entirely by old Company people under the new president's leadership, with little more outside help, relatively, than on any previous job. Only two or three men who had not been with the Company for a long time were in management positions while all that we have described was going on.

We might say that it was more than four years after the start-up of No. 5 that the big machines got their problems of production and quality squared away, and in the process they chewed up a lot of paper makers who could not stand the strain, and a lot of supervision that could not solve the problems. During the first few months that No. 5 was in operation, the room was crawling with "experts" of all kinds. To the best of our recollection, however, when No. 5 machine started up, the head man in the new room was Erwin O'Mara, an old-timer who had been foreman on Nos. 1-4, but we may be wrong. Anyway, we know that he was in No. 5-6 room, either as Superintendent or in an advisory capacity in May, 1955, when he went home from work and died in his chair of a heart attack. We then have a hiatus of some months. The next man of whom we find record was Homer L. "Slick" Lusby, who was hired from the St. Regis mill in Jacksonville, Florida, in August, 1955, and resigned in August, 1956. He was not
a newsprint man, and just could not cut it. He was followed immediately by Vaughn Fitzherbert, a native of Mattawamkeag, who when the writer went to East Millinocket was the youngest machine tender in the mill. He had been Night Paper Room Foreman in 1949 when he went to Canada, was Superintendent, we believe, of the James MacLaren mill at Buckingham, P.Q., and was with the Quebec North Shore Paper Company in August, 1956, when he was employed to take over the new room. He had lots of experience with high speed, and should have had the solutions, but did not, and resigned in June, 1957. We are quite sure that Ned McKenzie, from the old room had a crack at it, perhaps in the gap before Slick Lusby, but he could not make it; went back to No. 1-4 room, and suffered a crippling heart attack in 1958. At some point the writer had also coaxed a reluctant Jerry Kimball down from Millinocket to see what he could do, but he threw up his hands after a few weeks and went home. Vaughn Fitzherbert was followed on August 1, 1957 by Marty Roach, a local boy, a very smart, quietly determined character, who had been a backtender on No. 5 when it started up, and had been made Assistant Superintendent of No. 5-6 room earlier in the year. No. 6 machine had made an experimental run at 2250 feet in December, 1956, and we believe that both machines were making paper at 1750 to 1800 feet by that time, but it was not until he took over that real progress in eliminating operating troubles was made.

The use of a percentage of the new Chemi-groundwood in the furnish was blamed for much of the trouble on these machines, and it was probably part of the problem, but they did not produce without it, either. The fact was that they were just not built
for newsprint, and very substantial changes had to be made before they got up to 2500 feet per minute. It was found, for instance, that the fourdriniers vibrated at high speed, and heavy skimmers, deflectors and stiffer table rolls were installed. At about the same speed the head boxes filled up, and new inlets had to be put in and other changes made. It was then found that the quality of the sheet was not good enough, and new centrifugal cleaners along with deculators, which we will not describe, but which eliminated foam, were put in. This was still not enough and breaker stacks were added. After all this was done and the machines were speeded up, there was not sufficient dryer capacity, and thermo-compressors were provided. A lot of other things were done, in no order of report, because no sooner was one trouble corrected than another turned up. Anyway, it is Marty Roach's recollection that it was the winter of 1958-1959 before Nos. 5 and 6 were running consistently at just over 2500 feet. As this is written, they are operating at 2450-2500 feet, but there is no Chemi-groundwood in the furnish.

It will have become evident in the course of our story that for over fifty years Great Northern's simple organization had not changed greatly; that new positions were created infrequently, and that title changes were mostly in the middle echelons as the Company required more manpower in that area. For a long time before 1951, promotion had been from within, and there had been very little hiring from outside for higher-level jobs. Just before and during the expansion, however, a number of men had been taken on from "outside", and had been placed in positions, mostly in the technical area, which put them in line for advancement without having long years of service behind them. Now all at once the Company was
nearly 50 percent larger, in terms of productive capacity; it had augmented its work force, it needed more people in administrative positions, and this brought about new policies, and with them rather bewildering changes in organization that did not take place all at once, but which have been a continuing process ever since. Within the scope of this work, as far as organization goes, we can explain only some of the early moves, and those not very clearly, for the reason we have given so many times; we have to have names, and names, without a massive search of the Salary Record files, far too extensive for us to undertake, are a matter of memory, and the writer's memory is particularly faulty in this respect. However, we can give some little indication of the nature of the changes, and we can tell something about some of the people involved, reaching ahead in time in some cases, in our usual digression from the thread of the story.

On January 1, 1955, the name of the Bureau of Tests was changed to "Research and Control Department", and Pete Heuer, who had been Superintendent of the Bureau, and who had been made Technical Director the year before, became Manager, Research and Control. John H. Heuer, pronounced "Hoyer" (1917 - 1972) was a native of Carthage, N.Y., but his family had moved to the West Coast when he was six years old. Graduated from the University of Washington in Chemical Engineering, he had worked for the Oxford Paper Company and the Diamond Match Company; served as an intelligence officer in World War II; became Technical Director of the Newton Falls Paper Company in 1946, and was later Technical Director of the St. Regis Paper Company, where he had been involved in their Chemi-groundwood and coating research projects. It is our impression that he had also
managed a mill for the A.P.W. Paper Company before coming to Great Northern in 1951, but we may be mistaken about this.

It would take a much better character analyst than the writer to do justice to Pete Heuer. He was like nothing the Company had ever seen in the writer's time, and he made more waves than a hurricane. He was a big, burly man, with red hair, a face like a Kewpie doll, a good deal of ability and a complex personality governed by a towering ambition. Naturally outgoing, he made use of this trait to further his ends, treating everyone like a close friend, but using people to keep him informed on what was going on almost everywhere, and laying devious plans accordingly, sometimes on erroneous opinion. Ruthless in his determination to get ahead, he made enemies, but it was hard for anyone to stay angry with him for long. He was what is conventionally known as controversial. Nobody was ever quite sure where he stood with him. For instance, he disagreed with many of the writer's policies as Manager of Personnel, but continuously asked his advice, and when some years later he became president of another company, immediately called upon him to serve as industrial relations consultant to his new connection. At this stage, he had become very influential with M. C. McDonald and Roy Weldon because of the importance of the Chemi-groundwood plant, of which he was the sponsor, and his success in the establishment of a quite sophisticated research and control organization. We will have more to say about him as we go on. David Pollard, Assistant Manager of the Bureau, was made Technical Director at this time. There will be more about him later, too.
At the same time, the heads of the mill organizations, who had been Superintendents since the beginning of the Company, were given the title Mill Manager, along with salary increases, and we believe the Assistant Superintendents were made General Superintendents, this, in theory at least, taking some of the load off the Mill Manager and giving him more time to devote to the longer view, while the Superintendent ran the mill.

We do not recall who became Assistant at East Millinocket; it may have been Art Levensailor, but at Millinocket it was James A. McLean (1908 - ) a local boy whose father, the famous Scotty McLean, was a machine tender on the wrapper machine all his working life. Jim McLean had started with the Company as an Apprentice in 1934, after having worked for the W. T. Grant Company somewhere in New York state; had been Assistant Foreman in the Millinocket groundwood mill in 1940, Night Foreman in 1942, and Foreman in 1945. In 1948 he was made Assistant Superintendent at Madison, and in 1952 Assistant Superintendent at Millinocket. He was a tall, fine appearing, affable, courteous gentleman, with considerable ability, but he was inclined to involve himself in detail, and deliberated too long over immediate problems because he wanted to know what the result of his decision would be ten years thence. He held his new position for only three years, when he was made Manufacturing Coordinator, one of the new jobs of that time, where he had somewhat the same problem, and retired in 1967, not entirely of his own accord, and went into private consulting practice, for which he was well suited, and at which he was quite successful.

Going back to January 1, 1955, the writer was appointed Manager of Personnel on that date, and was told to proceed to set up a
Personnel Department, which was also to handle industrial relations. The Company had never had a Personnel Department, and there was real need for it, the administration of things usually taken care of by such an organization being scattered around the mill offices and the Controller's department, and while relations with the employees, as we have said, were good, there were more and more individual problems arising out of the changing times, the increased work force, containing a lot of newcomers, and the new provisions of the labor contract, on which the people running the mills and offices were spending too much time. The new department was intended to eventually function Company-wide, covering both hourly-paid and salaried employees, but the instructions were to start small and move slowly, as much of the work it was going to do had been the prerogative of the established parts of the organization since time began, and the responsibility for it had to be gradually and diplomatically transferred without putting any noses out of joint. The new Manager of Personnel was also given overall charge of the Company's insurance program, the administration of the townsites, the Great Northern Hotel, advertising and public relations. His salary remained at $20,000. Frankly, he was not happy with this development, preferring manufacturing operations, but being a good soldier he proceeded to do the best he could, making haste slowly.

Although some new titles were made for the occasion, the original Personnel Department consisted almost entirely of people already on the payroll -- the Insurance Manager, the Townsite Manager, the manager of the hotel, the first aid room staff, a Safety Engineer, a safety man at each mill and one in the Woodlands Department; Rod Farnham, transferred from the Controller's Department
as Service Director about the middle of the year to handle personnel problems at both mills, bringing much of his old job with him; and later in the year Bill Praught, also from the Controller's Department, as Service Supervisor, the idea being that he would act as a sort of circulating industrial relations man (he was an enthusiast on that subject, but was not a good choice, as he rubbed the mill people the wrong way, and wound up handling Social Security). Rod Farnham, however, although he too was rather abrasive, had a deep insight into peoples' motives, and was a tower of strength to the writer, who continued to carry on some of the duties of Assistant Manager of Manufacture, as no one was appointed in his place until the middle of 1956. The only additional people were two clerk-secretaries, one at Bangor and one at Millinocket. Roy Weldon was loath to turn loose money for additional staff, and the writer lost nearly eight months in 1957 and 1958 on account of illness, but in one way or another, without going into details, by August, 1959, the Personnel Department had at Millinocket an Assistant Manager, a Service Supervisor, a Training Instructor and a clerk-typist, the nucleus of what was later called Central Personnel; a Personnel Supervisor, a Personnel Assistant, a Safety Supervisor and a clerk at each mill; a Safety Director and two Safety Supervisors in the woods and a Safety Engineer at large -- all the basic elements of the present-day Personnel Department. In addition, there were the Insurance Manager and a secretary (Tom Flanagan, who is the Company's Insurance Manager as this is written) at Bangor, and an Insurance Administrator at Millinocket; the doctors and nurses, the Townsite Manager and the manager of the hotel.
It had not arrived at the point, however, where it had much to say about the recruiting or promotion of salaried people; its function in this area being mostly to wipe up the blood.

While it is not appropriate to give the names of all the people in the department, we should mention the Townsite Manager. Bryan Seelye, who had been handling townsite affairs for a long time retired at the end of 1955, and the writer prevailed upon John F. "Jack" Ward (1904 - 1973) a local lawyer, who had been acting as counsel and a sort of assistant to Bryan Seelye, to give up most of his practice and take over the job. Jack Ward was a native of Millinocket, a graduate of Boston University Law School, and had practiced in Maine since 1927. He had been elected to the Maine House of Representatives in 1943, and served until 1948, being majority floor leader in 1945 and 1946, and Speaker of the House in 1947 and 1948. He was elected to the Maine Senate in 1949, and was President of the Senate in 1954. He had had a problem with alcohol, which he had overcome by the time of which we are writing; was very popular in the town, and was involved in all kinds of local activities. He acted as lobbyist for Great Northern after leaving the State House, and in 1966, while still serving as Townsite Manager, was made Clerk of the Company. He was a good man, very effective in his quiet way, and was a good friend of the writer's.

Efforts had been made in past years by the U.S. Department of Labor and the Maine Apprentice Council to establish training programs for mechanic helpers in paper mills, and we believe that at least one half-hearted attempt had been made by the Company, ending in failure because the maintenance department heads did not want to bother with it, and nobody higher up had given it any backing.

The Greater Great Northern -- 69
Some time late in 1954, Steve Kaler, the Federal representative in charge of the program, laid the matter before the writer, who decided that it was something the Company should be into, as at this point about the only thing a machinist helper, for instance, was allowed to do was pass tools and run the bolt gagger and the drill press, and really had to learn his trade after he got to be a journeyman by seniority. Getting into this program meant a lot of arm twisting, a lot of educational work with the unions involved, determination of testing procedures, the choice of a source of related instruction, and so on, and this is a long story, but the result was the signing of the first Apprentice Agreement, with the Millinocket machinists, on February 14, 1955. This was followed by similar agreements with the Millwrights (Carpenters & Joiners) at Millinocket in July, the Electricians at Millinocket in September, and the Machinists, Millwrights and Pipers at East Millinocket in October. The Pipers and Electricians at East Millinocket and the instrument men there, who did not have a separate union but had to have special skill, signed up in January 1957. The program went well from the start, being conscientiously administered by the union committees, not one of which allowed any goofing off; by Earle "Bud" Vickery, Jr., borrowed from the mill engineering crew to act as coordinator, later replaced by Wally Adams, and the first class of machinist apprentices was graduated at a dinner ceremony on May 14, 1958. When the writer retired in 1959, he had a similar plan for paper makers in the works, but this was far more involved than the others, and was not put into effect until June, 1962. It was the first apprentice program for paper makers ever instituted anywhere. An agreement with the instrument men at Millinocket had been signed in January
of that year. Apprentice training is still being carried on as this is written, and has been a boon to the Company. It was later adopted in other mills, at least for the Trades, but Great Northern Paper Company and the writer personally have been given credit for establishing the first successful Apprentice course in a Maine paper mill.

The Madison mill and most of its timberland was sold, under the circumstances noted in the chapter on that plant, in July, 1955. At that time, we said that the price was $2,500,000, and this figure came from reliable sources, but according to the Annual Report for 1955, a total of $2,831,000 was received for the properties, and this was used to retire some of the preferred stock. At the end of the year, therefore, long-term debt stood at $38,000,000; there were 75,000 shares of the preferred stock outstanding and the Company had about $7,500,000 in cash and Government securities, which it had bought for income, on hand.

There was again no change in the Board of Directors in 1956. However, William O. McKay died suddenly on September 14th. The memorial resolve of the Board adds nothing to what we have said about him, and we will not quote it. He was replaced by Kenneth C. Brownell, President of American Smelting and Refining Company. The Executive Committee and counsel remained unchanged. With the addition of Howard Brush, the officers were the same. However, he was elected Vice-President, Finance, and the duties of Treasurer were taken over by Don York, a native of Howland, Maine, who had been employed in 1934 as a freight clerk; had risen to the position of Assistant Controller by 1954, and had been made Assistant Treasurer in 1955. Donald E. York (1912 - ) was another well-built,
good-looking man, capable, but contrary, and not highly popular with his peers. However, he held the position of Treasurer until 1968, when he resigned to accept a similar job with Fraser Companies, Ltd., under circumstances that we will explain later.

Elsewhere, this was the year of the beginning of a period of change in organization which seemed to follow a policy of having two men in many places in the upper and middle levels of management to do the work that one had done for so many years. This is perhaps not quite a fair statement; additional personnel, supervisory and otherwise had been being added since the 1940's, but this had been a gradual process which commenced to accelerate, and what happened was of greater moment than adding to clerical help or putting on assistant foremen. We can follow it only superficially.

A sales office had been opened in Chicago in 1955 -- it had been more than fifty years since there had been one there. The sales force in New York was further enlarged and re-organized to handle the problem of increased newsprint production on the one hand and the gradual shifting of newsprint machines to other grades on the other, and it seems to us that from this point on the Sales Department has been in a constant state of change. Robert A. Haak, whom we have mentioned several times, was made Manager of Sales, adding another level of management to that department.

As we recall, it was in this year or the next that the Sales Department used the Company's first pass-out advertising gimmick. Dick Caspar had been in South America on a sales trip; had come home a little embarrassed by having had no memento of Great Northern
to leave behind; and the writer obtained fifty Zippo lighters with a little "GNP Co." medallion on them, which Dick Caspar sent back to the people he had visited. This was the beginning of a long line of such hand-out material, which we are not going into.

At the mills, another level of supervision, Pulp-Mill Superintendent, in charge of all pulp production, was added, and it was also in this year or the next; information is confusing; that the foremen of the various mill divisions -- the groundwood mill, the sulphite mill, the paper room, and so on, generally began to be called Superintendents, so that there were several levels with the same title. This process had begun, however, in one job or another, at least as far back as 1954.

On July 1, 1956, Pete Heuer was made Assistant Manager of Manufacture to replace the writer, having promoted himself for this job by every means at his command. He did not move to Bangor, but made his headquarters at East Millinocket, where there was office space available, and proceeded to act very much like a full manager, largely ignoring Charlie Carrier, to whom he was technically responsible. Warren Daniell became Manager of Engineering and Research, taking charge of both the Engineering and the Research and Control Departments, with Jim Starkweather as Chief Engineer and Dave Pollard as Technical Director; another doubling-up of management in that area.

Other changes had taken place by this time, growing quite naturally, we suppose, out of the enlarged and more complex organization, one of particular significance being that the old rule that all communication was between department heads, or with
their specific approval, had gone out the window. Many people at many levels in many parts of the Company were now dealing with many others in other parts of it, as well as with outside connections, with a resulting loosening of control and more or less misunderstanding and friction. We are not going to dwell on this. It was probably inevitable, but it did much to destroy traditional relationships within the organization, and to change the image of the Company to some of those outside it.

Early in 1955, the consumption of newsprint in the United States had jumped sharply and unexpectedly, bringing rumors of higher price, with all the manufacturers watching each other and the publishers watching the manufacturers and making efforts to get them to exercise restraint, since the price situation had been relatively stable for some time. A House sub-committee, headed by Rep. Arthur Klein, of New York, began an investigation of the adequacy of supply, reporting that there was no guarantee that the publishers would get all the paper they needed, and there was some outcry about the fact that while the costs of production were rising, profits in the newsprint industry were very high. Nevertheless, in October of that year the St. Lawrence Paper Company, an unlikely leader, had raised its price by $5.00 a ton, to $131.00, New York. Abitibi had immediately put out the same increase, and International, which had announced plans to build a newsprint mill in the south, and had already put one of its old United States plants back on news, went up $4.00. This evoked the usual noises from Washington, but they were not very loud, and almost every producer except Great Northern followed either St. Lawrence or International. The Company waited until February 1, 1956 to announce an increase of $5.00; making its price $130.00, New York,
the same as International's, and within a short time the whole industry had dropped back to the same figure, and had rebated to January 1, 1956. This increase brought the Klein Committee and a Senate Committee on Interstate and Foreign Commerce, headed by Sen. Warren Magnuson, to their feet, but not much came of their inquiries, which were largely devoted to the plight of the small publisher. We do not recall that the Company had any problem, although Dick Caspar was called to testify as to the need for the move, as most of its regular customers were small anyway.

In April, 1956, the pension plan for hourly paid workers was re-negotiated for another three years on a liberalization of the rather complicated formula of the 1953 plan; vesting, an early retirement provision and a joint annuity option being added. The minimum benefit at this time, incidentally, was $48.00 a month. Later in the year a trust was set up, and the plan was funded, the cost of funding to be amortized over a 30-year period.

The 1956 labor negotiations, now for the Millinocket and East Millinocket mills only, were concluded in one meeting starting on April 26th and lasting three days, and with business and earnings good, the settlement was liberal; a 7 percent general increase with a minimum of 12 cents an hour; an increase in the shift differential from 0-4-7 cents to 0-5-10 cents; vacation pay based on each week being two percent of the previous year's earnings; eligibility for sickness insurance after the first week shortened to 21 days of illness, and some miscellaneous adjustments. The one-year agreement was signed on the fourth day by all the now-familiar International officers and by 29 local delegates, and everyone went away happy, although this year a few delegates who were chronic critics of the
management and who were almost impossible to satisfy about any-
ting began to show up among the men from the locals.

The foremen in the mills were not so happy, their gripe being
that the union people were getting all the gravy; that some of
their men were now receiving wages higher than their salaries,
and that they were losing the advantages they had had in life
insurance and vacations. This dissatisfaction was strongest at
the Millinocket mill. Charlie Carrier and the writer went up there
and sat them all down together in an unprecedented move, listened
to their complaints, which were in some part legitimate, and after
some study, corrective action was taken at both mills.

The first banquets for retired employees were put on by the
Personnel Department in the spring of 1956. We use the plural
because there were two, one for union men, the other for salaried
people. This arrangement was in effect for some years, after
which the two groups were combined, and this banquet has been a
popular annual event ever since. This first affair was very small,
probably not more than fifty people altogether, including the
local union officers, who were invited to handle the details for
their group.

The Salary Record system was also changed by the Personnel
Department in this year, each record being transferred to a master
form which was kept in the Salaried Payroll Department file, changes
in salary or status being authorized by a separate form, so that
it was no longer necessary to mail the Salary Record itself from
one office to another for signature. After this system got squared
away, it was a big improvement, but it has proved to be a handicap
to the writer, who has been able to determine in some cases who was in what mill or department from the old forms, which bore the signature of the Superintendent. After this year, however, this was no longer possible.

Not much general work was done at the mills in 1956. At Millinocket, a new recovery tower was installed in the acid plant, the third Jenssen tower being returned to its original use, and a battery of Vorvac centrifugal cleaners was put on No. 4 machine, which was making publication grades. The old construction barracks buildings at Ripogenus had been converted at the end of the McKay station job into four apartments for some of the operators, and one bedroom was added to each of these. At East Millinocket, the second turbo-generator, which we believe was a duplicate of the first, but by a name-plate change was rated 15,625 KVA, was installed in the new boiler house and put on the line in October; No. 3 machine reel was rebuilt to make 72" diameter reels and the old winder from No. 4 at Millinocket was moved down, remodelled and installed on this machine to make 60" diameter rolls of white 9-point, used by Hankins Container for light bulb cartons; propeller type agitators were put on the two steel outside ground-wood storage tanks, and a new clay system, similar to the one at Millinocket, was installed at the location of the Chemi-groundwood pilot plant.

