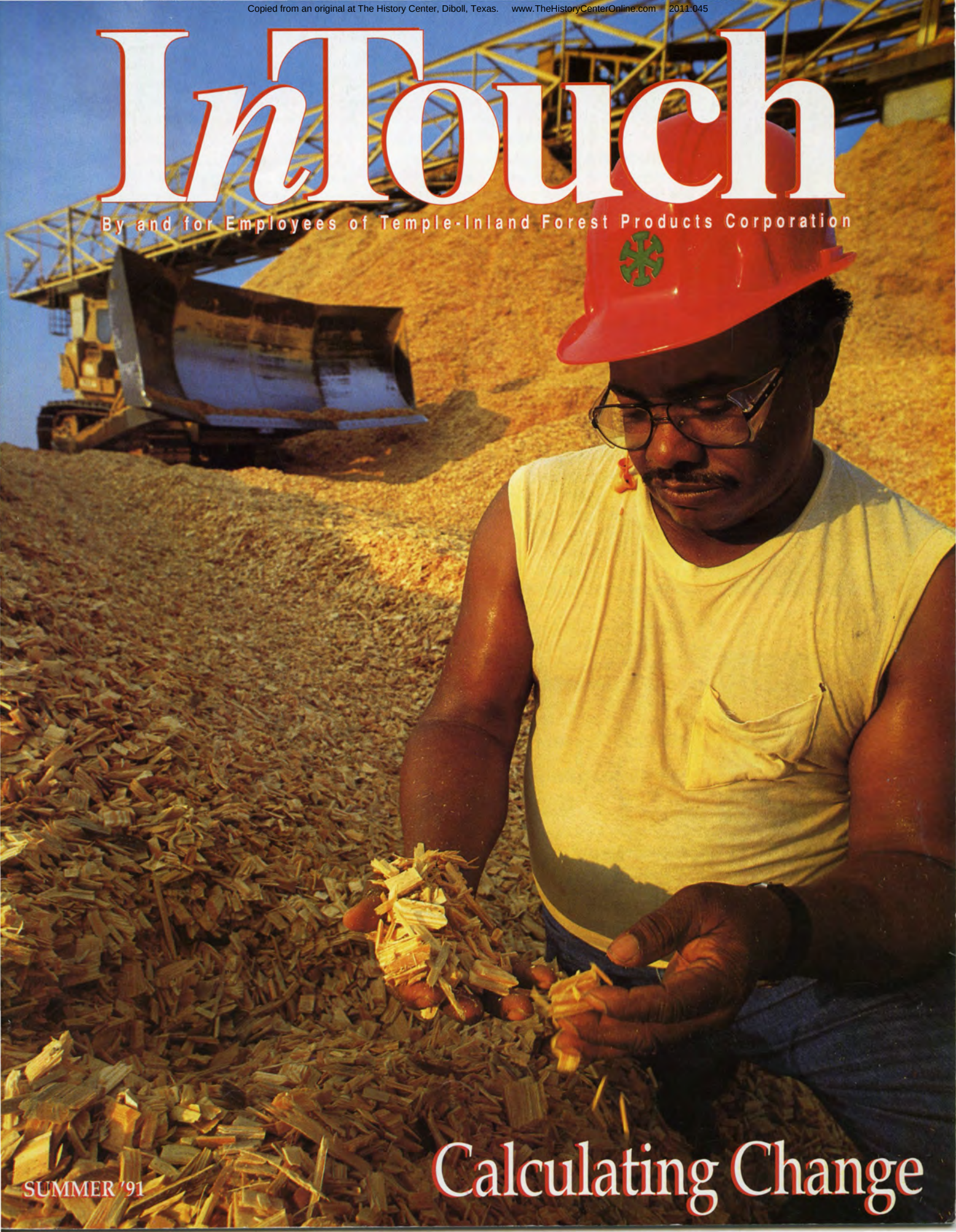
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InTouch

By and for Employees of Temple-Inland Forest Products Corporation



Calculating Change

SUMMER '91

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Cover Photo
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Bleached Paperboard woodyard, Evadale, Texas. photos by Ken Childress

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MY TURN



David L. Ashcraft
Vice President,
Bleached Paperboard Group

Steel, textiles, automobiles, electronic appliances are all major manufacturing operations which have left the U.S. for other countries. Is it possible that the forest products industry could decline and move offshore in the fashion of other traditional American companies? I don't think so.

