



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.

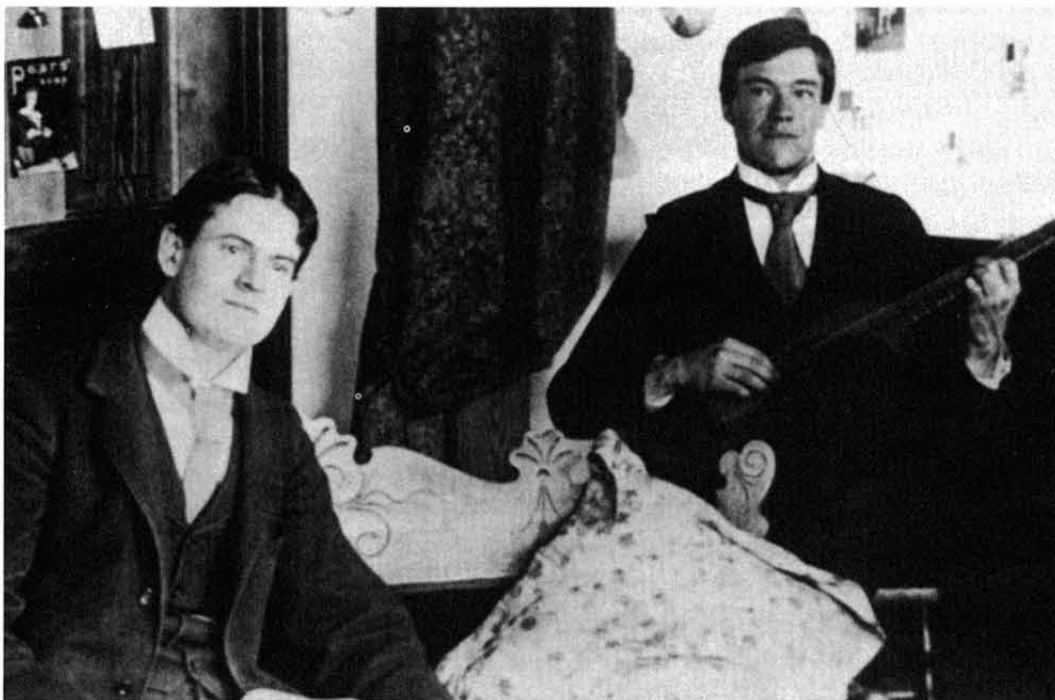
In the spring of 1903, nine years after the articles of incorporation were signed, construction of the dam, pulp mill and paper mill was completed and by June, 1904, the pulp grinders and the first paper machine (the first in the industry to be electrically powered), were in operation.

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