However, with the expansion at East Millinocket completed, for all practical purposes, the Directors had authorized an extensive modernization program at Millinocket, intended to result in 1800 foot per minute speeds on the machines, which by this time had been pushed up to 1200 feet. This program was also to be carried
out in several steps, the first being the construction of a new modern steam plant similar to that at East Millinocket, but with three boiler units and three turbo-generators. As at East Millinocket, this involved the removal of all the old Corliss engines on the paper machines and their replacement with turbines and mechanical differential drives, all at an estimated cost of $17,000,000, no additional financing being contemplated. The steam plant job was started by Stone & Webster with little fanfare early in 1956, the new bright aluminum boiler house with its three stacks being built on Shack Hill, just about where the old Powers farmhouse had been in 1899. Two 2,300,000 gallon oil storage tanks were located about 1000 feet directly south of the old machine shop, with new trackage and earth dykes. Insulated steam and water piping were run to the mill overland, on an elevated steel structure. As nearly as we can recall, it was about this time, and partly because of this job, that the Company construction crew, under the direction of the Engineering Department, mentioned in another place, was organized.

At the end of 1956, long-term debt, preferred stock outstanding and cash and securities on hand were almost exactly the same as they had been at the end of the previous year. However, where there had been 998,330 shares of capital stock outstanding in 1951, there were now 1,036,727 shares out, and this may be a good time to inject some of the usual statistics for the period under discussion, as far as we have the figures, and to examine briefly the circumstances surrounding them, as well as we may.

The increase in the consumption of newsprint and the continued growth of the United States industry is indicated by the following:
<table>
<thead>
<tr>
<th>YEAR</th>
<th>U.S. CONSUMPTION TONS</th>
<th>U.S. PRODUCTION TONS</th>
<th>CANADIAN PRODUCTION TONS</th>
<th>CANADIAN EXPORTS TO U.S. TONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1952</td>
<td>5,988,000</td>
<td>1,146,900</td>
<td>5,687,100</td>
<td>4,835,000</td>
</tr>
<tr>
<td>1953</td>
<td>6,143,000</td>
<td>1,084,000</td>
<td>5,721,300</td>
<td>4,861,000</td>
</tr>
<tr>
<td>1954</td>
<td>6,163,000</td>
<td>1,211,000</td>
<td>5,984,200</td>
<td>4,875,000</td>
</tr>
<tr>
<td>1955</td>
<td>6,638,000</td>
<td>1,552,000</td>
<td>6,190,600</td>
<td>5,070,000</td>
</tr>
<tr>
<td>1956</td>
<td>6,899,000</td>
<td>1,717,000</td>
<td>6,468,800</td>
<td>5,229,000</td>
</tr>
<tr>
<td>1957</td>
<td>6,820,000</td>
<td>1,825,000</td>
<td>6,396,500</td>
<td>5,054,000</td>
</tr>
<tr>
<td>1958</td>
<td>6,600,000</td>
<td>1,757,000</td>
<td>6,095,600</td>
<td>4,826,000</td>
</tr>
<tr>
<td>1959</td>
<td>7,103,800</td>
<td>1,904,000</td>
<td>6,394,200</td>
<td>5,117,800</td>
</tr>
</tbody>
</table>

The increase in United States production up to 1959, the latest date for which we have figures in our files (later ones are available, of course, but it has not seemed necessary to obtain them) was largely due to the construction of the Bowaters Southern mill in 1954 and two International mills, one at Mobile, Alabama in 1956 and one at Pine Bluff, Arkansas, in 1958. Great Northern was only an interim factor, as by 1959 specialty output offset the additional news capacity of the two new machines. By 1959 the production of U.S. mills was back to around 30 percent of U.S. consumption, and while there has been a lot of further expansion in the south; Cox Newsprint, Inc. at Augusta, Georgia, in 1966; Southland at Houston, Texas, in 1967; Catawba Newsprint Company at Catawba, S.C., in 1969 and Boise-Price Southern Newsprint Corp. at DeRidder, Louisiana, in 1970, there was also more Canadian production, and though the use of newsprint in the United States had risen to 10,504,498 tons in 1973, we believe that as this is written the U.S.-Canada supply ratio remains about the same as in 1959. However, this is of only academic interest to us, since by that year Great Northern, while not exactly out of the newsprint business, was not making as much

The Greater Great Northern -- 79
of this grade as in 1951, and in 1973 produced less newsprint than at any time since the 1920's, excluding some of the years of the great depression, although total output had increased almost three-fold. These figures show up in Appendix E.

We have noted the price changes of the period up to January 1, 1956. By the end of that year, supply and demand had pretty well come into balance. However, costs in the industry continued to rise, and late in December Abitibi announced another $4.00 increase, to $134.00, New York, effective March 1, 1957. The industry in general, including Great Northern, followed suit, somewhat apologetically, but insisting that rising costs demanded the increase, which of course brought on still another Congressional investigation, aimed at showing collusion to fix price, which we will not go into, as it proved nothing, and the $134.00 price stood. By the end of 1957 a slump in business which lasted through the next year had begun; the effect of the new United States mills we have mentioned; other new plants like those of the Elk Falls Company in British Columbia and Rothesay Paper Company in New Brunswick, and the installation of more machines and speed-ups at many existing mills, brought on by the shortages of 1956, had produced a surplus of capacity, and to the point where our narrative will end there was no further change in newsprint price. As a matter of fact, this figure held for nine years, there being no further increase until June, 1966, when Great Northern's price went to $139.00. In July, 1967, it rose to $142.00; on January 1, 1969 to $147.00, and on January 1, 1970 to $152.00, but these figures, and the current much higher ones, nearly double those of 1970, are not really pertinent to our story.
How earnings and dividends were affected by price and other factors is shown by the following:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>PRODUCTION (TONS)</th>
<th>EARNINGS</th>
<th>EARNINGS PER SHARE</th>
<th>DIVIDEND PER SHARE (CAP.STOCK)</th>
<th>NO. SHARES OUTSTANDING ($25 PAR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1952</td>
<td>396,161</td>
<td>$4,636,949</td>
<td>$4.64</td>
<td>$3.00</td>
<td>998,330</td>
</tr>
<tr>
<td>1953</td>
<td>398,590</td>
<td>4,625,765</td>
<td>4.63</td>
<td>3.00</td>
<td>998,330</td>
</tr>
<tr>
<td>1954</td>
<td>398,055</td>
<td>4,137,621</td>
<td>3.97</td>
<td>3.00</td>
<td>1,000,040</td>
</tr>
<tr>
<td>1955</td>
<td>493,536</td>
<td>4,964,692</td>
<td>4.46</td>
<td>3.00</td>
<td>1,014,055</td>
</tr>
<tr>
<td>1956</td>
<td>581,700</td>
<td>5,971,982</td>
<td>5.44</td>
<td>3.00</td>
<td>1,036,727</td>
</tr>
<tr>
<td>1957</td>
<td>536,801</td>
<td>2,846,254</td>
<td>2.42</td>
<td>2.40</td>
<td>1,039,317</td>
</tr>
<tr>
<td>1958</td>
<td>443,158</td>
<td>628,467</td>
<td>.29</td>
<td>.60</td>
<td>1,039,442</td>
</tr>
<tr>
<td>1959</td>
<td>477,631</td>
<td>1,848,359</td>
<td>1.78</td>
<td>.60</td>
<td>1,039,492</td>
</tr>
<tr>
<td>1960</td>
<td>509,731</td>
<td>3,113,132</td>
<td>2.99</td>
<td>.90</td>
<td>1,039,492</td>
</tr>
<tr>
<td>1961</td>
<td>534,210</td>
<td>3,152,645</td>
<td>3.03</td>
<td>1.00</td>
<td>1,039,692</td>
</tr>
<tr>
<td>1962</td>
<td>516,344</td>
<td>5,009,934</td>
<td>2.89</td>
<td>1.00</td>
<td>1,040,047</td>
</tr>
<tr>
<td>1963</td>
<td>569,937</td>
<td>4,036,999</td>
<td>3.88</td>
<td>1.00</td>
<td>1,040,047</td>
</tr>
<tr>
<td>1964</td>
<td>599,339</td>
<td>4,800,023</td>
<td>4.61</td>
<td>1.40</td>
<td>1,041,403</td>
</tr>
<tr>
<td>1965</td>
<td>642,037</td>
<td>8,586,008</td>
<td>2.95</td>
<td></td>
<td>2,643,803 ($10 PAR)</td>
</tr>
</tbody>
</table>

In 1962, Great Northern ceased to be an all-Maine operation, and shortly after that our story will end. As we will have a little comment on the few years after 1962, however, we have extended the table to cover those years. The stock was split for 1 on October 1, 1965, and we have not included the dividend per share, as part of it was on one number of shares and part on another.

Some of these figures, and possible some of those in other tables may not agree exactly with those in the Annual Reports and other published information, as while they were obtained from official sources, there were almost always adjustments. In most...
cases, the differences are small. However, the above 1960, 1961, 1962 and 1963 figures, which were taken from the Annual Reports, were later adjusted upward retroactively (we have not been able to determine the reason, but it probably had to do with Federal income taxes), and actually totalled some $1,650,000 higher for this four-year period. Earnings per share from 1954 to 1958 inclusive are after the payment of dividends on preferred stock. In 1954 $1.74 per share was paid on the 100,000 shares issued in July, and in the other three years, $4.40 was paid on the 75,000 shares outstanding after redemption of 25,000 shares at the end of 1954.

Earnings stated are of course after provision for Federal Income Taxes as below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1952</td>
<td>$6,026,000 (including $803,000 excess profits tax)</td>
</tr>
<tr>
<td>1953</td>
<td>4,437,000</td>
</tr>
<tr>
<td>1954</td>
<td>3,760,000</td>
</tr>
<tr>
<td>1955</td>
<td>4,600,000</td>
</tr>
<tr>
<td>1956</td>
<td>5,260,000</td>
</tr>
<tr>
<td>1957</td>
<td>2,165,000</td>
</tr>
<tr>
<td>1958</td>
<td>711,000</td>
</tr>
<tr>
<td>1959</td>
<td>2,050,000</td>
</tr>
<tr>
<td>1960</td>
<td>2,711,000</td>
</tr>
<tr>
<td>1961</td>
<td>3,000,000</td>
</tr>
<tr>
<td>1962</td>
<td>2,320,000</td>
</tr>
<tr>
<td>1963</td>
<td>3,580,000</td>
</tr>
<tr>
<td>1964</td>
<td>2,650,000</td>
</tr>
<tr>
<td>1965</td>
<td>5,264,000</td>
</tr>
</tbody>
</table>

The market price of the Company's stock fluctuated greatly during this period. We will have more to say about that, but the
figures follow. We emphasize that these are not adjusted for the split in 1965:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>HIGH</th>
<th>LOW</th>
</tr>
</thead>
<tbody>
<tr>
<td>1952</td>
<td>61-1/4</td>
<td>49-5/8</td>
</tr>
<tr>
<td>1953</td>
<td>57-3/4</td>
<td>49-1/2</td>
</tr>
<tr>
<td>1954</td>
<td>80</td>
<td>54</td>
</tr>
<tr>
<td>1955</td>
<td>96-3/4</td>
<td>74</td>
</tr>
<tr>
<td>1956</td>
<td>108-1/2</td>
<td>79</td>
</tr>
<tr>
<td>1957</td>
<td>85</td>
<td>45-1/2</td>
</tr>
<tr>
<td>1958</td>
<td>61</td>
<td>37</td>
</tr>
<tr>
<td>1959</td>
<td>60-1/4</td>
<td>45-1/8</td>
</tr>
<tr>
<td>1960</td>
<td>52-3/4</td>
<td>37</td>
</tr>
<tr>
<td>1961</td>
<td>69</td>
<td>48-3/4</td>
</tr>
<tr>
<td>1962</td>
<td>62-1/2</td>
<td>30-1/4</td>
</tr>
<tr>
<td>1963</td>
<td>54</td>
<td>35</td>
</tr>
<tr>
<td>1964</td>
<td>61</td>
<td>43</td>
</tr>
</tbody>
</table>

With this information in mind, let us proceed.

There was nowhere near the increase in production in 1956 that might have been expected with seven-day running and the two new machines in operation at East Millinocket, but as we have said, neither of them was performing well; some 55,000 tons of specialties were being made at lower output per machine day than on news; and in addition, this was a low water year, and the moves that had to be made to conserve power hampered operations. This situation was partly alleviated when the second turbo-generator got going at East Millinocket toward the end of the year; there had been an increase in price; earnings were the best they had been for some time, and everything looked good, but this happy situation did not last.
The increase in the number of shares outstanding was due entirely to the restricted stock option plan. In 1952, the Company had reserved 50,000 shares for this purpose, and in the next two years, but mostly not until 1954, ten-year options for different numbers of shares were granted to officers and key employees for 47,250 shares, at prices ranging from $50.11 to $63.53. The price range was such, though, that very few people exercised them. In 1955, some 16,000 shares were taken out at an average price of $53.07, at a period when the average market price was $83.89. The results, as far as the employees involved were concerned, were spotty. The smart ones borrowed everything they could get their hands on, bought all or as much as they could swing, and sold on the high markets of 1955 and 1956, coming out with about half of what they had bought practically for free at the prices of those years, brought on by the improved earnings and favorable prospects of the Company. Those who were more conservative, more confident of the long term, or perhaps just more stupid, and the writer was one of these, bought small lots, which they figured to sell at six-month intervals, using the profit to buy more; were able to make only a few transactions before being caught in the falling market, and did not do so well. This same observation is probably true of later years, although later option-holders may have been more sophisticated. In 1956, with everything looking up, the reserve was raised to 80,000 shares, and in 1962 to 90,000, and by the end of that year options had been granted for about 84,000 shares, at prices of from $37.75 to $100.50, but the holders had taken out only about half of this. The whole history of this program is too involved for us to go into. It was a good idea for those who knew how to work it, and many employees benefitted from it. We believe it was revised
at some later time to salvage some of those who were in at high prices.

John Hay Whitney resigned from the Board of Directors in 1957, and William Hilton was elected in his place. There was no change in the Executive Committee. However, one Vice-President was added in this year, and one was dropped, the officers now being M. C. McDonald, President; Roy Weldon, Executive Vice-President; Howard Brush, Vice-President, Finance; A. R. Caspar, Vice-President in Charge of Sales; Robert A. Haak, Vice-President, Product Development; William Hilton, Vice-President and Manager of Woodlands; Leslie G. Kewer, Controller; Donald E. York, Treasurer, and Robert Hellendale, Clerk. In listing the officers from time to time we have omitted Richard G. Croft, who had remained Chairman of the Board since 1950. Bob Haak's elevation was to spur the sale of specialty papers, and it will be noted that there was no Vice-President in charge of Manufacturing. Charlie Carrier, we believe, had been elected, but had retired within the month, his successor as Manager of Manufacture not being made a Vice-President. There was no change in counsel.

This was a bad year. Water reservoirs were only about 40 percent full in June, when they were usually at their peak, and by September four paper machines were shut down for lack of power. This was the first time that machines had been down since 1938, to the best of our recollection, except perhaps for some of the low water years of the late 1940's. This time, the employees rejected the idea of spreading available work the way they had done in the 1930's, and people had to be laid off. At the same time, a business recession was setting in, and while heavy fall rains and the start-up of the first 300,000 lb. boiler and 20,000 h.p. turbo-generator at
Millinocket in November made it possible to resume full running, orders for paper had fallen off to the point where the four machines remained idle for the rest of the year.

While there had been a price increase in the spring, and machines had not been shut down until the latter part of the year, there were extraordinary costs due to low water operation, and earnings of less than half those of the year before were all paid out in a reduced capital stock dividend. Moreover, the Company was using its own money, including funds for income tax payments being deferred because of the accelerated amortization allowance, on the improvements at Millinocket; more than the usual amount of cash was tied up in pulpwood inventory because less wood was being used, and it was necessary to arrange for short-term borrowing of another $10,000,000 from banks, of which, however, only $7,000,000 was taken down. At the end of the year, long-term debt remained at $38,000,000; there was $7,000,000 of short-term debt; all the Government securities had been sold, and there was only about $4,000,000 left in cash. This is not to say that the Company was not in sound financial condition, but the glowing prospect of the past few years had faded somewhat in the eye of the investing public, and this, coupled with general business conditions, was reflected in the market price of its stock.

It was probably in this year, although it may have been in 1956, that the Personnel Department introduced the little service pin with the "GNP Co." symbol -- bronze for five years, silver for fifteen and gold at retirement, if we remember correctly. In this year also, the writer proposed reviving a Company publication on the order of the old Northern. This was vetoed by M. C. McDonald on the
ground that these things tended to deteriorate into mere social calendars. However, he suggested an Annual Report to Employees, containing a message from the President, simplified figures from the financial section of the Annual Report and information about the operations of the past year of special interest to employees. The first of these, a pocket-size (4"x9") illustrated booklet, printed letterpress, with simple color treatment, was issued shortly after the Annual Report for 1956 was put out. This size was used until 1964, and was made up by the writer as consultant for a number of years after his retirement, several mid-year issues also being printed. However, it did not lend itself to much variation in layout, and when a copy of the 1963 report -- one of the writer's -- was sent to one of the outfits who analyze such publications, it was judged to be only fair in graphics, although rated in the high 90's, on a scale of 100, in reader interest, which is really what it was all about. Nevertheless, the Personnel Department decided to dress it up to be more competitive in such ratings, called in outside professional assistance, increased the size of it, and in four years had priced it out of existence, the last issue being put out in 1968 for the year 1967.

Meanwhile, the Personnel Department had begun to issue a typed weekly news letter to the mill supervisory people, and shortly thereafter, the Controller's Department started one of its own. We believe that these were combined on May 18, 1962, and the new form of letter was sent to all salaried employees. The first few issues were at two-week intervals, but after June, 1962, it came out only once a month. This publication, we believe, was discontinued in March, 1974.
There were many changes in organization in 1957, and we cannot follow all of them, nor are we sure that we can put those we know about in proper order. Neal Merrill, Mill Manager at East Millinocket, had been through a hard time with his mill, could not work under the difficulties which Pete Heuer was causing by being located at East Millinocket, interfering with everything that was going on, and retired on March 1st. Charlie Carrier, for much the same reasons, followed him into retirement at the end of that month, and Pete Heuer was made Manager of Manufacture, but not Vice-President, on April 1st, moving to Bangor. To the best of our recollection, no Assistant Manager was named at this time, but this was a very confusing period, and we cannot be sure. To replace Neal Merrill, Pete Heuer, who seemed to know everybody in the paper industry, and apparently finding no one to his liking within the organization, hired Thomas M. Barry (1900 - 1966), a short, taciturn Scot, born in Hamilton, Ontario and graduated from the University of Toronto as a chemical engineer, who had worked in paper mills all his life, starting with Alliance Paper Mills and then in succession with Spanish River Paper Company and the Spruce Falls Paper Company; had been manager of the Fraser Companies Ltd. mill at Madawaska, and was Mill Manager of the old Hollingsworth & Whitney plant at Winslow, then owned by Scott Paper Company. He was no ball of fire, although he had a lot of confidence in his own ability, and we will finish his story later.

In this year, the organization at the mills was split into two divisions, all the production people being put under a Production Superintendent, and the maintenance and power plant workers under a Plant Engineer. This was not done all at once, and we can give
only examples of the game of musical chairs of the next few years. Robert Crossley, for instance, who had been employed in 1952, and was at this time Chief Electrical Engineer -- an electrical engineering division had been established by this time within the Engineering Department -- became the first Plant Engineer at East Millinocket on February 1, 1957, but he stayed on this job only until November, when he was made Chief Engineer, replacing Jim Starkweather, a controversial figure ever since he had been hired in 1951, who had resigned. Tom Knight, a Project Engineer, hired in 1953, took Bob Crossley's place, and held the position for five years, being transferred to Millinocket in the same capacity in 1962. Robert J. Shinners, who had come from Stone & Webster in 1956, was made Plant Engineer at Millinocket in June, 1957; became Assistant Manager at East Millinocket early in 1962; Mill Manager at that plant in 1963, Mill Manager at Millinocket in July, 1964; Resident Manager and Assistant Vice-President, Operations, in 1965, and Vice-President, Operations, in 1968. Dave Pollard was made Production Superintendent at East Millinocket in July, 1957, and was replaced as Technical Director by Dick Osborn, another "outsider", from Finch Pruyn, and another center of controversy. At this time, routine control operations were turned over to the mills. Charlie Durkee, employed as Superintendent of the sulphite mill at Millinocket in 1952, and who was Pulp Mill Superintendent in 1956, became Production Superintendent (we are not sure he was the first) at Millinocket in October, 1958. It seems to us that in this change of organization the General Superintendent title disappeared and was replaced by that of Assistant Mill Manager, but this is not clear. Somewhere in here, probably in 1957, Pete Heuer had hired another one of his buddies, Tom La Haise, from a small
groundwood mill on the Hudson River and had given him charge of all groundwood production, but he was away over his head, fumbled around for a year or so, and resigned practically in tears. The point we are trying to make, perhaps not very well, is that administrative and supervisory positions around the mills were being filled by men hired from outside the Company only a few years back, mostly capable, but not acquainted with the rules in the Labor Agreement, nor the written and unwritten side agreements, and without the benefit of apprenticeship in those areas in which they found themselves. This was particularly true in the organization put together by the Plant Engineers, and it began to cause some friction with the work force.

