



PAPER, POWER & PULPWOOD

THE STORY OF CONSOLIDATED PAPER COMPANY

“**F**or many days, we have been traversing this dark, verdant forest it seems endless.”

So wrote explorers Radisson and Grosseliers when they first explored Northern Wisconsin. Their sentiments were echoed by the loggers when they

attacked Wisconsin's pinery around 1860. They were sure the abundant, soaring pine was a supply for all time.

But in a scant four decades, the timber barons had harvested all but scattered groves of the matchless white pine. There remained substantial amounts of less valuable species such as red and jack pine, hemlock, spruce, balsam, maple, oak, ash, birch and the abundant, fast-growing aspen. Some of this timber was cut into lumber, but most was considered all but worthless.

However, a new breed of timber harvesters saw an unlimited use for the scorned timber and around the turn of the century, many paper companies were established on the rivers that

once carried pine logs to the sawmills. One of the first paper companies and one that has been an industry leader for nearly 100 years is Consolidated Papers, Inc.—headquartered at Wisconsin Rapids on the Wisconsin River in Central Wisconsin.

On July 16, 1894, a group of partners formed the Consolidated Water Power Co. Most of those involved owned prop-

Above *The Wisconsin Praid Division under construction in 1903. The decision to build a paper mill along with Consolidated's dam turned out to be very wise. The company went on to become a pioneer in the development of coated printing papers.*

BY LARRY JOHNS

erty and water rights in Grand Rapids and Centralia. (These adjoining cities would later combine and become Wisconsin Rapids).

The partners agreed that capital stock would be allotted to the individuals based on value of property owned, and a trio of neutral arbiters was appointed to determine the stock division. A dispute developed when Tom and John Nash objected to what they considered an under valuation of their property. The brothers walked out on the group and dissension and dissolution threatened the fledgling organization.

However, in 1895, two new partners, Nels Johnson and Jere Witter, joined the partnership and brought a level of stability to the group. Several years of bickering and lawsuits followed, but in March of 1901, Johnson and Witter concluded the property acquisition necessary to complete their plans for a dam to generate power, and as a minor adjunct, a small paper mill. The ambitious plans were temporarily sidetracked by the untimely death of Jere Witter in early 1902.

Witter's estate was bequeathed to his wife, son Isaac, and his daughter who was married to George W. Mead, a young furniture dealer from Rockford, Illinois. Prior to his death, Witter had shared his hopes and plans for developing Consolidated Water Power Co. with his son-in-law. Nels Johnson was still a major partner in the corporation and enthusiastically pushed for rapid and extensive development of the project.

Witter's son Isaac did not share Johnson's zeal and called on Mead to support his position of moderation. Mead came to Grand Rapids in May, 1902, planning on a two week stay. Johnson immediately set out to convince his new "partner" of the project's potential. "He would sidle into the old Bank of Grand Rapids," stated Mead, "dragging his hand against the wall until he reached the back room where I sat and would start the conversation, 'I've been thinking.' He fairly glowed with enthusiasm and was willing to talk by the hour as long as I would listen and take part."

Despite Isaac Witter's lack of support, Johnson's fervor convinced Mead of the plan's viability and he agreed to help de-

velop the project. Mead wrote, "The investors pledged all the money they had, all they could borrow, all the money their friends had and all their friends could borrow." The enthusiastic support and promise of adequate financing overcame Isaac Witter's opposition and he agreed to support the plan for a dam and paper mill.

Again, disaster struck the neophyte group. On December 17, 1902, Johnson died unexpectedly. Mead wrote, "This seemed to climax the failure of the Consolidated plan, all involved had quit or were dead."

George Hill, one of the original partners, suggested the Consolidated plan be continued under the direction of George Mead, "until we can find a paper man."

There was never a need to search for such a person. The skills, far-sighted adaptability and business sense of George Mead were the necessary ingredients to bring the ambitious Consolidated plan to fruition.