Forestry is the South's leading industry, contributing some $60 billion to the region's economy annually and employing about 750,000 people. The South is the world's largest supplier of forest products, and our future is very positive.

However, the same factors that caused the downfall of strong industries like steel are at work in the forest products industry.

The Massachusetts Institute of Technology recently published the results of a two year study to determine what caused the decline of American manufacturing companies during the past 20 years.

Briefly, American culture following WWII was based on "heroes" who relied on bottom line numbers to quantify success. An emphasis was placed on production numbers at the expense of quality and safety. Meanwhile, Germany and Japan were culturally based in teamwork and higher emphasis was placed on products and processes.

The study indicated that U.S. companies tended to lag the foreign competition in adapting new technology. Additionally, Americans had not done a good job marketing high-value-added items and have not had good producer/supplier partnerships.

In one sentence, the study concluded that the failed industries in the U.S. were very short-term oriented.

Though some of these negatives can be applied to our industry, we do have the forests and the water; and we are taking positive actions recommended by the MIT commission that will keep us competitive.

What must we do to make certain that the forest products industry, and especially Temple-Inland, remains the leader on a world-wide basis?

First, we must focus on new manufacturing fundamentals. Manufacturing must be a comprehensive process that includes production, maintenance, engineering, customer service, and accounting as part of the team. We must make major commitments to organizational and manufacturing excellence. Manufacturing and business processes must be stabilized so that product variations can be reduced. We must have a philosophy of continuous improvement — better tomorrow than today.

Second, we must educate our people to have confidence to use the new technology that is now being installed as part of our processes. The training will include classroom training as well as more extensive training on the job. The training will include the fundamentals of statistical process control and will emphasize process uniformity.

Third, we must blend cooperation and individualism. Somehow, the "hero" must become a part of the team. Partnerships must be formed with customers and suppliers.

Fourth, we must realize that we participate in a global economy; we must be competitive with the rest of the world. The very thought of American products made by American firms is becoming obsolete. Today's products represent so many different technologies that most companies can't hope to master them all. Unlike the General Motors of the 1930s and 1940s, no one company today can keep all the relevant technologies under its thumb. Operating globally means operating with partners.

Finally, we must respect the emotionalism of our stakeholders and the communities in which we operate our mills and grow our forests. Our motto, "We want to be a good neighbor" must be put into action by all our people.

The future of our industry will be secure if we invest in three critical areas: basic education and technical literacy of our youth; long-term corporate competitiveness rather than short-term profitability; and, improvement in productivity.

The forest products industry in America is blessed with an abundant source of raw materials — trees and water — and worker skills that are unmatched in the world. With the right vision toward management of all of these resources, we remain a dynamic business in America. ■ *--David L. Ashcraft*

New Technology at Temple-Inland

** We were among the first companies to install the X-Y Charger in our plywood mill which helps obtain maximum veneer from the tree.*
** The paper mill was the first to install a displacement bleach plant and is now one of only three mills in the world that uses Monox-L bleaching technology.*
** Temple-Inland has an engineering partnership with Sandwell and our sister company, Inland, is emphasizing partnerships with its customers.*

Training

** Temple-Inland has recently opened a new training facility in Diboll. The training center in Evadale has been in service for 4 years. Both centers provide classroom training that complements on-the-job training.*