Compounding this problem, Roy Weldon had engaged a firm called Emerson Engineers to make a study of the maintenance organization and procedures, starting with the East Millinocket mill, some time after the middle of 1957. At this time there were no mechanics in the mill at night, except for a piper in the paper room and perhaps one or two others; there were what were called "stationary mechanics" -- that is, men who worked only in the grinder room or the paper room, or wherever -- in addition to the mobile crew, and normal repair work, assigned by the Superintendent of Maintenance under the Plant Engineer, was scheduled according to his own ideas of priority and was supervised by eight Head Mechanics, who were union men. The Emerson Engineers representatives; there were two involved, the first man being replaced after a few weeks, insisted; and insisted is the word -- they would not budge an inch from their recommendations -- that this was all wrong. What must be done, they said, was to divide the mill geographically or by activity, into eight areas (all electrical work was an area, for example, but most of the rest were specific locations)
with an Area Foreman and an Area Engineer assigned to each; eliminate the Head Mechanics; do away with the Stationary Mechanics, and put all the maintenance men into a pool, with a Scheduler to assign them according to a system of Work Orders; provide a Materials Engineer to make sure that everything was on the job when needed, and put some part of the maintenance crew in the mill at night. It is barely possible that the Scheduler and Materials Engineer had already been set up, but they were included in the program in any event.

This new system had of course to be worked out with the Mechanical Trades. The writer was outspokenly opposed to it, on the ground that it would take a long time to get the men acquainted with all parts of the mill; that elimination of the Head Mechanics would cause trouble, and that the whole thing would add to overhead without any offsetting saving that he could see. However, he did not get much support, and was told to go ahead and get the plan into effect. Several meetings were held, getting nowhere, the Trades people refusing to negotiate at all until about the third session, when the writer sent all the Company people out of the room, except Tom Barry, who was somewhat deaf and could not hear what was said, and reasoned with the delegates in his own way, after which they decided that they would consider the matter. There were a lot more meetings, however, before agreement was reached, the Company making a number of concessions like excusing older men from night work and paying time and one-half for one day to the men who worked nights, each time the shift changed. The Head Mechanics were put on salary and made Area Foremen, but most of the Area Engineers were newer people from the salaried technical organization, making the situation we noted earlier worse. However, it was found that to avoid delays it was necessary for a long time to
send men who were familiar with some particular part of the mill to
that place, in effect restoring the stationary mechanics, and within
a year, as we remember, eight new Head Mechanics had been put back
on again, still another level of supervision having been created.
A similar program, much simplified, however, was adopted at Millinocket
in 1958.

These negotiations occurred after the 1957 labor conference,
which began on May 9th, with Pete Heuer dealing for the Company, the
first meeting lasting four days, the one-year settlement being on the
basis of a 5 percent general increase with a 9 cent per hour minimum;
$500 more contributory life insurance; the 4th week of vacation after
24 years instead of 25; double time for work on holidays, and some
adjustments. The Company's offers were turned down at this first
meeting, but were accepted at another held on May 18th, with only a
token number of International officers and delegates present. A
proposal by the Company to extend the contract to two years, with a
5-cent general increase in the second year, was rejected. The
Agreement was signed by all the International officers with whom we
have become familiar; Fred Rochford, Ralph Leavitt for John P. Burke
who did not attend; John J. McNamara, Bill Francis, John Regan and
Harold Reardon, and by 28 local delegates. Except for the Paper
Makers, an unusually large number of new men attended this conference.

Quite a lot of work was done at Millinocket in this year. New
8-foot diameter discharge sections were put on the wood room barking
drums; both levels of the machine shop washroom were rebuilt, with
new tiled showers, modern sinks and toilet facilities, and new lockers,
small, but two to a man; selectifier screens replaced the Bird equip-
ment on Nos. 5, 6 and 7 machines and Bauer centrifugal cleaners were
put on the last; Nos. 5 and 6 grinder motors were rewound to raise their capacity from 4,000 to 6,000 horsepower; a pond was excavated below the Ferguson Pond drums, where clean wood could be sorted out to go to the piles, the rest to the wood room, and improvements were made in the acid plant. Not much was done at East Millinocket. The new machine room had proved to be very hot, and humidity was high at the wet end, and in this year a J. O. Ross exhaust system was installed on the fourdrinier of No. 6 machine. A new chlorine storage system was provided near the Chemi-groundwood plant; a new wooden headbox was built for No. 4 machine and lined with stainless steel -- this was something new; a two-way radio system was provided for communication with the trucks working around the yard, and another vacuum groundwood thickener was added.

The only other item of interest we find recorded in 1957 was the establishment of Junior Achievement programs at Millinocket and East Millinocket. This was M. C. McDonald's idea, and was implemented by the Personnel Department. There was a great deal of interest for a number of years, but it gradually petered out, whether from lack of effort on the part of the Company or from indifference on the part of the High School students we do not know, and the program was discontinued some time in the middle 1960's.

From this point on, it is even more difficult to keep track of changes in such levels of personnel as we have been following, but we will do what we can, and have already noted some of the developments. In 1958, the entire Board of Directors of the previous year was re-elected, but Kenneth Brownell died in August, and was succeeded by Luke B. Lockwood, of Carter, Ledyard & Milburn. We have mentioned him at other points in our story. There was no change in the Executive
Committee or counsel, and the officers were the same, with some title changes, Dick Caspar being made Vice-President, Marketing; Bob Haak, Vice-President and Manager of Sales -- the Sales Department was still being expanded in anticipation of greater production of specialty papers, which required more sales effort -- and William Hilton became Vice-President in Charge of Woodlands. There was still no Vice-President in charge of manufacturing, Roy Weldon keeping control of this operation and of Pete Heuer. John T. Maines was made Manager of Woodlands, another layer of management in that department. However, Pete Heuer remained Manager of Manufacture and Warren Daniell, Manager of Engineering and Research. We should say here that Robert A. Haak (1913 - ) a tall dark, sharp-featured man, a native of Bayside, N.Y., a graduate of Hamilton College with a B.S. degree in 1933, who had been employed as an inside salesman in 1938; always sported a butch haircut; smoked a corn-cob pipe; was a long-time friend of the writer's, and could never be anything but a gentleman if he tried, was President of the Company from 1966 to 1970, retiring in 1973 as Vice-Chairman of the Board of the new company that Great Northern had become by that time.

If 1957 was a bad year, 1958 was a disaster from which the Company was slow to recover. The tables in this chapter indicate the result in terms of production, earnings and dividend. Three things happened. The general business recession had run into the fall of the year; exports, into which the Company had gone a few years back, largely through independent sales agencies, were hit by a shortage of U.S. dollar exchange, and worst of all, Great Northern was rapidly losing business in the South, its long-time stronghold, to the new newsprint mills being built there. However, it struggled through,
with five machines down at the end of the year; showed a small profit, and paid off the balance of the short-term debt. The dividend of 60 cents was more than was earned, but at this time there was earned surplus of $2,000,000 not restricted against the payment of dividends in excess of earnings under the provisions of the long-term loan agreement. However, in order to pay the common dividend it also had to borrow another $8,000,000 on notes due in installments to 1968, which was used to retire all the remainder of the outstanding preferred stock, so that at year-end its long-term debt was $46,000,000, of which $8,000,000 was due in 1968 and $38,000,000 in 1974.

Work at Millinocket in 1958 was mostly connected with the shift to specialty grades. No. 4 machine got a new Beloit pressure head box and a tile lining for its machine chest; No. 5 a pressure head box and a battery of Bauer centrifugal cleaners; Nos. 6, 7 and 8 had tile linings installed in their machine chests, and No. 7 had a lump breaker roll put on the couch; and a high pressure air system was provided for cooling the stack. A new color mixing tank was installed in the beater room, and a control system was put in for adding color to all ten machines at the wire pit, to reduce colored broke loss. A feeding system was installed for adding zinc hydro-sulphite bleach at the machine chests on Nos. 4, 5, 7 and 8. This was the year the highly popular and profitable "Jet" sheet -- high-grade supplement newsprint, bleached to a few points of extra brightness, with a little filler and a little size, was developed. Elsewhere, white water was piped to the top grinder showers to reduce the use of fresh water and assist in higher consistency grinding, and a new combined supervisor call and fire alarm system was installed. Work continued on the new steam plant, and it may have been completed.
The 1958 Annual Report, put out in the spring of 1959, was accompanied by a supplement printed on the new Jet paper, in which it is stated that five new steam boilers and turbo-generator units (two at East Millinocket and three at Millinocket) were part of the Company's enlarged power system. However, the records on this job were kept separately, and we have not obtained the actual date of completion, which is of course available. At East Millinocket, new stock proportioning equipment was provided for No. 4 machine, to isolate it from the others, and a chemical feeder was installed to add bleach to the machine chest on this machine, for the production of specialties. The white water system was tightened up to reduce loss of titanium filler. Ventilating fans were installed in the bull screen room, where there was a lot of condensation, and Bauer centrifugal cleaners were put on No. 5 machine to handle the rejects from the selectifiers.

The Boss Machine Tenders at both mills were put on salary on April 14th of this year, and were made Tour Foremen. This had meant not too difficult negotiations with the Paper Makers, to whom these jobs had always belonged, and separate discussions with the men involved. It might be thought that they would have welcomed this move, but a number of them were reluctant to become part of the establishment. However, after a lot of persuasion, they voted to go along. This change did not add any new level of supervision, but it did remove more than 60 pairs of hands from the work force on the machines, as they were from that time on not allowed to take any part in the work of clothing or operating them. It was about this time, perhaps a little later -- there is no record of such things -- that all Superintendents, Assistant Superintendents, Foremen and Assistant
Foremen were ordered to wear white shirts and ties at all times while on duty, to set them apart from those working under them.

With this background, the 1958 labor negotiations were a little sticky. At the first conference in Bangor on May 8th, the Company made no money offer, trying for a one-year extension of the existing agreement, but the meeting broke up without agreement. At another meeting on June 17th and 18th the delegates agreed to a six months' extension of the old contract, but the membership of some of the locals refused to ratify; the people at both mills were in turmoil all summer, holding frequent local meetings which kept things stirred up but did not result in any work stoppage. By fall, business had improved a little, and at meetings between October 14th and November 10th the Company offered 5 cents an hour across the board, effective November 1st, and this was accepted. At this conference, the grievance section of another extension of the 1957 contract, which ran only to April 30, 1959, was changed to provide for arbitration by the American Arbitration Association, instead of by an ad hoc committee as in the past. The old International officers were beginning to drop out. Bill Francis of the Carpenters & Joiners and Harold Reardon of the Machinists had retired, and had been replaced by Richard Griffin and Claude Fairfield respectively. The other officers, Fred Rochford, Ralph Leavitt and John McNamara, are familiar -- nobody signed for the Pipers -- but the new men were building trades people, who had no great understanding of the relationship between mechanics and production workers in industrial plants. The copy of the extension in our files is signed by only 14 delegates.

We believe that it was just after this that there was a hassle with the Mechanics at East Millinocket, who came to work at 7 a.m.
and knocked off at 4:00 p.m., having "noon hour" out for lunch, many of them going home during that period. As we remember, someone conceived the idea that the mill should be covered by mechanics during this period, and without consulting the Personnel Department, orders were put out that some men were to go to lunch at different times. There was instant mutiny, everyone leaving his job at 12:00 noon, whether he intended to go home or not, claiming that "noon hour" was traditionally from 12:00 noon to 1:00 p.m. This had at one time been spelled out in the Mill Rules, but the actual clock times had been dropped at some point. The writer was summoned from Bangor, and had to agree with the men, after castigating them for not obeying orders and grieving afterwards, and the matter was dropped. However, this incident led to a request from the Millinocket mechanics and members of the Pulp & Sulphite organization working about the shop to change their hours from 8:00 a.m. to 5:00 p.m. with noon hour out, to a straight 8 hours from 8:00 a.m. to 4:00 p.m. This arrangement was agreed to, and two separate memoranda were signed, one with the Trades, the other with the Pulp & Sulphite, providing that they could work the hours they had asked for, with 20 minutes for lunch, which had to be eaten at or near their work place. We have no record of any similar arrangement at East Millinocket, where the day crew had always worked from 7:00 a.m. to 4:00 p.m., but there are a lot of things of which we have no record.

We do have record, although we have no recollection of the event, that there was a brief revival of the office of Assistant to the President in 1958, the position being given on January 1st of that year to John H. Staples (1920 - ), a native of Bryn Mawr, Pa., who at that time was a salesman in the New York office. This
tall, lanky, slow-spoken young man had come into the Boston office one day in 1948, looking for work, after serving, we believe in the U.S. Army Air Force. By this time, nearly three years after VJ day, and after the expansion at East Millinocket, most of the young people had come back, new ones had been taken on, he was personable but hard to size up, and nobody really wanted him. However, William Hilton finally agreed to use him and he was put on the payroll as an Apprentice, and was sent away up into the woods, to see what kind of stuff he was made of, which was very good material indeed, as he did such an outstanding job, in his own peculiar way, that within three years he was Assistant to Charlie Glaster, who was then Superintendent of the Millinocket area. In 1953, he was sent to the Sales Department. Why or how he came to be named Assistant to the President, we do not know, but the job did not last long, as he went back to the Sales Department in August as Assistant Manager of Sales. As this is written in 1974, he has been Vice-President, Sales, since January 1, 1966.

The Board of Directors, Executive Committee and counsel were unchanged in 1959, but John H. Heuer was finally elected Vice-President, Manufacturing, the other officers remaining the same. The name of William Hilton does not appear, for some reason, among the officers listed in the 1959 Annual Report, although he served as Vice-President in Charge of Woodlands until the end of that year.

As we said, business had begun to pick up a little, mostly in specialty paper area, as is indicated in Appendix E, although there were still three machines idle at the end of the year. At the labor conference this year, the management was able to convince the delegates of the seriousness of the situation, and the existing contract was
extended for one year, with some minor changes in the vacation and insurance plans, but no pay increases. However, the extension provided for reopening on 30 days notice for discussion of wages only. The unions did not call for such discussion until late in the year, and at a meeting in Bangor on December 16th, the Company offered, on a take it or leave it basis, a 3-1/2 percent raise on January 1, 1960, another 2 percent on July 1, 1960, and 2 percent on January 1, 1961, for an agreement running to May 1, 1961. The pension plan, which had not been re-negotiated in the spring, was to remain unchanged for another three years. The tone of this conference was such that it was clear that three percentage increases were going to benefit the higher-paid men the most, and that the Pulp & Sulphite would not accept this, with the result that there was no action at all. The two Woodlands Department locals and the Office Workers accepted the offer, however, in separate negotiations, and received the increases, at least the 3-1/2 percent on January 1, 1960. We are of the opinion that the rest of the offer was later revised for these three organizations, but we have decided that it would be an unnecessary complication to attempt to follow the negotiations with them further. The extension, signed on April 29th, (there is some confusion in the various records we have been using, one indicating that this conference started on May 14th and another that only 13 delegates signed). However, from the best source available, this extension bore the names of 33 delegates, and those of the same International officers as in 1958, plus a new one, Milton McDonald, of the Pipers. This year, for the first time, the wage scale, as published, was not arranged in the time-honored four parts, but was set up by numbered Cost Centers, to meet the requirements of a revised cost accounting system.
In this year, the pace of work to convert the Millinocket machines to specialty production accelerated, and was pretty well completed by the end of 1960; new Beloit pressure head boxes on Nos. 1, 2, 3, 6 and 7; centrifugal cleaners on Nos. 1, 2, 3 and 6; selectifiers and Jonsson screens on Nos. 1 and 8; tile linings in Nos. 1, 2 and 3 machine chests; a zinc hydrosulphite feeder for bleaching in No. 3 machine chest; new Beloit winders on Nos. 1 and 3, and new stock proportioning systems on Nos. 1 and 2. The old groundwood decker chest that had always given so much trouble was lined with tile and provided with two circulating agitator pumps. Agitators were also added to Nos. 5 and 6 outside steel groundwood storage tanks, and these were piped up to hold broke. The sulphite mill, where experiments had been being carried on for some time, was converted to ammonia base acid in 1969, this job involving an ammonia unloading system, new stainless piping, instrumentation, and some changes in the Jenssen towers. Some years later, in a massive rebuilding job, it was changed to magnesium base. Three new 12' x 67-1/2' Canadian Ingersoll-Rand barking drums, with bark screens and disposal conveyors, were installed in the wood room, replacing the old equipment, and a foreman's office and new washroom and locker room for this part of the operation were built at the same time.

The McKay power station was converted to automatic control from a central station at Millinocket in 1959; the Mattaceunk station in 1960-1961, and by the end of the latter year, we believe that all the hydro-electric stations except Dolby were on automatic control and unmanned, the operators having been assimilated into the regular mill electrical crews. Dolby was similarly converted a few years later.
The writer, having had a serious heart attack in the spring of 1957 and another in the summer of 1958, elected to take early retirement on August 1, 1959, feeling that he was no longer capable of giving the Company the kind of service it should have from him. At this time, he agreed with Roy Weldon that he would write this story, and was given the status of Consultant. They had also decided that there was no one in sight of sufficient stature to handle the Personnel Department as it was then constituted, and it was broken up. Its corporate function was taken away, and it was made a division of the Manufacturing Department. A separate Insurance Department was set up under Sally Whittam, who, we might say, conducted its affairs with competence until 1966. Some time before that, it had been put under the Treasurer, Don York, as we remember, and this set up strains that brought her to the edge of a breakdown, and she retired in October of that year. She was succeeded in Acting capacity by Tom Flanagan, who had been hired in 1956 as joint secretary for her and the writer, and who was her assistant at the time of her retirement. Tom Flanagan, if we remember correctly, also found the going too rough, and resigned a couple of months later, but was rehired as Insurance Manager in March, 1967. The Woodlands safety organization became part of the Woodlands Department; the Townsite Manager was set up to report directly to the Executive Vice-President, and advertising and public relations were turned over to the New York office. The writer recommended Rod Farnham to head up the curtailed personnel operation, but he was judged too controversial. He was transferred to the Woodlands Department on January 1, 1960 as Woodlands Personnel Manager at Millinocket, and in August, 1968 was moved to Bangor as an Administrative Assistant, but was given little to do, and retired in 1971, since which time he has served in the Maine House of
Representatives. The Manager's job went to Robert P. Gagne (1913 - ) an International Representative of the Paper Makers; a big, dark, handsome young man, who had favorably impressed the management during negotiations, and had shown sound judgment in dealing with problems like the lay-offs at the Madison mill. The writer, while personally not particularly in favor of giving a position of such importance to a man coming directly out of this level of the union hierarchy, could find no valid reason to object, and he was given the title of Manager of Personnel, Manufacturing. There did not seem to be any reason why he could not have made a good personnel officer, but his ineptness became apparent almost immediately, and his administration of a little over two years was an absolute calamity; a period of serious set-back to the program which had started out so well. In the spring of 1960, Jim Adams, who had been Safety Supervisor at East Millinocket, was made Assistant Manager, in the hope that he could make some improvement, but this did not work, and in the fall of 1960 Pete Heuer and Bob Hellendale asked the writer, who had been called upon but little, to get back into the activities of the Personnel Department as consultant, which he did, and continued to do until about 1970, and to a lesser degree for the next two years. However, it was impossible to salvage Bob Gagne, who in spite of all the help Jim Adams and the writer could give him continued to dig himself deeper into trouble. On January 1, 1962, he was set back to a staff position, from which he shortly resigned, and Jim Adams was made Manager of Personnel, Manufacturing. James R. Adams (1925 - ) was an East Millinocket man, tall and distinguished-looking, like so many of the old Great Northern people, and prematurely gray, who had been in the machinist crew at East Millinocket when the writer had put him on the Safety job in 1956. He had problems,
which we will not go into, but was imbued with the old Company philosophies, and developed into a capable personnel man and a good negotiator, and remains Manager of Personnel as this is written, having in the meantime gone through a series of experiences that might have ruined a lesser man.

In January, 1959, Ivan Ames was approaching retirement, and Pete Heuer, who in spite of all his camaraderie with the existing personnel, had no one to whom he could give the job. In a way, he was justified. He wanted someone with a background in the development of specialty papers, and had no use for Jim McLean, about the only man in the organization with such experience. He therefore went to the Oxford Paper Company for Paul M. Schaffrath (1916 - ) a native of Syracuse, N.Y. and a graduate of the New York State College of Forestry, with some further education at Syracuse University in Industrial Engineering. Paul Schaffrath was a crew-cut type, of average build, 43 years old, a good enough man, but one who had never run a paper mill in his life. He had worked for New York & Pennsylvania Company as head of its Inspection Department; for Moore Business Forms as a quality control engineer, and for Howard Paper Mills, of Dayton, Ohio, on specialty paper development; had worked at Syracuse University on the ESPRA Chemi-groundwood project, and had been Director of Research at Oxford since 1951. While considerable progress was made in the change-over from newsprint at Millinocket during his administration, he was not a particularly strong leader, never seemed to fit into the organization, and in spite of the fact that Pete Heuer had brought him into the Company they were continually at odds, and he lasted only a short time, resigning in June, 1963.
In June of 1959, the name of the Research & Control Department was changed to Research & Development Department; Dick Osborn was promoted sideways to a new position, Director of Product Planning, remaining attached to the department but later being sent to New York; and still another man from outside the Company, Dr. James R. Schoettler (1925 - ) born in Appleton, Wisconsin; the Company's first Ph.D., as far as we know, was installed with great fanfare as Technical Director. He had joined the U.S. Marines in 1943, but served his World War II time in the officers' training program at Purdue University, graduating in Mechanical Engineering in 1946. He had then taken a special course in chemistry at Lawrence College, and received his Doctorate from the Institute of Paper Chemistry in 1951, being almost at once recalled to the service during the Korean War. After his release in 1953 or thereabouts, he had worked on pulping research for Kimberly-Clark until 1957, and was Technical Supervisor at Consolidated Water Power & Paper Company when he came to Great Northern. He was a handsome but somewhat arrogant type, without a great deal of experience, and did not make himself especially popular. Warren Daniell, Manager of Engineering & Research, to whom he was responsible, retired in 1963; we might say that he too established a successful consulting practice, being involved in the construction or modernization of many mills in many parts of the world; and he was succeeded by Bob Crossley, who promptly tangled with Jim Schoettler -- everyone was at cross-purposes with everyone else at this time, due largely to the games Pete Heuer was playing -- and was cut down to Director of Product Development in 1964. Bob Crossley decided that there was an easier way to make a living, and resigned at the end of May, 1965. He was followed by Dave Pollard, who since 1957 had been Assistant Manager of Manufacture in 1960 and Manager of Manufacture in 1961.
Dave Pollard lasted only six months, resigning in December to become Resident Manager of the St. Regis mill at Bucksport. Jim Schoettler resigned a year later. We take no pleasure in these observations, but it is necessary to make an effort to convey some idea of the state the organization got into shortly after the time our story ends.