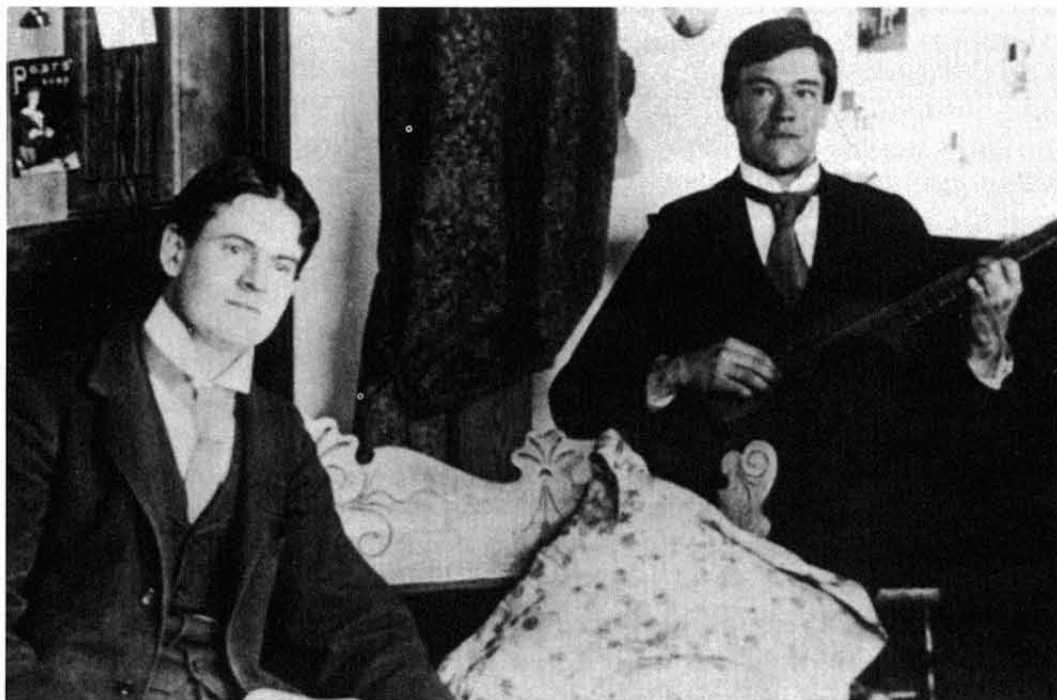
In the spring of 1903, nine years after the articles of incorporation were signed, construction of the dam, pulp mill and paper mill was completed and by June, 1904, the pulp grinders and the first paper machine (the first in the industry to be electrically powered), were in operation.

Under Mead's leadership, Consolidated progressed and prospered and in 1911, the Biron Mill, an early paper manufacturer, became the first of Consolidated's many acquisitions. Other companies acquired or built over the years, some of which have been closed or sold, include the Interlake Division at Appleton, Stevens Point Paper Mills and Hydroelectric Plant, Newaygo Timber Co., Ltd. of Ontario, Canada, Thunder Bay Division at Port Arthur, The Wisconsin River Pulp and Paper Co. at Whiting, The Ahwagam Paper Products Co., Castle Rock Container Co., Niagara of Wisconsin Paper Corp. of Niagara, Wisconsin, and Lake Superior Paper Industries/Superior Recycled Fiber Industries of Duluth, Minnesota. Today, the Consolidated Water Power Co. is a wholly-owned subsidiary of Consolidated Papers, Inc.

Five dams—Dubay, Stevens Point, Whiting, Biron and Wisconsin Rapids are fully-owned and operated by Consolidated Water Power, while the mammoth Petenwell and Castle Rock dams are partially owned, but fully operated by CWP Co. At peak output, the hydroelectric plants produce approximately 42 megawatts—all used by Consolidated Papers.