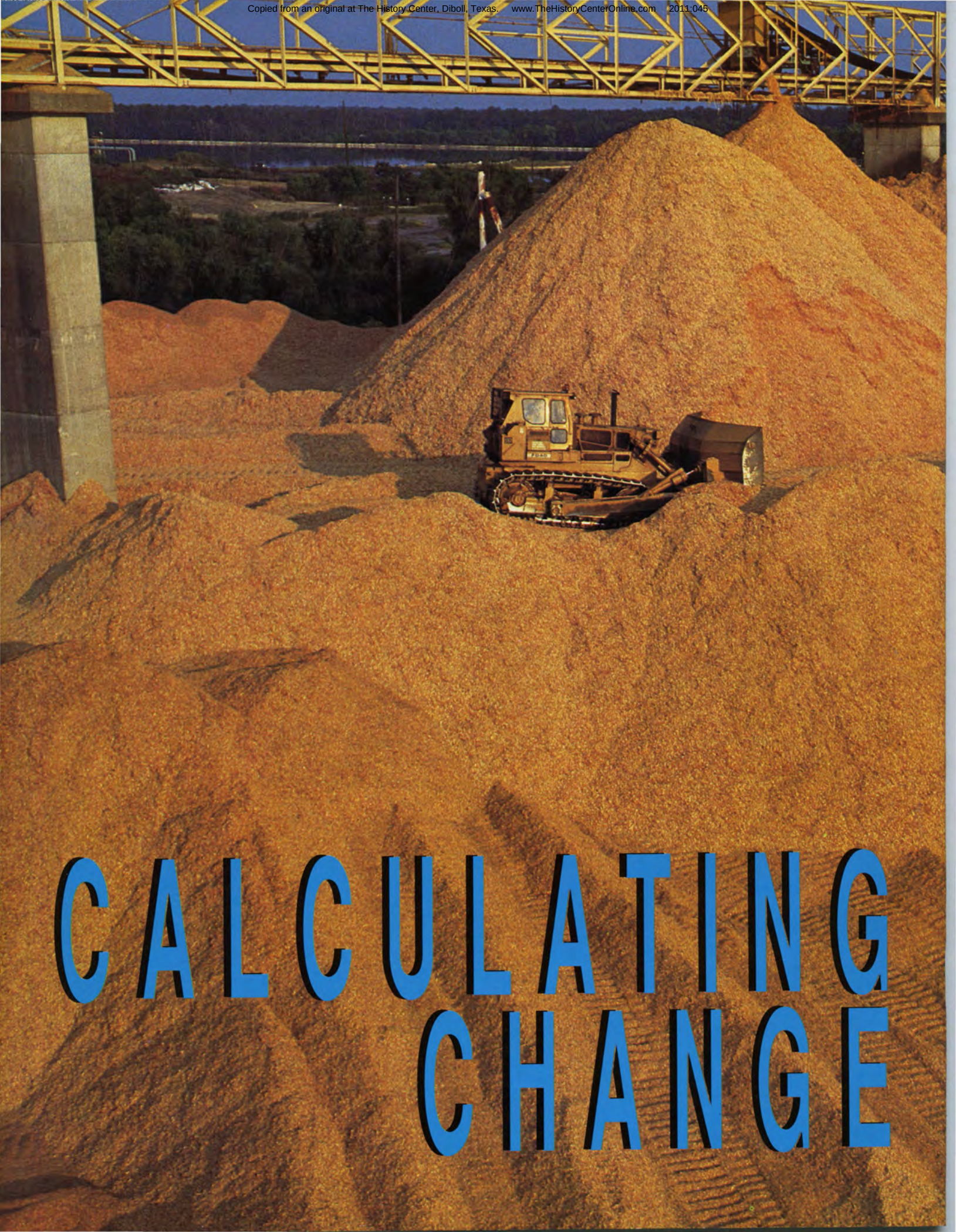
Teams

** The paper mill is now using teams to improve the processes and to work on solving problems. These teams allow the participation of all the people who are impacted by the process and include hourly employees as well as salaried employees.*