In 1959, the first payment on the 20-year notes issued at the beginning of the East Millinocket expansion came due, and at the end of the year the total long-term debt had been reduced to $43,047,000. Earnings improved spectacularly over those of 1958, but were still very far below those of a few years before. However, large amounts of cash were coming in through the accelerated amortization provision; income from sales was up considerably, and at the end of the year the Company was holding some $15,000,000 in cash and U.S. Government securities.

No Vice-President was elected in 1960 to replace William Hilton, in charge of Woodlands, who had retired from this position on January 1st, but not from the Board, but Pete Heuer was elected Vice-President, Manufacturing. There was no change in the Board of Directors, the Executive Committee or counsel. Roy Weldon, one of the most valuable men the Company has ever had, suffered a severe stroke on April 5th, shortly after his re-election as Executive Vice-President, and in the hope that he could recover, no move was made to replace him. However, while he improved a little physically, his mind was affected, and he was retired on December 31st, at which time the Mattaceunk hydro-electric plant that he had been so active in building, was named the "Roy V. Weldon Station" in his honor.

The Sales Department continued to expand, opening an office in Cincinnati (this was closed in 1964) and one in Washington. There
had been an office in Boston before 1951, which had been closed for a while, but a new one had been established there in 1958, so that there were now five sales offices (New York, Chicago, Boston, Washington and Cincinnati), and there was a lot of shifting of personnel. A service department, as distinct from the sales force, but reporting to the Vice-President and Manager of Sales, had been set up about 1957 and by this time was well organized, and in 1960 the Company began a serious program of product advertising in a number of printing trade publications.

At the mills, the major work which had been going on for some time in connection with the shift to specialties was practically completed by the end of this year, and the modernization program turned in other directions. The old small steam turbo-generator units were moth-balled at both plants, and at Millinocket a start was made on a revamp of the screen room by the installation of three more American disc filters as thickeners, but the emphasis was on wood handling, in preparation for year-round direct use of fresh wood, and the eventual elimination of piling at this mill. The barking drums which had been on the Ferguson Pond dyke for so many years were removed, and the sluice from them to No. 2 pile was relocated to discharge only to the extension of the yard log pond and to a 5-foot diameter steel pipe below the surface of the ground under all the yard trackage some 400 feet north of the wood room, this in turn emptying into another short steel sluice to Millinocket Stream for by-passing wood to East Millinocket. The log pond was filled in from the wood room to a point just beyond the tracks west of it, and three flumes were put in to connect it to a new extension of the north end of the wood room building. The old car and truck
unloading conveyors were removed, and two concrete flumes, some 500 feet long, with spur tracks on both sides of each, were built northerly from this extension. Over each of these flumes, a diesel-engined Gradall unloader, on a gantry, was installed to pull wood into them from cars, which by this time were practically all of the open rack type, space being provided at the north end for setting trucks to be unloaded in the same manner. Water from these flumes went to a grit separator and sump at the south end, and was re-circulated by pumping back to the north end. All of this greatly increased wood handling capacity, with much less labor. A start was made on another complete program of re-lining the sulphite digesters. In this year, it was decided to try the old calender dryer concept one more time. Two high-velocity "air-cap" dryers were added overhead the regular nest on No. 1 machine at Millinocket, and the last four dryers were removed and replaced by a Beloit "gloss calender" of which we have obtained no description. However, it was no more successful than the equipment that had been tried previously. A beautiful new dining room, 22 ft. x 31 ft., designed by Ralph French, with a flagstone floor, grill, lobster kettle and, shades of Fred Gates, a bar yet, was added to the guest house and furnished with four big round tables, each made of a different native wood. Little was done at East Millinocket, but a Beloit pressure head box was installed on No. 3; a system was put in which allowed any combination of color, filler and chemical additives to be used on any of the four old machines, and a revolving door, like the one put on the finishing room at Millinocket so many years before was provided at the main entrance to the offices.

It will be noted that our descriptions of events and of work at the mills are becoming more brief, as perhaps they should have been all along. This is partly due to the somewhat more chronological format
we are trying to use, partly because we are in a period when there is in some areas so much information that is difficult to sort out, while in some others, as in the Job Records, there is much less than in the older years, partly because much of the work of this time is still in place, and mostly because, very frankly, we have come to the point where if research on any subject has not already been done, we are not going to do it.

The labor conference in 1960 started on May 12th, and was concluded two weeks later. It was a rather mixed-up affair, that resulted in a 14-month contract running to July 1, 1961, with a 5-1/2 percent general increase with a minimum of 11 cents an hour as of May 1st; another 2 percent, with a 4-cent minimum on January 1, 1961; a fourth week of vacation after 23 years, and a few minor adjustments. The pension plan, which was now being negotiated along with the labor agreement, was also somewhat liberalized. The Pulp & Sulphite local at Millinocket was the hold-out this year, and a Federal conciliator had to be called in before they accepted the final offer, with the result that their wages were not increased until a week after those of the others. At this time there was a vicious political row going on within this organization, all or part of which was threatening to split off and form an independent union. We are not going into the details of this, but it was a highly unpleasant situation which created all kinds of problems; took a long time to get calmed down; and resulted in this year in the first arbitration case in the Company's history, the decision having been handed down on April 29th, just before the conference opened. The trouble was an effect, not a cause, of the break-down of relations that had begun.

The Greater Great Northern -- 109
We do not mean that everybody suddenly turned against the Company, which was and is one of the finest outfits in this country or any other to work for, and the writer is out of his depth in trying to explain what took place, but what it boiled down to was a process of loss of respect and confidence on the part of the work force, brought on by social forces, new and rapidly changing local management and supervision, with different attitudes toward the employees, new employees with no long Great Northern background and different attitudes toward the management and the International officers, who did not have the control that they formerly were able to exercise, and the disturbance of historic work patterns.

This situation got much worse in the late 1960's and early 1970's. By that time the top management -- this term was now being used -- had been moved from Bangor to New York, removing it from direct contact with the work force. There had been four new Mill Managers at each of the mills. As best we can follow the changes, Tom Barry had succeeded Paul Schaffrath at Millinocket. He had had his heart set on being Manager of Manufacture, but was too near retirement age, for one thing, and to soothe his feelings was given the title "Senior Mill Manager" in 1964, and Bob Shinners became Mill Manager. Tom Barry retired in 1965. Bob Shinners was followed in 1965 by Scott Weldon, Roy Weldon's son, whom Pete Heuer hired from the Scott Paper Company in 1961, and who had had a checkered experience as Assistant Superintendent of Production, Assistant Plant Engineer and Superintendent of Control. Scott Weldon was made Manager of Manufacture in 1968 (he resigned in 1972), and was followed as Mill Manager by Arthur Dentremont, a local man who had worked up from the Bureau to General Production Superintendent. He was
transferred to East Millinocket in 1972. At East Millinocket, Tom Barry's place was taken by Bob Shinners for one year. He was followed by Marty Roach, then Paper Mill Superintendent. He resigned in 1968 and was succeeded by Carl Reed, another local man with experience somewhat similar to that of Art Dentremont's, with whom he changed places in 1972. All this was in stark contrast to the stable mill management in the time of the old Company. Neither the Manager of Manufacture nor the Vice-President who had been placed in overall charge of local operations were very popular; many changes were taking place in all parts of the organization; we have noted only some of them; titles were becoming status symbols; knives were out all over the place, and there was turmoil and unhappiness almost everywhere. One after the other, no fewer than five men in the Central Personnel Department -- first assistants to the Manager by various titles, but all supposed to deal with employee relations -- had gone down the tubes, three resigning under pressure and two being fired. Grievances multiplied; arbitration became commonplace; and while there has not, to the time this is written, been any rupture in the thread of contractual relationship between the Company and its employees, it has at times been stressed almost to the breaking point. This, however, is not really part of our story; we are reaching ahead again. As we write, while the organization has pretty much settled down, we are unable to say what the state of mind of the work force may be. Perhaps a new accommodation has been reached, but whatever the relationship between the men and the management, it is unfortunately not the working partnership that existed in the days of the old Company and up through the 1950's.

The Greater Great Northern -- 111
Production improved slightly in 1960, although a considerable amount of lightweight catalog and directory paper was being made, and three machines were still out of operation at the end of the year, the increase being largely due to safer running at higher speed on the two big machines at East Millinocket, and speed-ups on some others. Earnings went up substantially, although they were still nowhere near the level of a few years back. The long-term indebtedness was reduced to $40,094,000, and cash and securities remained about the same as at the end of the previous year.

By 1961, a minor recession had set in. This was to last into 1962. While production was a trifle better, due to the successful effort of the Sales Department in finding markets for an increasing amount of specialty paper and we have no record of any machines being down at the end of the year, earnings were squeezed by rising labor costs, and improved but little.

There were substantial changes in the upper echelons of management in this year. The make-up of the Board of Directors altered materially, and we are fairly sure of the sequence. Hoyt Ammidon, President of the United States Trust Company, was elected to fill the vacancy created by the retirement of Roy Weldon. Dick Caspar, who was due for retirement in July, and who was a little unhappy about something, we do not know exactly what, as he kept his own counsel; but for one thing, as Vice-President, Marketing, he was all alone in Bangor, Maine, at this time, with no staff, and was acting largely in an advisory capacity; and Sheldon Wardwell, who was in poor health (he died on June 8th) apparently resigned before the Annual Meeting, and were replaced by Bob Haak and Pete Heuer. To bring things up to date, the Board now consisted of Richard G. Croft,
Chairman; Hoyt Ammidon, Walter Dunnington, Robert A. Haak, Barklie Henry, John H. Heuer, William Hilton, Luke Lockwood, M. C. McDonald, E. Spencer Miller, Hilbert Schenck and Frederick Trask. The Executive Committee was reconstituted in this year, Peter Paine became Chairman, and the other members were Dick Croft, Bob Haak, Pete Heuer, M. C. McDonald and Fred Trask. Counsel was the same as it had been for years. However, there was a change in the officers. Peter Paine was made Senior Vice-President; the position of Executive Vice-President was abolished; Pete Heuer was elected Vice-President, Operations, a title never used before, giving him powers greater than those which he had held, but not as great as those of an Executive Vice-President, which he thought he should have; and John T. Maines became Vice-President, Woodlands; Howard Brush remained Vice-President, Finance; Bob Haak, Vice-President, Sales; and Leslie Kewer, Don York and Bob Hellendale, Controller, Treasurer and Clerk, respectively.

John T. Maines (1918 - ) was still another big, handsome man, hailing originally from Hartford, Conn., who had joined the Company as a forester in 1941, after having been employed in the same capacity by Prentiss & Carlisle, of Bangor. We have followed his career up to this point in other parts of our story. He had great capacity, but his methods of management were more those of Fred Gilbert than of William Hilton. While progressive, he had his own pace, and did not like to be pushed into doing things just because somebody else thought they ought to be done. However, under his administration the Company made considerable progress in woods mechanization, and he held the position of Vice-President, Woodlands until late in 1971, when in a policy decision, the Woodlands Department
was split, the wood procurement organization being moved to Millinocket and placed under John Marquis, who had been Manager and then Director of Purchases and Stores since he had been hired in 1965, John Maines retaining in Bangor the land management function, which included the Division of Forest Engineering, with the title Vice-President, Land Management. This was an unworkable arrangement, and in 1972 the whole Woodlands Department was given to John Marquis; the position of Vice-President, Land Management, was abolished, and John Maines remained on the payroll as a consultant until 1974, when he retired at the age of 56.

We should finish Pete Heuer's story here, too. At this time the head office was still in Bangor. As we will note shortly, it was moved to New York in 1961, but he did not go to that place until late 1963 or early 1964, after the Company had made its first commitment in the South. As we will see, Great Northern did not gain full control of the southern venture until 1965, and he came out of the reshuffling of the two organizations at that time with the same title, in charge of both Northern and Southern operations.

In the 1960's everybody seemed to have the urge to merge or expand or both. The Company was in the league now, with sales of over $63,000,000, up from $42,000,000 ten years before. There had been some fruitless discussions to this end with the Alton Box Board Company, and acquisition of the old St. Croix Paper Company, then up for grabs, was considered but passed up, as it did not seem to be a good investment, and there were F.T.C. complications. At some point, M. C. McDonald had suggested joining up with his old company, the Chesapeake Corporation of Virginia, but whatever negotiations there were came to naught. A rather superficial pass was made at
the Oxford Paper Company, and in 1964 the Directors shied away from a deal with Boise-Cascade. In July, 1966, the Company made known its intention to build a newsprint and kraft pulp mill in northwest Florida, construction to begin in 1968. Whether before or after this we do not know; we have not found the exact date, a site was purchased or optioned for a new mill in West Virginia, and it was stated that a plywood plant would be built in northern Maine. Some time in the early 1970's a kraft mill, to be constructed in the vicinity of Millinocket was projected. These were not rumors, they were official announcements, but for one reason or another none of these things happened, and we are again ahead of ourselves. In late 1967, Great Northern began to look at Fraser Companies, Ltd., with plants at Madawaska, Maine and Edmundston, Atholville and Newcastle in New Brunswick, and an interest in the Rothesay Paper Company of St. John in that province. These negotiations got serious early in 1968 but Price Bros. was bidding also, and had made an offer that the Company could not meet. However, at this point it was agreed between the two companies that Pete Heuer, who wanted more than anything to be the head of his own company, would be released to take over Fraser and try to put the operation back on its feet. He was elected President of that company on April 16, 1968, resigning all connection with Great Northern. Within a few months he had taken Don York, who had moved to New York about 1966, and made him Treasurer of Fraser; Marty Roach, who became President and Manager of Rothesay; and a little later in the year Bob Preble, who had been the writer's Personnel Supervisor at Millinocket and had become Director of Employee relations under Jim Adams, with whom he was in trouble. Pete Heuer did a good job for Fraser while he lasted, but his driving ambition sent him to an untimely death four years later.
By the fall of 1960, the clerical and technical force had multiplied to such an extent that every square foot of office space at Millinocket and East Millinocket was in use; the Engineering Department was still over in the old Oxford Street schoolhouse, and there was really no place in which to carry on an effective research and development program. For this reason, plans had been made for a new building, originally designated the "Engineering & Research Center", and work was started on this steel and brick structure in the spring of 1961, the location being just a little south and slightly east of the Administration Building, mostly on the parking lot for the mill workers. The main part of the T-shaped three-story office building, running roughly north and south, was approximately 50 feet wide and 200 feet long, with a 50 ft. x 85 ft. wing about midway, extending westward, the whole structure providing about 42,000 square feet of floor space. The front entrance was in this wing, at the second floor level, a little below the grade of the parking lot behind the Administration Building; the rear doors on the Millinocket Stream side opened into the first floor. Connecting with this building at its south end and extending eastward was the so-called pilot plant, approximately 50 ft. x 150 ft., two floors and a mezzanine, devoted entirely to laboratory and research work. We will not attempt to describe the inside of the new building, but to those accustomed to old Company austerity, it represented luxury, with exotic wood panelling and wall-to-wall carpet in the executive offices; an autocall system; piped music; the works.

Although it was primarily intended as a technical center, parts of it, notably the second floor of the wing, were made available to the Manager of Manufacture and his staff; to what had become known as the Central Personnel Department, and a little later to the Resident
Manager, who became the Vice-President in charge of all Maine operations, and we should say that the paint was hardly dry before alterations had begun. It was occupied early in 1962, and was dedicated in honor of M. C. McDonald on April 28th of that year, a bronze plaque bearing his name and the usual inscription being set in a standing stone at the westerly entrance. At this time the writer prepared and designed a booklet describing the new building, including brief histories of M. C. McDonald and of the technical departments which were to occupy it. At the time of the opening, the various pieces of experimental equipment that had been provided in past years, including the old experimental machine, had been moved into the pilot plant, but not arranged, and no new equipment had been installed. While the new "E. & R. Building", as it came to be called, was being built, the parking lot between it and Millinocket Stream was extended southward to more than make up for the space lost, and as the westerly wing was right up against the old wooden barn that had served as a garage, this was removed, and a new maintenance garage was put up in the yard. We are not sure whether this replaced the 1953 building, or was an addition to it, but we are again ahead of ourselves, as usual.

We have always maintained that under normal business conditions the state of labor relations establishes the atmosphere for negotiations, but does not have much effect on the final outcome, and the change in the way management and labor related to each other had only begun. As far as we can recall, the conference in 1961, starting late in June, was concluded in a two-week period, with a two-year contract, the first such for some time. Wages were raised 6 cents an hour across the board on July 1, 1961, and another 2-1/2 percent, with a minimum of 6 cents, on July 1, 1962. There was some

The Greater Great Northern -- 117
improvement in the group life insurance plan; employees became eligible for the fourth week of vacation after 23 years in the first year and 22 in the second, and there were a number of individual adjustments. However, a couple of items -- revision of the seniority rules and the operation of food and drink dispensing machines in the mills -- were left hanging, to be discussed later by committees, and side agreements were made about the construction crew and about mechanics from one mill being sent to work at the other; something seldom done in former years except in emergency, but which had lately become fairly common practice and had caused a great deal of controversy.

At this point, we inject figures showing the effect of the negotiations of the past decade on the wage rates for the selected occupations given in the chapter on labor, and as a matter of interest we have added 1974 rates, although we do not intend to show how these were reached.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>WOOD HANDLER</th>
<th>SCREEN MAN</th>
<th>OILER</th>
<th>STONE SHARPENER</th>
<th>THIRD HAND</th>
<th>CLASS A MECHANIC</th>
<th>COOK</th>
<th>MACHINE TENDER</th>
</tr>
</thead>
<tbody>
<tr>
<td>1954</td>
<td>$1.47</td>
<td>$1.60</td>
<td>$1.65</td>
<td>$1.69</td>
<td>$2.11</td>
<td>$2.03</td>
<td>$2.11</td>
<td>$2.72</td>
</tr>
<tr>
<td>1957</td>
<td>1.76</td>
<td>2.09</td>
<td>2.18</td>
<td>2.17</td>
<td>2.52</td>
<td>2.73</td>
<td>2.72</td>
<td>3.19</td>
</tr>
<tr>
<td>1960</td>
<td>1.92</td>
<td>2.29</td>
<td>2.35</td>
<td>2.34</td>
<td>2.71</td>
<td>2.93</td>
<td>2.92</td>
<td>3.42</td>
</tr>
<tr>
<td>1962</td>
<td>2.08</td>
<td>2.43</td>
<td>2.52</td>
<td>2.51</td>
<td>2.89</td>
<td>3.13</td>
<td>3.12</td>
<td>3.64</td>
</tr>
<tr>
<td>1974</td>
<td>4.02</td>
<td>4.88</td>
<td>4.87</td>
<td>4.57</td>
<td>5.10</td>
<td>5.46</td>
<td>5.71</td>
<td>6.04</td>
</tr>
</tbody>
</table>

Paper machine rates are for Class 33, as in the previous tabulations, for continuity. By coincidence, as this is written in 1974, this is the lowest class being paid on the old machines at East Millinocket. It may also be of interest to note that the rates of 1962 were a little less than twice those of 1951; that from an eyeball study of the previous tabulations, in spite of all the adjustments that had been

The Greater Great Northern -- 118
necessary to obtain 7-day operation in the 1950's, they had climbed in about the same proportion in half the time in the period just after World War II; and that the upward adjustment between 1962 and 1974 was at about the same rate as between 1951 and 1962.

By 1961 the Sales Department in New York had far outgrown the cramped offices at 342 Madison Avenue, and on September 1st of that year moved to 522 Fifth Avenue, into what were for Great Northern very plush quarters; all bright colors and new, modern furnishings. While sales to foreign customers had been made as far back as 1952, and in increased volume since 1954, they had been at first entirely through agents, as we have said, then by the combined use of such agents and occasional trips abroad by some of the Company's own salesmen assigned to this duty. This business had now grown to the point where a real direct selling effort seemed to be in order, and a small Export Sales Department was established within the Sales Department and headed by Joseph Carena, an extremely capable man, hired from one of the exporting firms that the Company had been employing. Shortly before this, probably about 1958, the sales force had been split into two divisions, one for newsprint, the other for specialties, or "commercial sales", each headed by an Assistant Manager, and by 1961, or at any rate shortly after it had moved to its new location, there were 50-odd people in the sales organization, divided into groups responsible for market analysis, newsprint sales, commercial sales, export sales, order processing and advertising and promotion.

For over sixty years, long-fibre pulp in various forms all involving pressing, loading and unloading, had been transferred from Millinocket to East Millinocket by rail. This form of transportation
had always been considered a necessary evil. There was obviously a better way, but in the old days there had never been enough money, in the face of more pressing needs, to implement it. However, times had changed, and in 1961, at a cost of about $2,000,000, a pipe line to carry this pulp was constructed between the two mills, crossing the West Branch at the Rice Farm suspended on cables from steel structures on either bank, running down the west side of Dolby Pond and re-crossing the river just below the East Millinocket dam. No. 8 outside groundwood tank was used for storage ahead of the pumps, and all the equipment for handling sulphite pulp in solid form was done away with. This line was arranged so that, if desired, Chemi-groundwood made at East Millinocket could be pumped back the other way. However, to our knowledge it was never so used, but this observation presents an opportunity to tell briefly what happened to the Chemi-groundwood process, which was supposed to have been the answer to the use of hardwoods in the production of newsprint, and which had been highly publicized when the first commercial plant ever built started up at East Millinocket. As we have noted, the hardwood pulp had performed well on test runs, encouraging the construction of the full-scale plant, and while it was blamed for some of the early troubles on the big new No. 5 machine, there was no real evidence that it was an adverse factor; production of it was increased, and it became a normal part of the furnish for all paper made at East Millinocket. It did not come up to expectations. We do not know all the details, but outside of any troubles there may have been with the pulp itself, it did not replace sulphite, as had been hoped; the cost of harvesting and delivering hardwoods was higher than had been anticipated; and the cost of operating the pre-treatment plant was an offset against the saving in power, which
with additional generating capacity had become less critical. A great deal of experimenting was done with different kinds of hardwoods, with mixtures of different species in varying proportions, and with the percentage of hardwood pulp in the furnish going to the machines, in an attempt to arrive at maximum quality and to determine optimum conditions for its use, but no answers were found. However, it was used regularly until about 1966, although only poplar was cooked for a while, but the amount used grew less and less, and late in April, 1969, the pre-treatment plant was shut down; the process was abandoned; and as we said in another place, the Company still does not use hardwood for pulp, except for a small proportion of poplar in ordinary groundwood.