Another important source of power is the burning of waste products, such as scrap wood. By burning waste, instead of disposing of it in landfills, the company recovers the energy value of the wood thereby making beneficial

Isaac Witter (left) and George Mead were fraternity brothers at the University of Wisconsin. They became brothers-in-law when Mead married Witter's sister, Ruth, in 1899.





Consolidated has become a big proponent of red pine plantations in its procurement area.

use of otherwise wasted material. The energy produced by this process accounts for more than 40 percent of the power consumed by the mills.

The Newaygo Timber Co. of Canada was acquired to ensure a plentiful supply of the superlative Canadian spruce pulpwood. The distant source of supply presented a shipping problem for the mill. This was solved by the unique solution of towing the pulpwood from Canada and Northern Minnesota in huge rafts—as large as 17,000 cords. Consolidated began rafting in 1923 and continued until 1972. Over the years, more than 2,000,000 cords of pulpwood were rafted across Lake Superior to the loading hoists at Ashland, Wisconsin. (See *Northern Logger*, September, 1994.)

Consolidated has always been a leader in research and development. The company's forward-looking attitude has led to many innovations. In 1935, Consolidated revolutionized the paper industry with the first coated paper manufactured in a single high-speed operation. The resulting savings made the product economically feasible for use in magazines.

Within two years, seven paper machines were converted to this new process. In 1937, Number 15 paper machine carried the motto, "Built for Life, Operated for Life" in recognition of its production for Life Magazine. When high speed, high quality web printing presses revolutionized the printing industry in the 1960s, Consolidated was in the forefront—building and adapting several machines to produce lightweight coated papers for magazines, catalogs and advertising supplements.

In 1943, using its coating technology, Consolidated developed a very strong plastic material used in World War II aircraft. After the war, this process was adapted to produce a decorative laminated material called Consoweld. This is still widely used for counter tops and furniture. In 1989, Number 34 paper machine came on line to produce lightweight specialty papers for such new products as bar code labels, pressure

sensitive release papers, and consumer packaging and labeling materials. From its humble, chaotic beginnings 100 years ago, Consolidated has become a highly respected giant and leader. Much of the company's growth and success must be attributed to the astute leadership of the Mead family. Back in 1916, George W. Mead, so instrumental in building, development and management of the paper mill, was appointed president of Consolidated Papers, Inc.—a position he held until his retirement in 1950. Mead's son Stanton and grandson George Mead II, have carried on the family tradition. Both have been active in the company for many years. George Mead II was CEO for many years and is currently chairman of the board.

CONSOLIDATED AND TREES

During the years when pine was king and the high demand for lumber led to rapid depletion of the pinery, the guide phrase was, "Cut out and get out!" The sawmills were relatively cheap to build and operate. When the pine supply was exhausted, the mills would simply be closed or relocated.

Paper mills, on the other hand, involved huge investments, and required a stable, stationary base of operation and a continuing, reliable source of raw material.

In the 1920s, Wisconsin's forest land was in deplorable condition. Fire, often unchecked, ravaged vast areas. Paper mills and other consumers of forest products recognized that steps must be taken to ensure a permanent, dependable supply of forest products. Consolidated, led by George Mead, was in the forefront of conservation and reforestation.

It all began in 1923 when Mead and Lyman Beeman, a company technician, planted a box of spruce and pine seedlings on an abandoned farm. (No one knew if seedlings would survive in open fields). The test was quite successful and within a few years, spurred by the fact that it became necessary to tap pulpwood supplies further from the mills, Consolidated instituted a serious planting program. Effective state-wide forest fire protection had made land ownership less risky by then and the Forest Crop Law, a tax easement device enacted in 1927, made long-term forestry investment feasible.

In the spring of 1930, Stanton Mead, George's son, went to

an American Forestry Association meeting in Minneapolis to obtain information about forestry. Here he met Emmett Hurst, a pioneer industrial forester. Hurst had graduated from Syracuse University, with a degree in forestry, in 1923.

Hurst was in charge of buying pulpwood for an Upper Michigan paper mill and had worked for the U.S. Forest Service for several years. He was instrumental in helping formulate Consolidated's early forestry efforts.