Global Competition

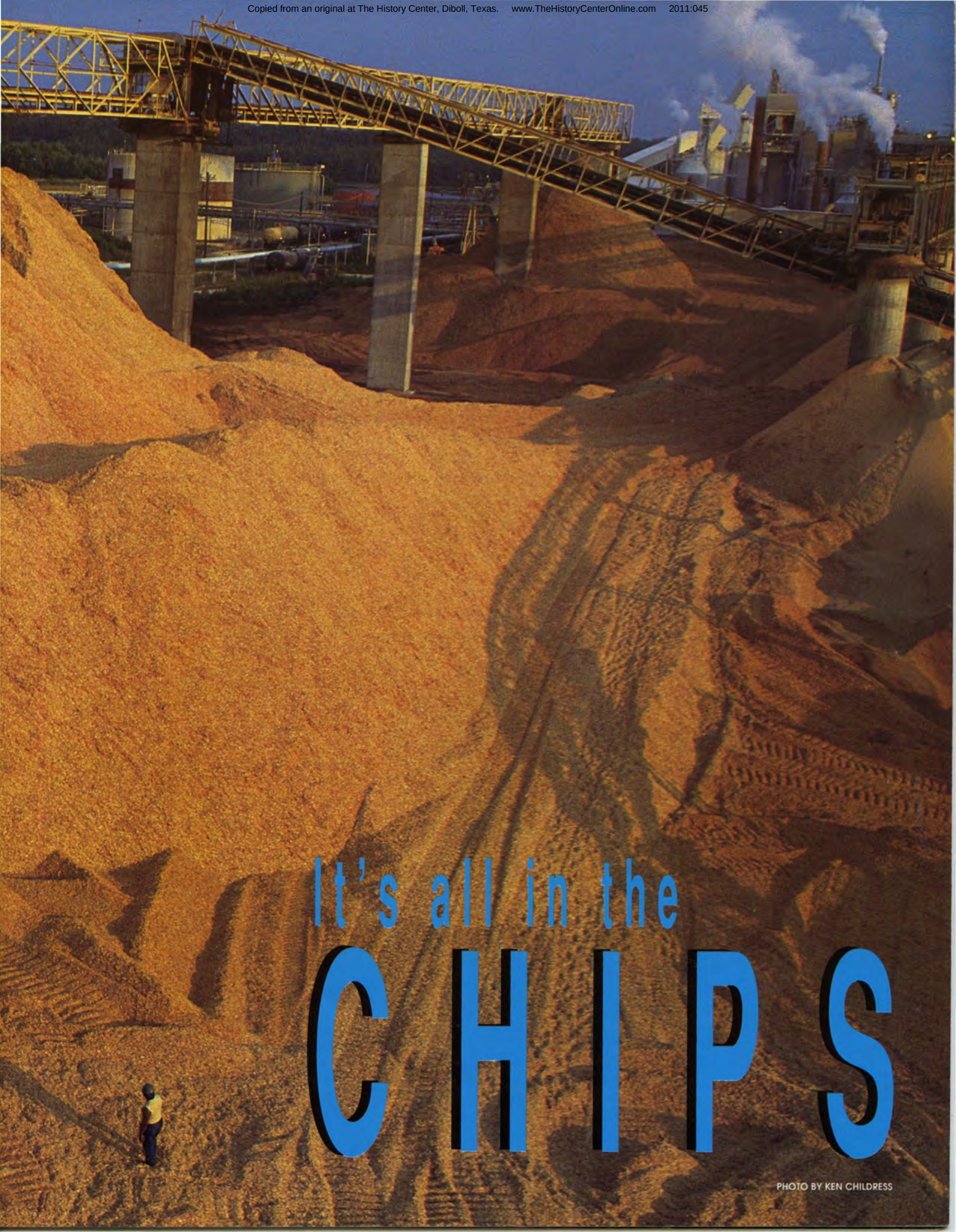
** The world-class sawmills in DeQuincy and Buna and the new fiberline at Evadale are examples of changing to compete in the world economy.*