In this year the Millinocket mill time office was moved from the Administration Building to space in what had been the electrical equipment storage area in the basement at the northwest corner of the old boiler house, which had been shut down when the new high-pressure steam plant was built -- and we might note that the 1921 brick chimney had been taken down at that time. This location was easily accessible from the extended parking lot, the old coal trestles having been removed, and new offices were provided for the mill personnel people there also. A pressure head box was put on No. 8 machine, and all the remaining Cameron winders in the Millinocket mill were replaced with Beloit units. At East Millinocket, the only job of consequence was the construction of a pipe line to carry bark from the wood room to a disposal area upriver from the mill.

Some time late in 1960 the Personnel Department, with the writer as consultant, had put together an anniversary review system for
salaried employees, promotions, transfers and salaries at that time still being administered on an informal basis. This was well worked out, but proved to be ineffective in the absence of any standard salary scale. In 1961, the job of establishing such a scale for the Manufacturing Department, along with a program for administration, was turned over to the writer, who without reference to the procedures of other companies, developed a program which was enthusiastically adopted by Pete Heuer, and over the next year or so was extended to all departments. It was used for perhaps six years, but was shot down by Pete Heuer himself, who did not understand the fine points of it and slapped on restrictions that made it unworkable. It was shortly replaced by a Hay Associates system, which strictly by coincidence, as the writer had no knowledge of the Hay system, was very little different, but had the advantage of coming from a professional source. The anniversary review system, as far as we know, remained essentially unchanged.

By this time, it was evident that the program of shifting to the so-called commercial papers was successful, and it was decided that the next move was to get into the magazine and catalog field with a coated sheet, the most widely used printing paper after newsprint. Studies indicated that the opportunities to break into this business were best in the light-weights, and that the best control of quality could be obtained by off-machine coating. In September, 1961, therefore, all plans having been worked out, the construction of a coating plant at Millinocket was started. This involved modifying Nos. 7 and 8 machines to make coating base stock, adding horizontal reels that would build sets as large as 80 inches diameter; the construction of a new building, large enough for two coating units,
approximately 120 feet wide and 300 feet long, southerly from No. 9-10 machine room, its east wall an extension of the east wall of the beater room, the rolls of paper from the machines being carried on an automatic overhead monorail system through a 30-foot-wide corridor made by constructing a new wall south of the old No. 9-10 machine room, from the machine shop to the coater building, which contained the equipment for preparing the "color" or coating; one blade coater, built by Black-Clawson to run at 3500 feet per minute on the full trim of the sheet from the machines, and, on the basement level, two full-sheet-width supercalenders and rewinders, a finishing room and a trainshed with new trackage. The first coated paper was made some time late in 1962.

This job alone cost some $6,000,000, not all of which, of course, had been spent in 1961, but it, and all the other improvements made during the past several years had been done out of cash flow. In addition, by the end of this year the long-term debt had been reduced to $32,141,000, and there was some $9,000,000 in cash and Government securities on hand.

M. C. McDonald, his second five-year contract expired, retired as President on December 31, 1961, and Peter S. Paine was elected President. In anticipation of this event, the executive offices of the Company had been officially moved from 6 State Street, Bangor, to 522 Fifth Avenue, New York, in September, and Bob Hellendale had gone there at that time. M. C. McDonald stayed on the Board of Directors, which was again unchanged in 1962, as were the Executive Committee and counsel. The officers elected in 1962 were Richard G. Croft, Chairman of the Board; Peter S. Paine, President; Howard G. Brush, Vice-President, Finance; Robert A. Haak, Vice-President, Sales;
J. H. Heuer, Vice-President, Operations; John T. Maines, Vice-President, Woodlands; Emery Allain, Controller (Les Kewer was going to the Southern operation); Donald E. York, Treasurer and Clerk, and Robert Hellendale, Secretary, a new official title. This same slate of officers was returned in 1963 and 1964, Robert Hellendale being elected Vice-President and Secretary in the latter year. Barklie Henry left the Board of Directors in 1963 and was replaced by Howard Brush who became a seventh member of the Executive Committee the following year, and in 1964 Walter Dunnington retired and his successor was James W. Walker, Vice-President of Brady Security & Realty Corporation. We should note that Robert Hellendale, a hard-working man of great capacity; a graduate of Wesleyan University and Harvard Law School, whose career we have followed up to this time, became a Director of the Company in 1965; Vice-President, Administration, another new title, in 1970, and President of the reconstituted Great Northern Paper Company in 1974.

The Annual Report for 1961, which came out early in 1962, was a simple 8-page affair, signed by Peter S. Paine as President, with the note that M. C. McDonald had actually served in this capacity during the year. It was accompanied by a 36-page illustrated booklet; "Great Northern Today" prepared by the writer and Ed. Pendray, another New York public relations consultant. This contains the following foreword, which it seems appropriate to quote at this point:

"To those who have known or worked with the Great Northern Paper Company over the past sixty-odd years, the image of the company has always been unmistakably clear.

The Greater Great Northern -- 124
"The largest United States producer of newsprint, it has been known to be independent, financially sound, fair in its relations with its employees, customers and suppliers, mindful of the interests of its stockholders, interested in the welfare of its communities -- and a tough competitor.

"During the past decade there has emerged a greater Great Northern, retaining all the attributes that have sustained it in the past, but moving toward the future with new ideas, approaches and techniques.

"The purpose of this booklet is to present, briefly, the industry background, the history, the properties, the resources, the plans and activities, that exemplify this old company with new ideas -- Great Northern Today."

This seems to sum up pretty well what we have written about the period of the Greater Great Northern. It was an extension of the old Company, altered in many respects by new people, new ideas and new ways of doing things, but with its image, although re-shaped by these circumstances, still that of an independent, fair-dealing institution. It makes no mention, nor is there any mention in "Great Northern Today" of the change that was to come about almost at once. It was not in the picture when this was written.

We have made a number of cryptic references to the Company's move into the South in 1962. This marked the beginning of the end of the period of the Greater Great Northern, gives us a place to stop, and we have come to the point where we should explain what this development was all about, as we understand it.
Peter S. Paine was a slender, pipe-smoking, democratic, country-gentleman type, as easy as an old shoe, who, like Garret Schenck, went about "as if he had not over a dollar and a half", but he was a paper mill man from away back, was President of the New York & Pennsylvania Company, and was as smart as they come. His feeling was that while Great Northern had made a lot of progress, it had still a long way to go. When he was offered M. C. McDonald's job, he spent several months visiting paper mills all over the country, and had become convinced that the Company should have an operation in the South. It had been a long time since this proposal had been made, more than once, and had been turned down by the old management.

Now, it just so happened that there had been under construction since 1960, at Cedar Springs, Georgia, by a firm named Southern Land, Timber & Pulp Corporation, a new 30-odd million dollar, 700 ton per day kraft linerboard mill, and a short-line railroad connecting the mill site with the Southern Line to the north and the Seaboard Coast Line to the south. This was intended to be strictly a Georgian venture, financed and owned by Georgians, the financial structure to be so much equity and so much debt. Stock had been sold in Georgia; a very small amount to people in neighboring states; at a price as low as 50 cents a share; and construction had been started, but the company could not get its required long-term loan, not being able to meet S.E.C. requirements, as it wanted the money from within the State of Georgia; the equity market had been exhausted, and it was in trouble.

This was not unnoticed in the industry. The mill was well located and well designed, could be readily expanded, and several companies had made offers to buy it. These offers had been rejected by its management, very proud and independent people, who wanted
desperately to have their original investors retain ownership of their interest. The situation was brought to Great Northern's attention by Harry Moore, President of Beloit Iron Works, which was building a machine for this mill on an order that was in danger of being cancelled. Whether this was a proposal or simply a comment, we know not, but Peter Paine wasted no time in approaching Southern Land with a new scheme -- to invest $15,000,000 in the project for a half-interest, a contract to act as sales agent, and an agreement to find the remainder of the necessary funds. Within 60 days the deal had been consummated. Great Northern refinanced its long-term debt at 4.94 percent, adding $15,000,000 to obtain the needed money and extending the due date from 1974 to 1982, so that at the end of 1962, its long-term notes totalled $46,500,000, cash and securities on hand remaining at approximately $9,000,000. The result was the formation in this year of the Great Southern Land & Paper Company, owned 47 percent by Great Northern, 20,000 or more Georgians holding the rest of the stock, with both Great Northern and Southern Land people on the Board of Directors and serving as officers. This new company was then able to borrow $30,000,000 on first mortgage bonds. The Company set up the Great Northern Board Sales Corporation, operating out of a separate office in New York; Great Northern engineers and other technical people were sent to Cedar Springs to assist in completing construction, and the new mill began to make paper on September 30, 1963.

During 1964, the two companies, Great Northern and Great Southern, operated independently, but in the fall of 1965, in the mutual interest of the stockholders of both, Great Southern was merged into Great Northern, the latter issuing 1,961,754 of an authorized 3,000,000

The Greater Great Northern -- 127
shares of no par convertible preferred stock, call price $10.00, stated value $8.50, worth $16,675,164, to Great Southern common stockholders, share for share. At the same time, it split its own capital stock two-and-one-half for one, giving it 2,643,803 shares, $10.00 par, outstanding, as noted in our earlier table. In this year, Great Northern sales, reported as if it had conducted both the northern and southern operations for the entire year, totalled something over $111,000,000, in spite of start-up troubles at the new mill.

What eventually derived from this move is noted briefly in our first chapter. What we have written about is the "giant hiding in the Maine woods", who after long seclusion had begun to be more visible a decade before, and had finally lifted one foot and planted it firmly on the banks of the Chattahoochee River in southwest Georgia. From the old Great Northern of the Grand Falls and Burnt Land Rips, of Seboomook, Chesuncook, Ambajejus and Mattaceunk, had grown a huge corporation which within the space of a few years was to become phenomenally larger still, and is still growing. But here we end our story, leaving that to some future writer to explain.
"PROPOSED PULP AND PAPER MILL AT MILLINOCKET, MAINE"

It is proposed to erect and operate Paper and Pulp Mills, at or near Millinocket, Maine, on a large water power secured for the purpose. The Water Power, one of the largest east of Niagara, is on the Penobscot River, seventy-five miles above Bangor, and directly on the line of the Bangor & Aroostook R.R.

The deed for the power conveys the shores on both sides of the River for a distance of four rods on each side above high water mark in Spring, and extends from the town line to the Twin Dams, on the north end of the Town, a distance of more than six miles; and in addition to this, deeds from the owners to their Riparian Rights, and a further tract of land of 1,000 acres on which to build mills and a town. The River falls on the property in question, about 160 feet, which will be developed in the most economical manner under three heads; the upper of about 32 feet, the middle of about 105 feet, and the lower of about 20 feet. The upper and lower powers, it is thought, would be best used by electrical development, delivering the power to the big falls or middle power.

Hydraulic engineers have made numerous measurements of the water for power purposes, and the least found was during October, 1896, at which time there was found to be 150 horse power for each foot of fall, which would be qual to a gross power of about 23,500 H.P.

This power can be, and will be, greatly increased by getting control of the large lakes which commence practically...
at the location, as per maps attached. These lakes are already damned, (sic) but the flowage is used only for flushing logs during the Spring and early Summer, and after that time no use is made of the lakes for storage purposes. The control of the water after the logs have passed and are out of the way, would increase the power by several thousand horse power at the lowest run of water during the year.

The measurements of the power, made at other times, have shown from 160 to 190 horse power to the foot of fall, as per Engineer's report attached, but the lowest, as stated above, has been used for the purpose of setting forth the advantages of the location for paper mills.

All the measurements were taken during the drouth of the year, both in February, August, September & October. Assuming the 23,500 horse power to be correct, there is power enough on the location, to manufacture under one roof, or rather in one self-contained plant, THREE HUNDRED TONS OF PAPER PER DAY.

This is impossible in the case of any of the mills at present located, as in no instance do any of them own enough power to manufacture more than one-half of this amount on one location. It is doubtful if, in the entire East, there could be found another location affording this amount of power; in fact it would be hard to find one-half of it, and still harder to find such a power backed up by the all important element, that is, Spruce Timber Lands.

With the large water power, it is proposed to purchase

Appendix A - ii
252,800 acres of Spruce Timber Lands, as per maps attached. This immense tract of land is all tributary to the power location, commencing nearly at the mill doors, and extending along the water courses not over fifty miles from the mill site. The land in question having on it of spruce suitable for paper making, not less than 6,000 feet to the acre, or enough to last the large consumption of the mill perpetually.

It is not proposed, however, to exhaust the land by large cutting, as there are on the same waters more than 1,000,000 additional acres of spruce lands, all of which are tributary to the proposed mill, by water, and on the north and east are further forests of spruce amounting to hundreds of thousands of acres from which the supply for the mill can be derived.

THE SPRUCE IS FOR THE PURPOSE INEXHAUSTIBLE

Owing to the location of the mill and power, the cost of supplying the mill with stock will be less than that which any large mill, at present in operation, is obtaining, or ever can obtain its supply. As one-fourth of the cost of making paper is made up of the raw material, spruce, the importance of having a supply beyond question at the lowest price is readily understood.

In this connection it may be said that the proposed mill will own lands, as reserve, equal to about one-half of all the lands owned in fee by the Trust who produced 1,400 tons of paper per day. It can also be said with absolute truth that the cost of the spruce logs delivered at the proposed mill, will not exceed 60% of the average cost of spruce logs to the Trust's Mills, and that the spruce lands owned by the proposed company will not cost
ONE-HALF of what was paid by the Trust for land it holds.

All of the lands of the proposed Company are well watered with streams suitable for driving, and the average haul to the streams does not exceed 4 miles.

At the mill, created by the dam across the river and the head gates, will be boom grounds large enough to hold 50,000,000 feet of logs, a full year's supply, safe from all freshets, and free of the expense of handling out that most mills are subject to.

An agreement (see memo hereto attached) has been entered into with the Bangor & Aroostook R.P. by which they give to the proposed mill rates on freight as follows: From Bangor to mill on coal 75¢ per gross ton. On all box car freights in carloads 80¢ per gross ton.

Bangor is a tide water port, deep enough for large streamers, and all heavy freights, such as coal, sulphur, clay, alum, etc., would come there by vessel at low water rates.

On paper in carload lots the rate from the mill to Boston or Boston points, it to be 12¢ per 100 lbs., and on same to New York City fifteen cents. On paper to western points the mill take billing rates. The same rates apply to the mill from above points. These rates are as favorable as the best located mills now have and lower than many of the Trust mills are receiving to the same points.

It is proposed to erect a P A P E R mill with E I G H T large paper machines to start with, so placing the mill that two
or more machines can be added in the future at least possible expense. The capacity of the eight machines at first installed would be more than TWO HUNDRED TONS DAILY. There would also be built in connection with the paper mill, a ground wood pulp mill, and a sulphite fibre mill, both of sufficient capacity to furnish the paper mill with its raw material for its entire product.

It is estimated, based on the known cost of similar enterprises, that the development of water powers, and the construction of the mills, would cost about $1,800,000., or $9,000 per ton for each ton of paper made, and each ton of paper would have to earn dividends on that amount. In this connection, for comparison, would say that the Paper Trust, owing to its capital is obliged to make each ton of paper produced, earn dividends on about FORTY THOUSAND DOLLARS. In other words, the same earnings per ton by both companies would, in the case of the proposed company, pay FOUR AND ONE-HALF TIMES MORE DIVIDENDS that the Trust could.

The 252,800 acres of spruce timberlands INCLUDING THE WATER POWER, will cost the proposed Company $1,350,000., as hereinafter stated. The water power alone, undeveloped, is worth more than $250,000.

Again for comparison, let us use the position of the Trust in this connection. For all of the timber lands owned by the Trust, in fee, it payed on the average about TEN DOLLARS PER ACRE, and no water power included (see memo attached). And the Trust lands were based in most instances on producing seven or more thousands of feet to the acre. The lands of the proposed company are based on six thousand feet to the acre, and allowing that the
growth is only 5% yearly -- though experienced lumber men estimate it at 7% -- the proposed Company would have from its own lands a perpetual supply.

For water power -- where same was leased -- which is the case of six mills in the Trust, the Trust pays the owners of the power from Five to Ten Dollars per horse power per year, or about $200,000 yearly. This payment if only five dollars per years would on the water power owned by the proposed Company amount to more than ONE HUNDRED AND TWENTY-FIVE THOUSAND DOLLARS PER YEAR, but owning its own power there will be no tax of this kind.

It is proposed to organize under a special act and charter granted by the Legislature of Maine at its last session (copy attached) the same giving valuable concessions and rights for the purpose in hand, and at the coming session of the Legislature have the charter amended, changing its name and permitting increase in the amount of capital stock and bonds.

It is proposed to make the capital stock of the Company $2,000,000. divided into shares of the par value of $100. each. Also to issue bonds for $1,800,000. in denominations of $1,000., the bonds to be secured by mortgage on the Mills and timber lands, with a protective clause regarding sinking fund, and the cutting of logs from the lands.

It is also proposed to lay out a portion of the land near the proposed mill, into a town site, for dwellings and stores. Many applications have already been received from parties desiring to locate. The income from this source will be quite a fac-

Appendix A - vi
tor in assisting the enterprise, as a town of some 2,000 persons would be created by the building of the mills. Complete topographical surveys have been made of the property.

Assuming the mills to cost $1,850,000. and the water power and the timber lands $1,350,000. and receiving from sale of lots $100,000. it would leave a balance of $750,000 for working capital, or shares in the Treasury.

The owners of the property agree to take of the bonds $675,000. in payment for the 252,800 acres and the water power--on the same basis that the balance of the bonds are subscribed for--and the balance of the payment for the power and lands, $675,000 in common stock at par. In addition to this, they will take and pay for in cash at par 3,500 shares, or $350,000 of the stock in the proposed company.

The earning capacity of the proposed mill, assuming it produced on an average no more than 200 tons per day, based on the actual figures of cost from a mill making about 75 tons per day, as per sheet attached, the figures of cost being those of an entire year, and only the cost of the spruce logs and the labor being changed to meet the conditions of the changed location, but all charges of repairs, depreciation, taxes, freights, cartages, office and selling expenses and salaries, being added to the said cost (see sheet attached); and for the purpose of showing the most conservative side of the earning power, taking the value of the product at $35.00 per ton New York City delivery, which was the price of paper at its depressed stage, before the Trust was formed, the earning capacity of the plant would be not
less than TWENTY EIGHT HUNDRED DOLLARS PER DAY, or EIGHT HUNRED AND FORTY THOUSAND DOLLARS PER YEAR, of 300 days.

These earnings, after paying 5% on the bonds amounting to the sum of $90,000. would leave for dividends on the stock, and for a sinking fund the sum of $750,000. As large, as this looks, it is no larger than is a well-known fact that similar plants have shown proportionately during the past few years (see statement attached).

Again for comparison, let us see the position of the Paper Trust, which controls about eighty percent of all the newspaper made in this country. The Trust in order to pay only six per cent on its Bonds and other capital stock, must get about TWO CENTS per pound New York City delivery, while the basis for earnings for the proposed mill, was taken at 1 3/4 cents per pound the same delivery. The difference in value would add ONE THOUSAND DOLLARS PER DAY to the earnings of the proposed mill.

The Paper Trust selling all of its products at 1 3/4 cents New York delivery, could not, after paying interest on its bonds and providing a sinking fund, pay one cent of dividends on its common stock, and would have to pay less than six per cent on its preferred stock.

It would seem, then, that it would be greatly to the interest of the Trust to hold up prices; and the protection thus given to a new enterprise would be very great.

The great difference in the earning power of the two companies is owing to the fact that the proposed Company would have in the
first instance, A COMPLETE SELF CONTAINED MILL, that is, a mill in which everything is completed, the log going into one end and the finished product going into the cars at the other end. In the mills owned by the Trust, in no instance, with but one exception, have they self-contained large plants, but they are obliged to manufacture their ground wood pulp and sulphite fibre at different locations and transport them to the paper mills, thus causing a heavy additional expense.

In the second place, the average cost of spruce wood to the Trust is, and will continue to be, nearly double what it will cost the proposed mill.

The Trust is under large expense for water rents, to the several power companies, amounting to probably nearly, or quite, $200,000 per year.

In the third instance, a large modern mill can be constructed at this time lower than ever before, and advantage taken of all that has been done, and many expensive mistakes avoided, as well as the many improvements taken advantage of. All kinds of machinery and iron works are lower than ever before known, or believed possible, and labor can be had in abundance cheaply.

The value of the modern mill is very great, as compared to many mills now owned by the Trust, which have built piecemeal, covering a period of many years; and many of the mills now need rebuilding; and yet these worn-out plants have been capitalized at nearly FOUR times what the best modern mills can be built at and are obliged to earn dividends on that capital. (See sheet attached).

Appendix A - ix
The proposed mill is founded on conservative principles, and rock bottom prices, and so long as newspaper is used, and the mill is well managed, will continue to show large returns for the capital invested."