In August 1930, a forestry conference was held at the newly-constructed Mead Fishing Camp near Markton, Wisconsin. Stanton Mead called together the best informed people to tackle the question of ensuring an adequate wood supply for the company mills. In attendance were representatives of the U.S. Forest Service, the Forest Products Laboratory and Dr. Raphael Zon of the U.S. Forest Experiment Station. Consolidated was represented by Stanton Mead, Bert Williams and George Peltier.

During the conference, many ideas were presented and explored. Dr. Zon advised and helped formulate a sound, conservative policy for reforestation by private firms. His ideas were based on facts and sound judgment and were enthusiastically endorsed. Basically, the direction was to invest wisely in stands of second growth spruce and other good pulp timber. Planting in large, open areas was considered risky for private companies, but planting in smaller openings and sparsely wooded lands was encouraged.

Following the conference, George Peltier immediately began to survey the feasibility of acquiring suitable land for growing spruce pulpwood. His first stop was in Langlade County to look over 2,320 acres owned by the company. The survey also included visits to Upper Michigan forest lands near Crystal Falls, then back through Florence, Vilas, Oneida, Price, Sawyer, Ashland, Bayfield and Sawyer counties in Wisconsin and near Duluth, Minnesota.

The extensive inspection concluded that the forest cover in the heavy, red clay soils of Upper Michigan were especially fa-

vorable for growing spruce. Most areas in Wisconsin and Minnesota were not as highly suitable. On their lighter, sandy soils, pine—especially red and jack pine—would be more apt to flourish. Peltier's recommendations were implemented and became the basis for Consolidated's early reforestation efforts.

In September 1930, Stanton Mead offered Emmett Hurst the challenging job of starting a new forestry program. Prior to that time, industrial foresters did little forest management. Most of their time was spent cruising, scaling, doing timber surveys and timber inventories. Thus, the thought of planning and implementing a comprehensive forestry program was very exciting to the young forester.

Hurst arrived in Wisconsin in October of 1930. One of his first duties was establishing a tree nursery. It was located on the same abandoned farm north of Biron that George Mead had experimented on in 1923. Stanton Mead didn't have the heart to tell his father that many of the seedlings he had so painstakingly planted in 1923 had been mistakenly cut as a scrubby fire hazard. In the following year, Dr. Zon provided spruce seedlings which were planted on 360 acres of cut-over land near the Mead Fishing Camp.

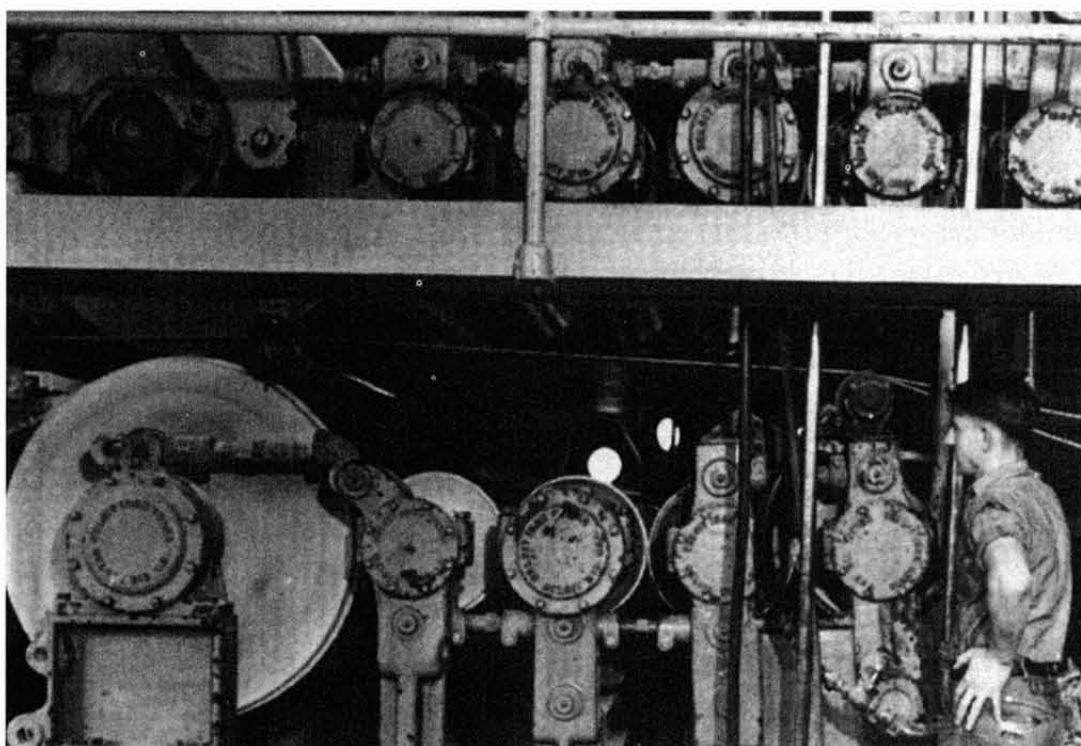
The program did not get off to a very promising start. The following spring, when Stanton Mead went to see how the seedlings had survived the winter, there were none to be found. Rabbits and deer had eaten them all. He concluded it was quite futile to plant such tiny seedlings.