AUTHOR'S NOTE

It will be noted that in the discussion of the water power the head at Millinocket is given as 160 feet, and that the intention was to utilize it in three stages. Possibly the thought was to develop the power at North Twin and on the series of rapids just below Shad Pond, now flowed out by the Dolby dam, in addition to the big "middle" power at the Grand Falls. The estimates of cost of construction and operation were based on figures from the Rumford Falls mill. It will also be seen that no corporation had actually been organized under the Northern Development Company's charter at this time; that the capitalization authorized by this charter was not sufficient for the development that Garret Schenck now had in mind, and that the plan of organizing and immediately asking for legislation allowing increased capitalization under a new name had already been decided upon. There was no mention whatever of any plan or provision for the sale of power.

There is no way of knowing how wide the circulation of this prospectus may have been. It got some attention, as a number of prospective investors and their parties visited the site, traveling in private cars provided by the Bangor & Aroostook. However, it produced no financing.
CHARLES W. MULLEN: The Great Eastern Pulp Company

The Penobscot Power Company

The site which he selected was on the Madeleine River, at the far northeast corner of the Gaspe Peninsula. It is said that he thought it was far superior to Millinocket, but, as will be seen, it was a terribly difficult place in which to build a mill. There was a good water power, with 200 feet of head, a few miles above tide-water, but no railroad. A few fishing villages were scattered along the coast in the area, which was otherwise undeveloped. All the land around the mouth of the river was a Seigniory. The timberland along its banks was Crown land, the lease on a large part of it being held by F.W. and A.M. Fletcher, of our old acquaintance the Fletcher Paper Company, of Alpena, Michigan. Charles Mullen obtained the rights to the power, and a lease on additional limits of Crown land, and persuaded the Fletchers to sell their lease to the company which he proposed to form. The years 1915 and 1916 were spent surveying, planning and arranging finances, and about May 1, 1917, Charles Mullen organized the Great Eastern Pulp Company, a Quebec corporation. He was President and General Manager. Archibald Cook and Fergus Murphy, Quebec attorneys, were Vice President and Secretary respectively. On the Board of Directors were Henry Beyer, of Portland, Maine a lawyer and stockbroker, and would you believe Garret Schenck? The other directors were Canadians. The company, which is said to have issued initially $600,000 worth of stock and a like amount of bonds, bought the power and mill site from Charles Mullen and
the rights to 300,000 acres of Crown land limits from him and the Fletchers. Charles Mullen took stock for his interest, and was the principal stockholder, but what deal was made with the Fletchers is not known, and they figure no more in this story.

The project was to develop the power, build a sawmill, a 100-ton groundwood mill and a hydro-electric station; a wharf at tidewater and a railroad to connect the mills and the wharf. Everything was apparently go as soon as the corporation was formally organized. Hardy Ferguson is mentioned as having a hand in the design of the plants, but this is questionable. W.G. Hill, an engineer hired from the Maine Public Utilities Commission, was in charge of construction.

This pathetic venture was an unqualified calamity, starting on or about May 15, 1917, when a vessel loaded with construction equipment sailed up to the mouth of the river to find it blocked by a field of ice some ten miles long and four miles wide, a condition never seen before or since at that time of year. The story has been sensitively told by Irene Richard, a former employee, in an article written for the Gaspe Historical Society and published in its French-language "Review" of April-June, 1964. Information is from the writer's own translation of this article, and from interviews with the late Charles E. Mullen, Charles Mullen's son, who also worked there, and whose statements are used where there is conflict between the accounts.
The wharf and railroad were built by John Mullen in 1917. The railroad was about six miles long. Because of the existence of the Seigniory, it had to be kept half a mile from the bank of the river, and it ran over the hills; "nothing but precipices"; in a series of switchbacks with terrifying grades, across a number of wooden trestles, one 75 feet high. At the mill, it ended about 250 feet from the grinder room -- straight up. There was supposed to be a deep-water port, but inshore it was shoal. The wharf was never built out far enough to handle anything but small shallow-draft schooners, so that all the traffic both ways, always had to be lightered. A forty-foot motor boat towed the lighters and provided transportation along the coast.

The power was developed by three timber crib dams. The grinder room was about 500 feet below the first or lowest dam, at the Grand Falls, with one 5,000 h.p. Allis-Chalmers turbine taking water from a wood stave penstock and driving eight two-foot three-pocket grinders built in Bangor. This would indicate about 50 tons per day production rather than the projected 100 tons. The sawmill was at the second dam, some 1,000 feet above the first. A 12-foot barking drum and a slasher were installed at this location, a sluice conveying the short wood to the grinder room. At the third dam, about a mile further upstream, on a falls known as Hell Gate, was a small hydro-electric station.

A cut of 5,000,000 feet of logs was made in the fall of 1917, and the sawmill was operated in 1918, but it took three more...
In the meantime, a little town had grown up around the wharf and railroad, with a hotel and a school. Fishing in the area was abandoned, every available man going to work in the mill or in the woods.

There is no information on the activity at the sawmill, or to how the lumber was handled. At the pulp mill, the groundwood was taken off on wet machines in the grinder room building and the laps were placed on brackets on a chain conveyor which lifted them to the hydraulic press room, located at rail-head 250 feet above. The railroad apparently did not operate during the winter, pulp being made and piled out near the press room for shipment in the spring. Soon after starting up, perhaps in the spring or summer of 1921, a couple of the switchbacks at the mill end of the railroad were taken out, and a second conveyor, a mine cable hoist 800 feet long, was put in to raise the pulp from the press room to a new loading platform at a higher elevation. The pulp was actually manhandled eight different times between the wet machines and the ship.

The first locomotive, brought in dismantled in 1917, was an undersized wood burner. A second and larger engine was added the next year. That was the year the motor boat burned. Only the trucks for freight cars were brought in, the bodies being built on the job. Fifteen sets of trucks being hauled inland by
the engine broke loose at the top of a grade, jumped the rails and were demolished. This happened on a Sunday afternoon, and was blamed by the natives on working on the Lord's day. The grades on the railroad were so steep that when the tracks were wet the train would sometimes actually slide down them, and in the fall of 1921 an accident caused by this condition overturned the small locomotive and killed the engineer. Starting in the fall of 1920, a cut of 15,000,000 feet of logs, enough for nearly three years' operation, had been made. In the spring of 1921, the drive was hung for low water, but came down on heavy fall rains and jammed up badly at the power house dam. During this period of more than four years of heavy expense and little production, the price of groundwood had dropped from $45 a ton to $20, and by this time the company was deep in financial trouble. Charles Mullen resigned, and the operation was taken over by the banks, notably the Royal Trust Company and the Merchants Bank of Canada, who put in a Capt. Davidson as Mill Manager.

The mill operated at reduced production until November, 1922, when a fire destroyed the hydraulic press room and both conveyors, bringing the operation to a halt. In the spring of 1923, the Great Eastern Pulp Company was washed up. Pulp on hand was disposed of, and supplies and logging equipment were sold locally for next to nothing. A group of speculators made plans to buy the nearly 15,000,000 feet of logs at the power station, drive them out to tide-water and ship them to some other mill, but the Seigniory would not allow them to land booms at the mouth.

Appendix B - v
of the river, and this project was abandoned. However, the end was not yet.

Charles Mullen returned to Bangor, where between times he had worked up another scheme to develop power on the Penobscot. In 1906 and 1915, along with the Matteceunk purchase, he had acquired the power at Rockabema Rips, on the West Branch just above Medway. In 1922 and 1923 he got title to the remaining land necessary to the development of this power, and proceeded to organize the Penobscot Power Company, to which he sold the site. This company built the dam and power house there in 1923, J.B. Mullen & Co. being the general contractor. His principal associate seems to have been John Kelley of the old Advance Bag Co. at Howland, which used the bulk of the output of the station, and within a few years had taken it over. About 1930, as the fortunes of this mill declined, the station was offered to Great Northern. They were interested, but suspected the soundness of the dam, where a run-around had already occurred; would have had to convert the generators to 40 cycles, and decided not to buy. In 1931, it was sold to and has ever since been operated by the Bangor Hydro Electric Co. The so-called "Silver Bridge" across the West Branch at Medway, replacing a current-operated ferry, was built about 1925, not long after the completion of the power station.

The Canadian banks had continued to hold the old Great Eastern properties, and while the Penobscot Power Company's
plant was still under construction, they prevailed upon Charles Mullen to go back and try to put the pieces together again at Riviere Madeleine. Early in 1924, he formed for this purpose the Cape Magdalene Pulp & Paper Company, Ltd., not to be confused with the company that owned the paper mill at Cap de la Madeleine, near Three Rivers. Some more capital was raised somewhere, the press room and conveyors were rebuilt, other repairs were made and some improved equipment was added. The groundwood mill got back into production some time in 1924. By late 1925, it was up to full capacity, but the pulp was not being sold, and was piling up at the rail-head. Costs were excessive, the operation was losing money, and creditors became clamorous. The men, numbering about 150 at the mill and another 100 at the wharf when pulp was being loaded, were behind in their pay and unhappy. The final blow came when the big locomotive, with a loaded train, slid down the grade to the wharf, the cars going through the bumper and over the end. The mill was shut down again.

In the spring of 1926, the Sté Anne Pulp & Paper Company, of Sté. Anne de Beaupré, P.Q., undertook to run the plant, and put Capt. Davidson back as manager, but after six months and a loss of $50,000, they gave up. Meanwhile, Charles Mullen had been searching for a way out of the mess, and in February, 1927, sold the assets of the Cape Magdalene Pulp & Paper Company, in bankruptcy, to the Brown Corporation, of La Tuque, P.Q., for "un plate de lentilles", as the account says. He was nearly
wiped out, and died the next year, at the age of 70. The Brown Corporation seems to have had plans to build a deep-water pier and a large paper mill, not at the Grand Falls, but on the coast, where they bought additional land, laid out a townsite, ran a transmission line out to the village, turned the hotel into a guest house and otherwise made motions at a large scale development. Much of the machinery was removed from the old mills and the railroad was scrapped at this time. However, everything ceased abruptly with the stock market crash in 1929. A local group attempted to run the power plant to provide service to the area, but the economy would not stand it, and they went out of business in 1935. What remained of the metal in the old mills was junked during World War II, and in 1944 the Brown Corporation gave up the Crown lease in exchange for another in the northern part of the province. The remains of the wharf disappeared in 1964.

The name "Great Eastern", given the original company, and the fact that Garret Schenck was on the Board of Directors — although as far as is known he never took any active part in the affairs of this company — would seem to be further indication that Charles Mullen and Great Northern parted company without ill-feeling.
APPENDIX C

Controversy between Garret Schenck and Col. A.G. Paine, 1900 to 1912, Noted in Chapter XI.

It will be remembered that the property sold to the new Great Northern Paper Company was owned jointly by Garret Schenck, Col. E.H. Haskell and Charles Mullen. Payment for this was in stock of the Company, but there was also a matter of "money advanced and expenses", arising out of the fact that these three had put some $216,000 into the purchase of stock, to provide some of the early cash requirements, as promised in their early sales pitch, and this was to be reimbursed in cash. It will also be recalled that Col. A.G. Paine also had an interest in some of the property sold to the Company, through an agreement, apparently with Garret Schenck alone, which unfortunately is not available. Whatever property this may have been, it was held in the name of the three original associates for convenience.

On February 26, 1900, Garret Schenck wrote to Col. A.G. Paine:

"My dear Col. Paine:

For some months the little syndicate (This was Schenck, Mullen and Haskell, not the original Bangor Syndicate) who owned the property that was sold to the Great Northern have been trying to get their affairs fixed up so that they could adjust accounts between themselves and the bankers, and we have just
reached that point....

I send you with this a copy of the accounts rendered by each party and a statement of the division of the stock, and by it you will see that you are entitled to $4,176.77 in the stock left in the hands of the Great Northern Paper Co., one-half of this preferred and one-half common.

The lands and water power and expenses pertaining to same cost a great deal more money than what we anticipated, and instead of getting all of our money paid back into the Great Northern Paper Co. in the shape of our subscription, we came out in the hole and have to take stock of the Great Northern Paper Co. in payment for that money. If you wish an itemized account of this matter, we shall be pleased to furnish it to you.

In dividing the stock up, which we wish to on account of using the stock as collateral, it leaves the matter of any possible damages on our warranty deed at Millinocket, open, and it is suggested that the four of us - yourself, Haskell, Mullen and myself, sign an agreement that in case of any damages .... we will each of us pay in one-fourth (1/4) of such damages or expenses, in which case (as it is perfectly proper for you to agree to this with the rest of us, as you have got an equal division with us) we will give you an order on Mr. Barnes for the $4,176.77.
In case you do not wish to sign the agreement with us, we are perfectly satisfied to leave the $4,176.77 on deposit until any damages that may come up are settled."

The reason why they could not get all their money paid back was that F.S. Moseley & Co., who were doing the banking and handling the details of the early stock transactions, had available only $157,600 in cash. Of this, $77,600 went to Col. Haskell; $71,600 to Garret Schenck and $8,400 to Charles Mullen. The figures are rounded. The remaining $58,400 was paid to them in stock, taken out of $75,000 worth being held back for contingencies, leaving an "undivided" remainder, in stock, of $16,707.07, which was to be split into four equal shares, $4,176.77 to each of the above, and a like amount to Col. A.G. Paine. This is all spelled out in the "copy of the accounts rendered" and is all quite clear, except that there is no way of knowing what the arrangements were that made Col. A.G. Paine entitled to one-fourth of this remainder.

No matter. He had no objection to this accounting. However, he did not choose to sign any agreement, but left his one-quarter share "on deposit", as suggested. The other two involved did likewise, and Garret Schenck, presumably to clear the matter up with the bankers, had all of this "undivided" remainder of $16,707.07 worth of stock transferred into his own name.

On December 16, 1902, Col. A.G. Paine wrote to Garret Schenck - "My dear Schenck" - reminding him that he had left
this $4,176.77 worth of stock on deposit "in lieu of signing a joint agreement", saying that he understood that everything had been cleared up in regard to the deed to the Millinocket property, and asking for payment of any balance due him. Garret Schenck immediately replied:

"My dear Colonel:

The claims against Mr. Mullen, Mr. Haskell and myself have not yet been settled, therefore cannot say how much of our original capital of $4,176.77 you refer to (if that is the amount) will remain until after all claims are adjudged. As soon as it is settled I will notify you."

No strain at this point. The next communication was on July 13, 1907, nearly five years later, when Col. A.G. Paine again wrote to Garret Schenck - "My dear Sir" this time - and henceforth:

"The last information I received from you in regard to the balance held by yourself, Mr. Haskell and Mr. Mullen, $4,176.77 ..... is dated December 17, 1902, in which you say that as soon as settled you will notify me. I simply write to know if same has been settled, and in what manner, also, if anything has been paid by you, what amount, so that we can have a final settlement."

He was a little upset at this time, it would seem. His signature, always a little florid, is slashed across the page in great characters more than three inches up and down, with an angry flourish at the end. He got an answer, dated July 29th, to which he referred later on; but no money.
Two years later, on July 25, 1909, Garret Schenck and Charles Mullen had a conversation in Boston. The latter went back to Bangor and wrote the following, which was to have later repercussions:

"Referring to the matter of settlement between you and Col. Haskell and myself in the matter of the Great Northern Deal and after thinking the matter over, and realizing that you have done a lot of personal and clerical work on this matter.

I am going to suggest that it is no more than fair and right, that, whatever balance of stock may be in your hand technectically (sic) belonging to Col. Haskell and myself, should be retained by you as compensation for your services, in setting up the old partnership.

If this meets with Col. Haskell's approval and yours, please accept my part and consider the matter closed. If it does not meet with Col. Haskell's approval, and you find the balance of stock due me, please have it transferred to Mrs. Schenck, with my compliments."

A very nice gesture, one would say. But wait. Garret Schenck replied that he appreciated the suggestion, would run down the old accounts "which have been hanging so many years", would check with Col. Haskell and then get in touch. This reply was written on July 26th. In the meantime, he had received another note from Col. A.G. Paine, dated July 3rd:

"The last information I received from you regarding the balance due me on the original Great Northern settlement
was dated at Nantucket, Mass. July 29th, 1907. This letter from you is very brief, contained no particulars, and I suppose you wrote it without reference to the original agreement....Therefore I send you herewith a copy of the agreement...I would thank you to make immediate settlement, and oblige me very much."

Garret Schenck did not even reply to this. Nearly a year went by, without any action, either on Charles Mullen's offer or on Col. Paine's claim. On March 4, 1910, the latter wrote again:

"I think I have waited patiently enough for some years for the balance due me under contract with yourself and associates. The last letter I had from you was...dated July 29th, 1907, in which you say the balance remains in your possession. Will you be good enough to make a settlement with me now, as I am informed by Mr. Haskell and Mr. Mullen that there are no claims outstanding, with reference to which you kept part of my interest."

On March 7th, Garret Schenck wrote that he would take the matter up with Charles Mullen and Col. Haskell as soon as the latter was available, and would bring it to a conclusion, adding "As you say, it should have been done before." However, nothing transpired, and on October 8, 1910, Col. Paine tried again:

"I beg to call your attention to my letter of March 4, 1910 and your reply of March 7, 1910. Mr. Haskell and Mr. Mullen have both called on me since,
and each has stated that there has been no claim made upon the property referred to in yours of February 26th, 1900.

It does seem to me, Mr. Schenck, that inasmuch as you have had my balance for more than ten years, you might send it to me now without further delay. I have never asked you for any accounting, trusting you entirely in the matter, and, as you know, this balance unquestionably belongs to me by your own statement...

This finally stirred Garret Schenck to call Charles Mullen and Col. Haskell into conference, by duplicate letters written October 10, 1910. Copies of these were sent to Col. Paine this same day, with a brief note. These letters read:

"A.G. Paine, of New York, has several times requested an adjustment of his matters between you and Col. Haskell"(C.W. Mullen, in Col. Haskell's copy) "and myself. Last March I wrote to him that I would undertake to get the vendors together and close up the matter, since which time I have absolutely forgotten it. But it is proper that the matter should be attended to, and if you will state what early date you will meet, I will undertake to have the report made....It might be well if you would look over your matters.... and refresh your memory, as ten years is quite a long period."

Charles Mullen seems to have been a little disturbed. On October 12th, he wrote a long letter:
"Dear Sir:

I have your letter of yesterday and carefully note same.

Now, as to what settlement there is for me to make with Col. Paine at this or any other time, is certainly beyond my conception..... My off-hand recollection of the whole matter is this. Namely, you made all the settlements and distributed all of the stock received from the Great Northern Paper Company as the joint account of the promotors. That is to say, you paid all the bills and distributed Haskell his share of stock and gave me mine, and I suppose Col. Paine his.

Col. Paine, who was a joint owner with us, was not on the deed. Consequently, the stock for the joint account was held back. That is to say part of this stock was held back, and is now held, I suppose, by you, and so far as I am concerned, any settlement that you make with Col. Paine now will be just as satisfactory to me as though you had made it years ago...."

He then reminded Garret Schenck that Col. Haskell had agreed to pay them $15,000 "for coming in", the inference being that no accounting for this had been made. He then said:

"The Great Northern affair is, and has been, a closed book to me for a long time, and I hope it will not be necessary to open it now. However, I will meet you and Col. Haskell at any time...."
Col. Haskell's reply came a few days later. He agreed to meet, but was more brief:

"...In regard to Mr. Paine's statement, would say that the only statement I have made to him...was, that I understood, on account of the heavy expenses which we incurred in connection with our property, there was very little, if any, of the balance left us."

It might be said at this point that in view of the conditions surrounding the trading in Maine wild lands, described in an earlier chapter, it is very likely that there were a number of questionable titles to the land offered to the Company by the promotors. Indeed, it has been noted that the original sale was in two lots, for this reason. However, at the time the sale was made, the biggest single problem was Lot 75 in Indian Township No. 3. The plans called for landing the south end of the Stone Dam, at the foot of Quakish Lake, the key to the development, on Lot 98, on the south side of the West Branch, and the north end, toward Millinocket, on Lot 75. The title to this lot was so doubtful that it was the subject of a separate agreement, made on March 31, 1899, between the Company and Schenck, Mullen and Haskell, to the effect that they would indemnify the Company against any loss or expense which might arise out of this; or "in the event that the Company shall build or attempt to build the contemplated dam... between Lot No. 98 and Lot No. 75, and shall be prevented from building or from maintaining the same by reason of the enforcement or establishment of any such adverse claims of title in or to Lot No. 75", the three would, at their own expense, construct another
dam, between Lots 98 and 76, to produce the same head, and turn it over to the Company. This agreement was made before construction was started, and the point may have been cleared up before work was begun, but this was the kind of thing for which money was being held back.

As the result of Garret Schenck's request, he, Charles Mullen and Col. Haskell met in Boston a couple of months later, discussed the matter of Col. Paine's claim, and composed the following formal document. The parentheses are in the original:

"Col. A.G. Paine,

New York, N.Y.

Dear Sir:

Referring to the letter (Mr. Schenck's) to you Oct. 10/1910.

The undersigned met this day (Dec. 2d, 1910) and took up the matter referred to in said letter.

It is our opinion, that, in view of the fact that we conveyed by Warranty Deed certain lands in Maine to the Great Northern Paper Company, and as we are liable on such Warranty for a further period of about ten years; and further, in view of the fact that there has been paid out by us about $10,000 to perfect our title and protect our Warranty; and, in addition to this, the interest on a sum of money far in excess of the total amount of $16,707, which interest might properly have been figured as a liability against the Syndicate but was not (as the

Appendix C - x
interest referred to accrued after the date on which the account was made up); it is our opinion that no further payments should be made to you on account of the $4100 held to make good the guarantee contained in our Warranty Deed to the Great Northern Paper Company, which you refused to become a party to, as referred to in our letter of Feb. 26th, 1900, as follows:"

The fourth paragraph of Garret Schenck's letter of February 26, 1900 was then quoted, and the communication was signed by all three. Col. Paine did not buy this, but he made no immediate reply. His next communication was in a letter to Garret Schenck, dated July 31, 1911.

"I duly received a certain document dated December 2d, 1910, signed by yourself, Mr. Haskell and Mr. Mullen. Please bear in mind that I have never had any transaction concerning the Great Northern Paper Co. with either Mr. Haskell or Mr. Mullen, and I have had nothing to do with them whatever in regard to the settlement between yourself and myself.

On July 13th, 1907, I wrote you, asking for a statement regarding the balance you were holding of my money, and, if anything had been paid out, to let me know the amount so we could have a settlement; in answer to which I received your reply without any statement, but saying that my money remained in your possession.
You know the late Mr. M.M. Armstrong, who died some months since, had a one-third interest in this remainder of the money you held. I have to settle with the Armstrong Estate, and I wish you would make me a statement of the actual payments made by you, on the piece of property at Millinocket for which this was reserved by you, crediting interest on the money to date, and taking therefrom any payments you have made on the property. Ten years has elapsed.

I hope it will be a pleasant settlement, as I want no friction, and, if you do not see your way clear to render this statement, I suggest that we submit the whole correspondence to our mutual friend and counselor, Com. Lewis Cass Ledyard. I am prepared to abide by his decision in the matter. It must not be left open, on account of my situation with the Armstrong Estate...."

Garret Schenck did not answer this letter either, but Col. Paine persisted. On October 17, 1911, he wrote again:

"On July 31st, 1911, I mailed you a letter concerning the money in your hands for my account, and not having an acknowledgement from you of the receipt of that communication, I beg to hand you herewith copy of same, with the suggestion that you give it immediate attention."

Garret Schenck did not accept the proposal to arbitrate. His reply, written on October 30th, gave Col. Paine no satisfaction:
"I can add nothing to what has been said in the communication to you signed by Haskell, Mullen and myself, as they were, and are, as you well know, as much interested in the deal that was made with you as either you or myself, and, as you also well know, were parties to any participation in money paid you for a letter of introduction to alleged friends of yours."

On the same day, he wrote to Charles Mullen and Col. Haskell, sending each a copy of the above. To the former, he said:

"The matter of compensation to A.G. Paine for a letter of introduction to alleged friends of his does not seem, in his mind, to be settled.

There is nothing due him by any of us, but I think the next time you are in Boston...we can take the matter up and put it into a shape that must be final."

This mention of compensation for a letter of introduction to "alleged friends" is something new. There is no reference to this point in any previous correspondence. It is the third bit of evidence that, in an earlier part of this story, was suggested as perhaps being indication that Col. Paine was the link with New York financing.

This seems to be the point at which Col. Paine decided he wanted no more to do with Garret Schenck. There is no record of further correspondence from him, and while he allowed himself to be re-elected to the Board of Directors, he attended no meetings
between this time and his resignation in December, 1912.

Charles Mullen acknowledged receipt of copy of the October 30th letter, saying:
"I think we are very well agreed that the Colonel has had out of the partnership a good deal more than he earned, as compared with the work the rest of us did, and the chances we took, and what we got out of it."

Garret Schenck agreed, on November 3d:
"He certainly got all that he was entitled to....The money that is now owing to the various members of the Syndicate would more than offset any claim that he thinks he has against us."

Following Col. A.G. Paine's resignation, there seems to have been no further development for almost exactly a year, when on December 9, 1913, Charles Mullen wrote the following letter, astonishing in view of the foregoing correspondence, and leading to some interesting revelations:
"My dear Mr. Schenck"

Several months ago I met you and Col. Haskell at your request in your office in Boston in relation to a settlement of the balance of the Millinocket stock then and now in your hands.

You will recall that you were to divide this stock as soon as you heard from Col. Paine.
We all have a right to remember that we are not growing younger from year to year, and these little matters ought to be settled and finally closed up.

With this in mind, I will be glad to have you send me at your earliest convenience my share of the stock, with, of course, the accumulated dividends, which I assume have been paid to you. If there is any reason why this should not be done, please advise me."

This seems to have taken Garret Schenck very much by surprise, and he replied on December 11th, saying so, and adding:

"...I am going to refer you to your letter book, where you will, of course, find the copy of a letter written to me June 28, 1909, on the subject. If you fail to find the letter, I shall be glad to furnish you with a copy. And if, after reading the letter you want to change the matter, I shall be glad to do that...."

This was the letter in which Charles Mullen had offered to give his share of the remaining "undivided" stock to Mrs. Schenck. His reply to the foregoing, dated December 12, 1913, contained an amazing disclosure:

"...I confess that I am a good deal surprised at your lack of memory.

On Friday, June 25, 1909, I was in your office in Boston, and had conversation with you, re the matter. We were both agreed that Col. Haskell and you and I were morally entitled to what stock was left undistributed in your hands, and at
your suggestion....it was agreed by both of us that I should write you a letter along the lines that I did write, in order to give you a chance, as I understood it, to settle the matter to divide the shares between Schenck, Haskell and Mullen, without any division of the stock with Col. A.G. Paine.

When you took the matter up with Col. Haskell and myself several months ago, December, 1910, you took it up absolutely on the same lines, not to eliminate Col. Haskell and myself, but to eliminate Col. Paine and that was the full gist of the conversation between us, December, 1910, in your office..."

I think when you consider the matter that your memory will serve you directly as my memorandum shows, and more than that, you must remember, that in 1909, when you were supposed to be worth more than a million, and I hope you were, and I was reputed to be next door to the poorhouse, there was no good reason why I should be making you a present.

However, lets keep at it now until it is settled one way or the other, so that, we then can pass final receipts between us, and prevent further mistakes."

Garret Schenck said he would see him after Christmas. In the meantime, Charles Mullen appealed to Col. Haskell, sending him copies of his last two letters. The old gentleman took a dim view of Charles Mullen's claim, writing him on December 29th:
"...I must confess to some surprise at what you wrote, and as it is so at variance with the facts as I understand them, that in justice to Mr. Schenck I am writing you at once to say, that my understanding and agreements were, that the matter was considered closed at the time of our conference in 1910. This relates to the interest which we three had in our first relationship.

...I was familiar with the position you took June 28, 1909, in which you recognized the great service Mr. Schenck had rendered both of us and in which you suggested that both you and I felt he was entitled, by reason of such service, to the remainder of any balance which technically might be due us.

At the meeting we had Dec. 2d, 1910, when we discussed Col. A.G. Paine's claim to a portion of the balance set aside by mutual consent... and at which time we agreed on a reply to Col. Paine... we also agreed that so far as the matter related to Schenck, Mullen and Haskell, they had been settled to our mutual satisfaction....

Even were such not the facts in all respects, I felt then, and I feel today, that you and I were both under great obligation to Mr. Schenck, for the special and very important service he rendered us, without which, in my judgment, the organization of the G.N.P. Co. and the very handsome profit which came to you and myself, might not have been possible.
Regretting that this matter has been raised by you at this late day, I am

Yours truly,

E.H. Haskell

The correspondence and any other evidence ends with this letter. It is impossible to say with assurance what the final outcome was, or for that matter what the original situation was. We said earlier that Col. A.G. Paine was involved in some way in the purchase of timberland to be sold to Great Northern. This is based entirely on Charles Mullen's statement that he was a joint owner, although not "on the deed", and on the point about settling with the Armstrong Estate, which would seem to indicate, though not conclusively, some financial participation. It may be that his contribution was simply the "letter of introduction to alleged friends". He himself said that he never had any dealings with Col. Haskell and Charles Mullen. Garret Schenck said they were all involved, but ties this involvement to the letter of introduction. Anyway, while it is clear that he had some money coming to him in 1900, the statement sent him on December 2, 1910, would seem to mean that the $16,707 in question had all been used up. In addition, Garret Schenck wrote in another place, not quoted, that while he was banking for the partnership, borrowing against the stock which was to be issued to them, he had been charged with several thousands of dollars in interest, which he had paid himself, not calling upon any of the others for any of it. Col. Haskell never had any question about settlement for the "undivided" stock, and neither did Charles Mullen on October 12, 1910. What
caused his later about-face is a matter of conjecture. Whether under the circumstances Garret Schenck would have been capable of participation in a deal such as Charles Mullen indicated is debatable. It is plain that Col. Haskell had no part in this, if it ever happened, and certainly he would never have agreed to any such maneuver. The only conclusion we can reach is that the value of the undivided stock had all been spent legitimately, as laid out in the joint letter of December 2, 1910, but that for some reason, perhaps just a matter of principle, Garret Schenck did not feel that he had to account for it. As Col. Paine did not agree, and is said, on excellent authority, to have later called Garret Schenck a crook, and as Garret Schenck still had the "undivided" stock in his possession thirteen years after it was issued, and was at that time contesting Charles Mullen's right to any part of it, it would appear that he never gave any of it up. Whatever reason Charles Mullen may have had for the position he took on the matter in 1913, he seems to have forgiven Garret Schenck, if any forgiveness was called for. Col. A.G. Paine never did.
APPENDIX D

Correspondence between Garret Schenck and George W. Stearns in regard to the enforcement of liquor regulations in Millinocket: 1916 - 1919.

This starts with a letter dated April 28, 1916 to George Stearns. There are indications in later correspondence that it may have been occasioned by complaints from Ingleton Schenck, who was then Superintendent of the Millinocket mill, Garret Jr., or both.

"George W. Stearns, Esq.
Millinocket, Maine
Dear Sir:

In regard to the handling of the liquor question in Millinocket.

In our leases, as I recall it, there is a strong clause in regard to the sale of liquor on the premises. I want you to get after this and push it, and give Fred Gates the tip to go for every single one of the parties who are breaking the contract agreement expressed in the deeds.

If the clause in the deeds means anything, it means that we can enforce it. If we can't enforce it, we had better know it now.

Please get busy on this, and oblige
Garret Schenck
President."
Fred Gates was the constable in Millinocket at this time, his actual title being "Assistant to the Townsite Manager."

In reply to this, in a letter written on April 29th, Judge Stearns named four people, men and women, who were selling "intoxicating liquors" from homes which they owned; five who were selling from homes or buildings rented from others, and three or four, including Fred Peluso, selling "beer" (probably wine), from buildings in Little Italy, which as we have said were on leased land. Apparently the situation had got a little out of hand. He said: "I think there is no question about the validity of the liquor clause, so-called, in our deeds. I understand that the matter has been settled by one or more decisions of the law court and that we can take all of these buildings away from their owners and even from the mortgagee, should we proceed. The first step to be taken is to make entry and demand of the owners that they give up the buildings to us, then on their refusal we begin legal proceedings..."

On May 2d, Garret Schenck wrote again:

"Referring to yours of the 29th ult. regarding the liquor clause in our deeds and the enforcement of same.

The point is, not to get at the fellows like Peluso, but the liquor sellers who are causing the men loss of money by wasting their wages, etc. Peluso and the Italians across the river have no deeds from us - they are only tenants at will.

It occurs to me, that if you work with Gates, and let him start in and notify them, that, unless this traffic stops, you are going to enforce the clause in the deed, it will bring about the result, if you do enforce it if they throw up their heads and are not amenable to reason. We
are trying to put in force in the mill safety appliances, to protect the men's lives, and nothing will do more than keeping their heads clear. And this is one of the easiest things we can do, it seems to me."

On that same day, George Stearns wrote a letter which crossed the above in the mail, saying that those to whom he had referred as owning property from which others were selling booze had agreed to see that it was stopped, and said: "Old Mr. Gates is busy as usual raiding the violators of the liquor law". (this was before Prohibition, but Maine had a liquor law of its own) "He has enough cases piled up against them, if the County Attorney would do his duty and the Supreme Court uphold him, to keep every man who is engaged in the sale of intoxicating liquors in jail for the next two years."

On May 4th, Garret Schenck wrote again:

"It is just as well to follow up this liquor business in a systematic and politic way; but if any of them buck up and refuse to behave themselves, then you want to make an example of them - and when you do it, do it good and plenty."

George Stearns had been dragging his feet a little. There was an election coming up, and he did not want to rock the boat. However, on June 25th he wrote Garret Schenck, saying that while there was liquor being sold by bootleggers, there were no open bars, but that he had had to threaten to use the clause in the deed to bring this about. He said: "I hated to do it...(but) it became so rotten that I lost my patience and started things." By inference,
the liquor dealers were not going to accept the situation without a battle, as he said: "Now that I have done it I want you to stand back of me and if they persist I want permission to bring Writ of Entry against them."

The mail used to get from Millinocket to Boston overnight in those days, and the next day Garret Schenck wrote:

"I think we should go the limit in preventing the sale of liquor, so that it interferes with the operation of the mills or hurts the standing of the Town. And I want you to go for them and get them. Don't think anybody need be frightened one bit, as we are not enough interested in politics to care very much how they go, but we are interested in having a good condition in our mills and in our Town."

He wrote again on July 9th; a hurried, hand-written note from his summer home in Falmouth:

"Just so far as we can assist in putting down the rum traffic I desire it done. Use our form of deed to the limit. Politics can not enter into it when it is a case of hurting our organization - must not."

With this urging, George Stearns proceeded with vigor, obtaining writs of entry (search warrants) against several of the worst offenders. Later in the month he wrote: "There is a considerable decrease in the amount of "ardent" being sold in this town at present"; and on September 30th he advised that the situation was still improving, and that "we have a comparatively dry town." Garret Schenck told him to keep on the pressure, saying:
"The way to get after the rum sellers is to jump on them, and keep jumping on them until it makes it mighty inconvenient and expensive for them to do the business."

A few days later he visited Millinocket, and was not entirely pleased. On October 16th he wrote again:

"Confirming conversation about the rum business at Millinocket.

Use your influence to prevent the Judge from remitting jail sentences upon payment of fine. The only way to punish these fellows is to punish them.

I am informed that......, who was one of the men stealing material from the mills, has, within a few days, had rum seized on his premises, and has been fined and sentenced to two months imprisonment. He is just the kind of man you want to make serve the term, as a good lesson. It is a weak-kneed policy if we do anything else."

Some time a little later, Fred Gates, having a writ of entry and being denied admission, kicked down a door, and was sued for damages, upon which Garret Schenck wrote to George Stearns on November 16th:

"Please say to Mr. Gates that his acts on behalf of the Great Northern Paper Company will be backed up by them, and he will not stand to lose one dollar. All of the expenses will be taken care of by the Great Northern Paper Company, and, in case of any defense being needed, want you to see that he gets the advantage of the Company's lawyers."
Demon Rum was really up against a tough opponent in Great Northern territory in those days.

The above correspondence shows one side of Garret Schenck, of whom it was written "his notions were as adamant"; the tough, uncompromising opponent of anything or anybody threatening the welfare of his company. But in the midst of it is an illustration of the other Garret Schenck, the man with "a desire to deal fairly".

In one of his letters, George Stearns took up the case of "one Antonio DiAllissio", who was convicted of selling liquor in Little Italy, and the court's judgment had given the Company a writ of possession. This man came to him, all broken up, saying that he had worked in the mill for seven years, had several small children, and that the little house in Little Italy was all he had in the world; pleading to be allowed to keep it, saying that he would then either work faithfully for the Company and sell no more rum; or if that was not satisfactory, he would pay the Company $12 a year rent for the house, sublet it to some one who would use it only to live in, and would leave town and never come back. George Stearns simply referred the matter to the President, making no recommendation. Garret Schenck's reply, contained in the letter of November 16th, part of which we have quoted, was as follows:

"In regard to Antonio Allissio. No wish on our part to persecute him. We want him, when he is in Millinocket, to be a good citizen, and not a nuisance. If they have a place for him in the mill, and he will behave himself, shall be glad to have him retain his house and remain. Otherwise, he must go. Put him on probation."
This is the same man who wrote on March 31, 1919:

"You know that I disapprove of any attempt on the part of our Superintendents, in the employment of men, to discriminate on the question of whether they are Protestant or Catholic or Quakers".
### APPENDIX E

**TOTAL PAPER PRODUCTION**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>MILLINOCKET MILL TONS</th>
<th>EAST MILLINOCKET MILL TONS</th>
<th>MADISON MILL TONS</th>
<th>TOTAL TONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1901</td>
<td>61,833</td>
<td></td>
<td>14,316</td>
<td>76,149</td>
</tr>
<tr>
<td>1902</td>
<td>71,277</td>
<td></td>
<td>14,320</td>
<td>85,597</td>
</tr>
<tr>
<td>1903</td>
<td>72,979</td>
<td></td>
<td>12,644</td>
<td>85,623</td>
</tr>
<tr>
<td>1904</td>
<td>75,998</td>
<td></td>
<td>13,453</td>
<td>89,451</td>
</tr>
<tr>
<td>1905</td>
<td>87,799</td>
<td></td>
<td>12,926</td>
<td>100,725</td>
</tr>
<tr>
<td>1906</td>
<td>89,725</td>
<td></td>
<td>14,434</td>
<td>104,159</td>
</tr>
<tr>
<td>1907</td>
<td>85,338</td>
<td>7,383</td>
<td>14,779</td>
<td>107,500</td>
</tr>
<tr>
<td>1908</td>
<td>75,452</td>
<td>30,926</td>
<td>11,782</td>
<td>118,160</td>
</tr>
<tr>
<td>1909</td>
<td>91,573</td>
<td>41,624</td>
<td>16,518</td>
<td>149,715</td>
</tr>
<tr>
<td>1910</td>
<td>93,979</td>
<td>44,550</td>
<td>17,501</td>
<td>156,030</td>
</tr>
<tr>
<td>1911</td>
<td>99,535</td>
<td>44,611</td>
<td>17,355</td>
<td>161,501</td>
</tr>
<tr>
<td>1912</td>
<td>101,681</td>
<td>44,386</td>
<td>18,013</td>
<td>164,080</td>
</tr>
<tr>
<td>1913</td>
<td>104,167</td>
<td>45,714</td>
<td>17,952</td>
<td>167,833</td>
</tr>
<tr>
<td>1914</td>
<td>104,890</td>
<td>59,639</td>
<td>18,295</td>
<td>182,824</td>
</tr>
<tr>
<td>1915</td>
<td>110,646</td>
<td>61,660</td>
<td>19,327</td>
<td>191,633</td>
</tr>
<tr>
<td>1916</td>
<td>125,097</td>
<td>63,516</td>
<td>20,475</td>
<td>209,088</td>
</tr>
<tr>
<td>1917</td>
<td>135,176</td>
<td>63,742</td>
<td>21,464</td>
<td>220,382</td>
</tr>
<tr>
<td>1918</td>
<td>134,021</td>
<td>61,427</td>
<td>21,124</td>
<td>216,572</td>
</tr>
<tr>
<td>1919</td>
<td>151,394</td>
<td>67,491</td>
<td>22,546</td>
<td>241,431</td>
</tr>
<tr>
<td>1920</td>
<td>155,014</td>
<td>69,054</td>
<td>23,893</td>
<td>247,961</td>
</tr>
<tr>
<td>1921</td>
<td>161,927</td>
<td>72,091</td>
<td>23,545</td>
<td>257,563</td>
</tr>
<tr>
<td>1922</td>
<td>167,558</td>
<td>71,441</td>
<td>18,548</td>
<td>257,547</td>
</tr>
<tr>
<td>1923</td>
<td>161,115</td>
<td>71,480</td>
<td>14,678</td>
<td>247,273</td>
</tr>
<tr>
<td>1924</td>
<td>172,742</td>
<td>73,481</td>
<td>27,612</td>
<td>273,835</td>
</tr>
<tr>
<td>1925</td>
<td>174,134</td>
<td>72,272</td>
<td>29,258</td>
<td>275,664</td>
</tr>
<tr>
<td>YEAR</td>
<td>MILLINOCKET MILL TONS</td>
<td>EAST MILLINOCKET MILL TONS</td>
<td>MADISON MILL TONS</td>
<td>TOTAL TONS</td>
</tr>
<tr>
<td>------</td>
<td>-----------------------</td>
<td>-----------------------------</td>
<td>-------------------</td>
<td>------------</td>
</tr>
<tr>
<td>1926</td>
<td>179,194</td>
<td>78,255</td>
<td>31,595</td>
<td>289,044</td>
</tr>
<tr>
<td>1927</td>
<td>182,668</td>
<td>83,307</td>
<td>29,490</td>
<td>295,465</td>
</tr>
<tr>
<td>1928</td>
<td>191,824</td>
<td>89,535</td>
<td>30,278</td>
<td>311,637</td>
</tr>
<tr>
<td>1929</td>
<td>197,966</td>
<td>90,348</td>
<td>27,034</td>
<td>315,348</td>
</tr>
<tr>
<td>1930</td>
<td>199,915</td>
<td>92,252</td>
<td>29,713</td>
<td>322,151</td>
</tr>
<tr>
<td>1931</td>
<td>178,281</td>
<td>79,883</td>
<td>27,360</td>
<td>285,524</td>
</tr>
<tr>
<td>1932</td>
<td>160,195</td>
<td>69,608</td>
<td>26,036</td>
<td>255,839</td>
</tr>
<tr>
<td>1933</td>
<td>147,901</td>
<td>63,539</td>
<td>26,769</td>
<td>238,209</td>
</tr>
<tr>
<td>1934</td>
<td>166,776</td>
<td>78,766</td>
<td>28,113</td>
<td>273,655</td>
</tr>
<tr>
<td>1935</td>
<td>174,823</td>
<td>82,567</td>
<td>27,917</td>
<td>285,307</td>
</tr>
<tr>
<td>1936</td>
<td>192,040</td>
<td>90,742</td>
<td>27,276</td>
<td>310,058</td>
</tr>
<tr>
<td>1937</td>
<td>198,095</td>
<td>91,145</td>
<td>28,974</td>
<td>318,214</td>
</tr>
<tr>
<td>1938</td>
<td>175,251</td>
<td>79,703</td>
<td>25,831</td>
<td>280,785</td>
</tr>
<tr>
<td>1939</td>
<td>204,626</td>
<td>92,963</td>
<td>29,380</td>
<td>326,769</td>
</tr>
<tr>
<td>1940</td>
<td>209,452</td>
<td>94,754</td>
<td>30,868</td>
<td>335,074</td>
</tr>
<tr>
<td>1941</td>
<td>218,941</td>
<td>95,221</td>
<td>27,189</td>
<td>341,351</td>
</tr>
<tr>
<td>1942</td>
<td>222,949</td>
<td>93,008</td>
<td>25,114</td>
<td>341,071</td>
</tr>
<tr>
<td>1943</td>
<td>207,557</td>
<td>85,597</td>
<td>25,042</td>
<td>318,196</td>
</tr>
<tr>
<td>1944</td>
<td>189,306</td>
<td>81,813</td>
<td>26,236</td>
<td>297,355</td>
</tr>
<tr>
<td>1945</td>
<td>202,500</td>
<td>92,140</td>
<td>27,440</td>
<td>322,080</td>
</tr>
<tr>
<td>1946</td>
<td>221,899</td>
<td>93,866</td>
<td>28,373</td>
<td>344,138</td>
</tr>
<tr>
<td>1947</td>
<td>229,574</td>
<td>97,158</td>
<td>29,083</td>
<td>355,815</td>
</tr>
<tr>
<td>1948</td>
<td>226,242</td>
<td>96,321</td>
<td>28,555</td>
<td>351,118</td>
</tr>
<tr>
<td>1949</td>
<td>238,056</td>
<td>92,804</td>
<td>26,843</td>
<td>357,703</td>
</tr>
<tr>
<td>1950</td>
<td>252,334</td>
<td>94,190</td>
<td>27,318</td>
<td>373,842</td>
</tr>
<tr>
<td>1951</td>
<td>264,429</td>
<td>102,700</td>
<td>28,947</td>
<td>396,076</td>
</tr>
<tr>
<td>1952</td>
<td>268,585</td>
<td>99,444</td>
<td>28,132</td>
<td>396,161</td>
</tr>
<tr>
<td>1953</td>
<td>267,686</td>
<td>93,511</td>
<td>27,393</td>
<td>398,590</td>
</tr>
</tbody>
</table>