The company's budding forestry and land acquisition programs were temporarily halted by the Great Depression. Hurst took a cut in salary and for a time, was put in charge of company-owned farmland south of Wisconsin Rapids. But he remarked in later years, "At least I had a job!"

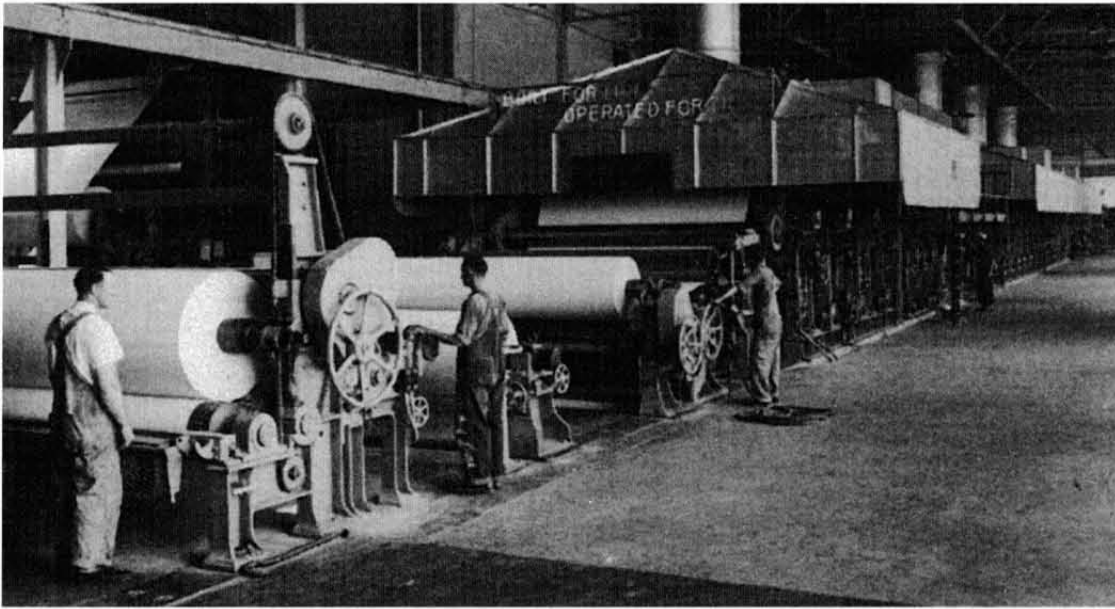
In 1934, the Biron Nursery began producing seedlings for planting in Forest County. In addition to those planted on company lands, some were sold to the Civilian Conservation Corps for planting on national forests.