1974
<table>
<thead>
<tr>
<th>YEAR</th>
<th>MILLINOCKET MILL TONS</th>
<th>EAST MILLINOCKET MILL TONS</th>
<th>MADISON MILL TONS</th>
<th>TOTAL TONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1954</td>
<td>275,640</td>
<td>98,169</td>
<td>24,246</td>
<td>398,055</td>
</tr>
<tr>
<td>1955</td>
<td>297,874</td>
<td>183,616</td>
<td>12,046</td>
<td>493,536</td>
</tr>
<tr>
<td>1956</td>
<td>318,198</td>
<td>263,502</td>
<td></td>
<td>581,700</td>
</tr>
<tr>
<td>1957</td>
<td>281,758</td>
<td>255,043</td>
<td></td>
<td>536,801</td>
</tr>
<tr>
<td>1958</td>
<td>202,894</td>
<td>240,264</td>
<td></td>
<td>443,158</td>
</tr>
<tr>
<td>1959</td>
<td>210,053</td>
<td>267,578</td>
<td></td>
<td>477,631</td>
</tr>
<tr>
<td>1960</td>
<td>219,607</td>
<td>290,124</td>
<td></td>
<td>509,731</td>
</tr>
<tr>
<td>1961</td>
<td>236,149</td>
<td>298,061</td>
<td></td>
<td>534,210</td>
</tr>
<tr>
<td>1962</td>
<td>223,504</td>
<td>292,840</td>
<td></td>
<td>516,344</td>
</tr>
<tr>
<td>1963</td>
<td>248,205</td>
<td>321,732</td>
<td></td>
<td>569,937</td>
</tr>
<tr>
<td>1964</td>
<td>259,749</td>
<td>339,590</td>
<td></td>
<td>599,339</td>
</tr>
<tr>
<td>1965</td>
<td>282,988</td>
<td>359,049</td>
<td></td>
<td>642,037</td>
</tr>
<tr>
<td>1966</td>
<td>301,756</td>
<td>382,413</td>
<td></td>
<td>684,169</td>
</tr>
<tr>
<td>1967</td>
<td>308,309</td>
<td>385,528</td>
<td></td>
<td>693,837</td>
</tr>
<tr>
<td>1968</td>
<td>313,748</td>
<td>395,378</td>
<td></td>
<td>709,126</td>
</tr>
<tr>
<td>1969</td>
<td>317,938</td>
<td>379,678</td>
<td></td>
<td>697,616</td>
</tr>
<tr>
<td>1970</td>
<td>323,507</td>
<td>383,989</td>
<td></td>
<td>707,496</td>
</tr>
<tr>
<td>1971</td>
<td>302,960</td>
<td>370,093</td>
<td></td>
<td>673,053</td>
</tr>
<tr>
<td>1972</td>
<td>327,306</td>
<td>387,610</td>
<td></td>
<td>714,916</td>
</tr>
<tr>
<td>1973</td>
<td>416,672</td>
<td>354,156</td>
<td></td>
<td>770,828</td>
</tr>
</tbody>
</table>
## PRODUCTION OTHER THAN NEWSPRINT

(Included in Total)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>MILLINOCKET MILL TONS</th>
<th>EAST MILLINOCKET MILL TONS</th>
<th>MADISON MILL TONS</th>
<th>TOTAL TONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1901</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>1902</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>1903</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>1904</td>
<td>--</td>
<td>--</td>
<td>13,453</td>
<td>13,453</td>
</tr>
<tr>
<td>1905</td>
<td>--</td>
<td>--</td>
<td>12,926</td>
<td>12,926</td>
</tr>
<tr>
<td>1906</td>
<td>--</td>
<td>--</td>
<td>14,434</td>
<td>14,434</td>
</tr>
<tr>
<td>1907</td>
<td>--</td>
<td>--</td>
<td>14,779</td>
<td>14,779</td>
</tr>
<tr>
<td>1908</td>
<td>--</td>
<td>--</td>
<td>11,782</td>
<td>11,782</td>
</tr>
<tr>
<td>1909</td>
<td>--</td>
<td>--</td>
<td>16,518</td>
<td>16,518</td>
</tr>
<tr>
<td>1910</td>
<td>--</td>
<td>--</td>
<td>17,501</td>
<td>17,501</td>
</tr>
<tr>
<td>1911</td>
<td>--</td>
<td>--</td>
<td>17,355</td>
<td>17,355</td>
</tr>
<tr>
<td>1912</td>
<td>--</td>
<td>1,838</td>
<td>18,013</td>
<td>19,851</td>
</tr>
<tr>
<td>1913</td>
<td>--</td>
<td>197</td>
<td>17,952</td>
<td>18,149</td>
</tr>
<tr>
<td>1914</td>
<td>--</td>
<td>66</td>
<td>13,808</td>
<td>13,874</td>
</tr>
<tr>
<td>1915</td>
<td>--</td>
<td>135</td>
<td>9,753</td>
<td>9,888</td>
</tr>
<tr>
<td>1916</td>
<td>--</td>
<td>104</td>
<td>10,924</td>
<td>11,028</td>
</tr>
<tr>
<td>1917</td>
<td>--</td>
<td>54</td>
<td>10,750</td>
<td>10,804</td>
</tr>
<tr>
<td>1918</td>
<td>--</td>
<td>13</td>
<td>12,420</td>
<td>12,433</td>
</tr>
<tr>
<td>1919</td>
<td>--</td>
<td>3</td>
<td>12,502</td>
<td>12,505</td>
</tr>
<tr>
<td>1920</td>
<td>--</td>
<td>1</td>
<td>11,740</td>
<td>11,741</td>
</tr>
<tr>
<td>1921</td>
<td>--</td>
<td>5</td>
<td>7,709</td>
<td>7,714</td>
</tr>
<tr>
<td>1922</td>
<td>--</td>
<td>--</td>
<td>10,977</td>
<td>10,977</td>
</tr>
<tr>
<td>1923</td>
<td>--</td>
<td>--</td>
<td>10,790</td>
<td>10,790</td>
</tr>
<tr>
<td>1924</td>
<td>--</td>
<td>--</td>
<td>1,810</td>
<td>1,810</td>
</tr>
<tr>
<td>YEAR</td>
<td>MILLINOCKET MILL TONS</td>
<td>EAST MILLINOCKET MILL TONS</td>
<td>MADISON MILL TONS</td>
<td>TOTAL TONS</td>
</tr>
<tr>
<td>------</td>
<td>----------------------</td>
<td>---------------------------</td>
<td>-------------------</td>
<td>------------</td>
</tr>
<tr>
<td>1925</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>1926</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>1927</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>1928</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>1929</td>
<td>--</td>
<td>--</td>
<td>2,012</td>
<td>2,012</td>
</tr>
<tr>
<td>1930</td>
<td>--</td>
<td>--</td>
<td>7,564</td>
<td>7,564</td>
</tr>
<tr>
<td>1931</td>
<td>--</td>
<td>--</td>
<td>8,895</td>
<td>8,895</td>
</tr>
<tr>
<td>1932</td>
<td>--</td>
<td>--</td>
<td>19,475</td>
<td>19,475</td>
</tr>
<tr>
<td>1933</td>
<td>--</td>
<td>--</td>
<td>26,769</td>
<td>26,769</td>
</tr>
<tr>
<td>1934</td>
<td>--</td>
<td>--</td>
<td>28,113</td>
<td>28,113</td>
</tr>
<tr>
<td>1935</td>
<td>--</td>
<td>--</td>
<td>27,917</td>
<td>27,917</td>
</tr>
<tr>
<td>1936</td>
<td>--</td>
<td>--</td>
<td>27,276</td>
<td>27,276</td>
</tr>
<tr>
<td>1937</td>
<td>--</td>
<td>--</td>
<td>28,974</td>
<td>28,974</td>
</tr>
<tr>
<td>1938</td>
<td>--</td>
<td>--</td>
<td>25,831</td>
<td>25,831</td>
</tr>
<tr>
<td>1939</td>
<td>--</td>
<td>--</td>
<td>29,380</td>
<td>29,380</td>
</tr>
<tr>
<td>1940</td>
<td>--</td>
<td>--</td>
<td>30,868</td>
<td>30,868</td>
</tr>
<tr>
<td>1941</td>
<td>--</td>
<td>--</td>
<td>27,189</td>
<td>27,189</td>
</tr>
<tr>
<td>1942</td>
<td>1,886</td>
<td>1,720</td>
<td>25,114</td>
<td>28,720</td>
</tr>
<tr>
<td>1943</td>
<td>13,516</td>
<td>1,255</td>
<td>25,042</td>
<td>39,813</td>
</tr>
<tr>
<td>1944</td>
<td>13,681</td>
<td>5,598</td>
<td>26,236</td>
<td>45,515</td>
</tr>
<tr>
<td>1945</td>
<td>15,315</td>
<td>10,469</td>
<td>27,440</td>
<td>53,224</td>
</tr>
<tr>
<td>1946</td>
<td>4,981</td>
<td>1,056</td>
<td>28,373</td>
<td>34,410</td>
</tr>
<tr>
<td>1947</td>
<td>--</td>
<td>--</td>
<td>29,083</td>
<td>29,083</td>
</tr>
<tr>
<td>1948</td>
<td>--</td>
<td>--</td>
<td>28,555</td>
<td>28,555</td>
</tr>
<tr>
<td>1949</td>
<td>--</td>
<td>--</td>
<td>26,843</td>
<td>26,843</td>
</tr>
<tr>
<td>1950</td>
<td>--</td>
<td>--</td>
<td>27,318</td>
<td>27,318</td>
</tr>
<tr>
<td>1951</td>
<td>--</td>
<td>--</td>
<td>28,947</td>
<td>28,947</td>
</tr>
<tr>
<td>1952</td>
<td>--</td>
<td>113</td>
<td>28,132</td>
<td>28,245</td>
</tr>
<tr>
<td>YEAR</td>
<td>MILLINOCKET MILL TONS</td>
<td>EAST MILLINOCKET MILL TONS</td>
<td>MADISON MILL TONS</td>
<td>TOTAL TONS</td>
</tr>
<tr>
<td>------</td>
<td>-----------------------</td>
<td>---------------------------</td>
<td>------------------</td>
<td>----------</td>
</tr>
<tr>
<td>1953</td>
<td>3,652</td>
<td>8,918</td>
<td>27,201</td>
<td>39,771</td>
</tr>
<tr>
<td>1954</td>
<td>6,076</td>
<td>15,631</td>
<td>15,595</td>
<td>37,302</td>
</tr>
<tr>
<td>1955</td>
<td>15,378</td>
<td>11,292</td>
<td>5,193</td>
<td>31,863</td>
</tr>
<tr>
<td>1956</td>
<td>42,885</td>
<td>12,882</td>
<td></td>
<td>55,767</td>
</tr>
<tr>
<td>1957</td>
<td>46,416</td>
<td>8,999</td>
<td></td>
<td>55,415</td>
</tr>
<tr>
<td>1958</td>
<td>58,604</td>
<td>11,914</td>
<td></td>
<td>70,518</td>
</tr>
<tr>
<td>1959</td>
<td>93,364</td>
<td>15,737</td>
<td></td>
<td>109,101</td>
</tr>
<tr>
<td>1960</td>
<td>115,618</td>
<td>11,307</td>
<td></td>
<td>126,925</td>
</tr>
<tr>
<td>1961</td>
<td>135,953</td>
<td>12,245</td>
<td></td>
<td>148,198</td>
</tr>
<tr>
<td>1962</td>
<td>150,130</td>
<td>11,640</td>
<td></td>
<td>161,770</td>
</tr>
<tr>
<td>1963</td>
<td>176,830</td>
<td>13,789</td>
<td></td>
<td>190,619</td>
</tr>
<tr>
<td>1964</td>
<td>211,569</td>
<td>10,490</td>
<td></td>
<td>222,059</td>
</tr>
<tr>
<td>1965</td>
<td>261,723</td>
<td>14,529</td>
<td></td>
<td>276,252</td>
</tr>
<tr>
<td>1966</td>
<td>295,341</td>
<td>19,501</td>
<td></td>
<td>314,842</td>
</tr>
<tr>
<td>1967</td>
<td>304,059</td>
<td>18,063</td>
<td></td>
<td>322,122</td>
</tr>
<tr>
<td>1968</td>
<td>311,248</td>
<td>29,793</td>
<td></td>
<td>341,041</td>
</tr>
<tr>
<td>1969</td>
<td>312,867</td>
<td>40,207</td>
<td></td>
<td>353,074</td>
</tr>
<tr>
<td>1970</td>
<td>322,473</td>
<td>52,797</td>
<td></td>
<td>375,270</td>
</tr>
<tr>
<td>1971</td>
<td>297,794</td>
<td>53,180</td>
<td></td>
<td>350,974</td>
</tr>
<tr>
<td>1972</td>
<td>310,553</td>
<td>74,323</td>
<td></td>
<td>384,876</td>
</tr>
<tr>
<td>1973</td>
<td>377,931</td>
<td>102,584</td>
<td></td>
<td>480,515</td>
</tr>
</tbody>
</table>

NOTE: According to the production records available to us, the Company made nothing but newsprint in 1899, 1900, 1901, 1902, 1903, 1925, 1926, 1927 and 1928, but we have reason to believe that some wrapping and hanging paper was made in the first three or four years.
NOTE: (continued)

We are unable to account for the small amounts of paper other than news made at East Millinocket between 1912 and 1921. However, during the World War II years, when newsprint was allocated, a number of low-grade specialties were produced at both Millinocket and East Millinocket. To the best of our knowledge, the figures for paper other than newsprint made in that period do not include "pulping stock" -- pulp run over the machines for sale to other companies on Government priorities. We do not have any figures for production of pulp sold as pulp, except those furnished in connection with the story of the Madison mill. The program of changing from newsprint to other grades at the Penobscot mills began in 1953, but the figures for other grades made in that year and the next include a small amount of pulping stock.

The figures include the bulk of the production of the wrapper machine at Millinocket, which was sold as newsprint or other paper, the weight of this including the wrapping. However, production of wrapper sold as sheathing paper and the like is not accounted for.
APPENDIX F

Reference Bibliography for later chapters


The Telos Cut. Myron C. Avery. Typescript in Great Northern files.


Wood Pulp Paper Comes to the Northeast. David C. Smith. Pre-publication typescript furnished by the author.


Paper and Papermaking. Author Unknown. Published in the March-April 1931 issue of The Supercalender, Pusey & Jones Corporation, Wilmington, Del.


Minstrelsy of Maine. Fannie Hardy Eckstorm and Mary W. Smyth.


OTHER SOURCES OF INFORMATION THROUGH INTERVIEWS AND CORRESPONDENCE

OUTSIDE SOURCES

Bangor Daily News, Bangor, Maine

Bangor & Aroostook Railroad, Bangor, Maine

Bath Iron Works, Bath, Maine


Penobscot Marine Museum, Searsport, Maine

Office of the Secretary of State, Augusta, Maine

Office of the Commissioner of Labor and Industry, Augusta, Maine

Central Maine Power Company, Augusta, Maine

Maine Central Railroad, Portland, Maine

Bangor Hydro-Electric Co., Bangor, Maine

United States Trust Co., New York

The Portland Company, Portland, Maine

Bangor Public Library, Bangor, Maine

Moore & Schley, New York
Forest History Foundation, Inc., St. Paul, Minn.


International Brotherhood of Pulp, Sulphite & Paper Mill Workers, Fort Edward, N.Y.

Kennebec River Pulp & Paper Company, Madison, Maine

Brown Company, Berlin, N.H.

Wardwell, Ranney & Allen, Boston, Mass.

Newsprint Service Bureau, New York

Atcheson, Topeka & Santa Fe Railroad, Chicago, Ill.

N. H. Bragg & Sons, Bangor, Maine

Estate of John Cassidy, Bangor, Maine

Dartmouth College, Hanover, N.H.

Technical Association of the Pulp & Paper Industry, New York

Salesmen's Association of the Pulp & Paper Industry, New York

Town of Madison, Madison, Maine

New York Yacht Club, New York

Canadian Pulp & Paper Association, Montreal, P.Q.

Ontario-Minnesota Pulp & Paper Co., Ltd., Fort Frances, Ont.

Ontario Paper Co., Ltd., Thorold, Ont.

James Maclaren Co., Ltd., Buckingham, P.Q.

Anglo-Canadian Pulp & Paper Mills, Ltd., Quebec, P.Q.

Price Bros. & Co., Ltd., Quebec, P.Q.

Beaver Wood Fibre Co., Ltd., Thorold, Ont.

Canadian International Paper Co., Montreal, P.Q.

Gaspesia Pulp & Paper Co., Ltd., Montreal, P.Q.

Anglo-Newfoundland Development Co., Ltd., Grand Falls, Nfld.

Great Lakes Paper Co., Ltd., Fort William, Ont.

Kimberly-Clark, Canada, Ltd., Toronto, Ont.

Donohue Bros. Ltd., Clermont, P.Q.

Abitibi Power & Paper Co., Ltd., Toronto, Ont.
Dominion Tar & Chemical Co., Ltd., Montreal, P.Q.
Consolidated Paper Corporation, Ltd., Montreal, P.Q.
Bathurst Power & Paper Co., Ltd., Bathurst, N.B.
Bowaters Newfoundland, Ltd., Corner Brook, Nfld.
Rogers Fibre Co., Kennebunk, Maine
Scott Paper Company, Winslow, Maine
Penobscot Development Co., Old Town, Maine
Miss Merle Whitcomb, Dedham, Mass.
Miss Ruth McKay, Beverly, Mass.
W. G. Gove, Montpelier, Vt.
Brad E. Smith, Milwaukee, Wis.
Lucius D. Barrows, Augusta, Maine
Charles E. Mullen, San Francisco, Cal.
Mrs. George Dutton, Walpole, Mass.
Everett McCann, East Millinocket, Maine
Prescott L. Howard, Biddeford, Maine
Rev. Michel LeMoignan, Gaspe, P.Q.
David Pollard, Bucksport, Maine
John P. Burke, Fort Edward, N.Y.
Elwood Maunder, St. Paul, Minn.
Dr. G. W. McKay, Millinocket, Maine
Albert Fowler, Norcross, Maine
Mrs. Josephine Mongovan, Bangor, Maine
Miss Catherine Mullen, Bangor, Maine
Bryant L. Hopkins, Waterville, Maine
Otis Z. Bacon, Waterville, Maine
Albert Nutter, Orono, Maine
Wm. P. McHugh, East St. Louis, Mo.
Carl Stockwell, Millinocket, Maine
<table>
<thead>
<tr>
<th>GREAT NORTHERN PAPER COMPANY PERSONNEL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wallace Adams</td>
</tr>
<tr>
<td>Emery Allain</td>
</tr>
<tr>
<td>Marie Bertrand</td>
</tr>
<tr>
<td>Paul Bossie</td>
</tr>
<tr>
<td>Chuck Boutaugh</td>
</tr>
<tr>
<td>Roger Boynton</td>
</tr>
<tr>
<td>Theo Brown</td>
</tr>
<tr>
<td>Earl Bruce</td>
</tr>
<tr>
<td>Russell Byron</td>
</tr>
<tr>
<td>Jim Carson</td>
</tr>
<tr>
<td>A. R. Caspar</td>
</tr>
<tr>
<td>Ed. Chase</td>
</tr>
<tr>
<td>Gordon Cook</td>
</tr>
<tr>
<td>Louis Cook</td>
</tr>
<tr>
<td>Richard G. Croft</td>
</tr>
<tr>
<td>Warren Daniell</td>
</tr>
<tr>
<td>Henry Deabay</td>
</tr>
<tr>
<td>Arthur Dentremont</td>
</tr>
<tr>
<td>Bill Elliott</td>
</tr>
<tr>
<td>Rod Farnham</td>
</tr>
<tr>
<td>Felix Fernald</td>
</tr>
<tr>
<td>Ralph French</td>
</tr>
<tr>
<td>Chris Garand</td>
</tr>
<tr>
<td>Charles Glaster</td>
</tr>
<tr>
<td>Dick Hale</td>
</tr>
<tr>
<td>George Hall</td>
</tr>
<tr>
<td>Stan Hawes</td>
</tr>
</tbody>
</table>