During the 1940s, Consolidated acquired 120,000 acres of forest land in Wisconsin. Three forestry districts were established—the Loretta, Oneida and Forest County Forestry Blocks. A timberlands field office was located at Rhinelander and all forestry, land purchases and camp cost records were processed there.

John Macon joined the company as a research forester in 1945 after spending eleven years with the U.S. Forest Service and the Forest Products Laboratory in Madison. Macon told Hurst, "Little investigation has been done on the application of basic knowledge to the problem of large-



The Consolidated-Massey roll coater, which successfully went into service in 1935. This innovation paved the way for national magazines such as Life and Look.



No. 15 paper machine, 1937.

scale pulpwood forestry. I recommend establishment of an experimental laboratory where this knowledge can be put to use.”

Accordingly, the Gagen Management Unit was established. It covered 2,000 acres in Oneida County and was typical of the 90,000 acres of company land located within 25 miles of the unit. Gagen was a forestry innovation—an experimental forest operated by a single industrial concern. Its function was to adapt the knowledge gained from research to practical forest management techniques.

Many systems were developed under John Macon at Gagen to assist company foresters in procedures for thinning hardwood stands, renewing aspen stands, regulating cutting and standardizing procedures for timber inventorying and surveying.

In 1967, the Silver Anniversary of Industrial Forestry Operations was celebrated at Consolidated. President George W. Mead II observed that the 60,000-acre Oneida Block represented ten percent of company forest lands. The nearby Monico nursery, replacement for the original Biron nursery, had produced ten million seedlings used to plant and regenerate company forests throughout northern Wisconsin.

Mead also noted, “We’ve produced and harvested over 172,000 cords of pulpwood and more than 60,000 Christmas trees, and we have done this without denuding the landscape. We’ve maintained a balance between annual growth and harvest, leaving a healthy, vigorous stand for the future.”

1973 was a difficult time for the company. Pulpwood rafting on Lake Superior ended in 1972, essentially eliminating Canada and northern Minnesota as sources of pulpwood. This, combined with a breakdown in rail service, caused a serious pulpwood shortage. In addition, new wilderness preservation groups had become very active, viewing everyone connected with managing forests or cutting trees with suspicion.

To help find enough pulpwood to keep the mills operating, John Macon, working with Timberlands and Traffic personnel,

replaced the fast-disappearing railroads.

Some very ambitious long-range goals were established in the 1970s. The Consolidated Tree Farm Family Program was started in 1974 to provide forest management services at no cost to private land owners. The agreement did not specify that Consolidated would receive any pulpwood from the private tree farms, but the program proved to be mutually beneficial and many private woodlots became another source of supply.

In the mid-seventies, the company began an experimental program to grow seedlings in greenhouses. This relatively new concept made possible planting in the summer months when the 20-week-old seedlings became available at the greenhouses.

Consolidated’s intensive, effective forest management policies have increased forest productivity tremendously. In 1980, 84,585 cords of pulpwood were produced on company lands. Just nine years later, the total had risen to 148,875 cords.

In less than 35 years, the volume of standing trees per acre has increased fivefold—an important statistic considering that pulpwood grown on non-company lands still provides 80 percent of material used by the mills. This source will diminish greatly and in the future, the mills will depend more and more on pulpwood grown on company lands.

At this time, Consolidated owns more than 672,000 acres of timberlands in the Lake States and Canada with acquisitions continuing. Sportsmen are permitted, even encouraged, to use company lands and the new growth resulting from planting and natural regrowth has resulted in some spectacular hunting—particularly for grouse and deer.

In 1990, Miles K. Benson was named Director of Timberlands. Under his direction, planting and land acquisition has continued and productivity on company lands has increased dramatically. Benson describes his and the company’s philosophy as “Sustainable Forestry meeting the needs of the present without compromising the ability of future generations to meet their needs.”