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CALCULATING CHANGE

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It's all in the CHIPS

PHOTO BY KEN CHILDRESS

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CALCULATING CHANGE

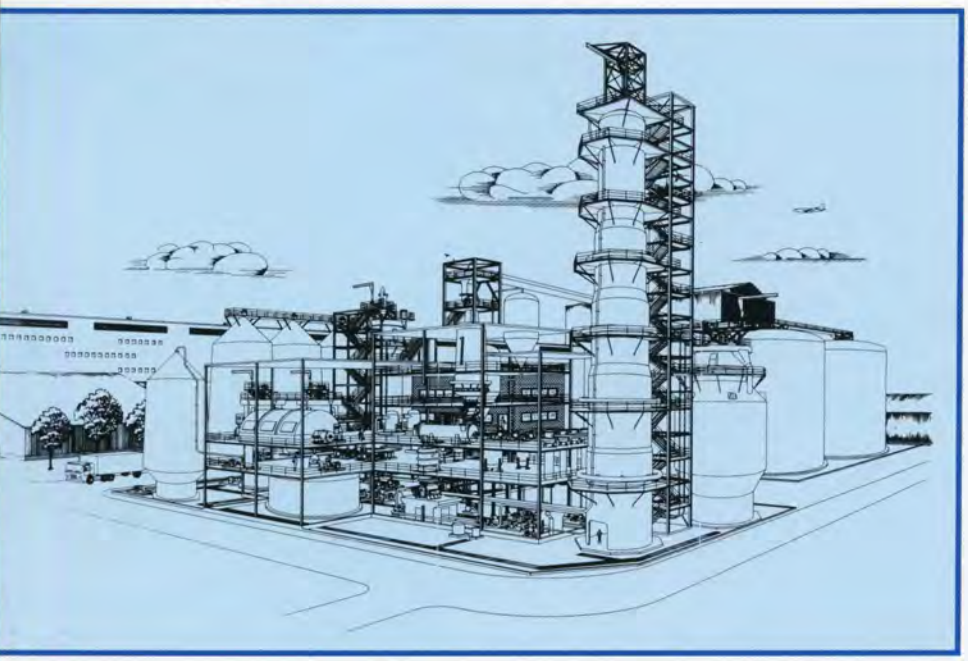
The New Hardwood Fiberline

The American paper industry is entering its fourth century. In 1939, 13 million tons of paper were produced; in 1990, almost 79 million tons. In a three year period, 1989 through 1991, 33 new paper machines have gone online. More than half of the fiber now used to produce paper and paperboard is secondary materials derived from manufacturing and forest residues, recycled waste paper and other waste fibers.

Papermaking is an evolutionary business that continues to grow. The engineering and forest science minds who are taking the paper industry into its fourth millennium are doing so with added, modern day concerns — domestic and worldwide economic growth fueling plans for new capacity, environmental sensitivity, lower energy consumption and costs, more in services and output for less cost per ton.

Temple-Inland, who is a major player in papermaking with about 25 percent of the cup market, is taking a step up the evolutionary ladder of papermaking with the construction of a new hardwood fiberline at the Evadale bleached paperboard mill. The $85 million fiberline project is part of a long-range plan to gear up the mill to meet the demands of the modern paper consuming public.

The Bleached Paperboard's new hardwood fiberline is depicted in this artist's rendering. The line is expected to be operational during the fourth quarter, 1992.



COURTESY OF KAMYR

The new Kamyr fiberline system will increase pulp mill capacity to 2,150 tons per day. Hardwood chips will be processed into pulp in the new system. The hardwood pulp will be mixed with pine pulp at the mill for its regular production grades, and nodular pulp will be produced for the whitetop linerboard project at the Orange linerboard mill. The hardwood pulp produced from the system will be better, brighter, stronger and at the same time, will lower unit costs through production efficiencies. Modifications to the bleaching process will result in a substantial reduction of the mill's chemical costs. More for less.

W.C. Cole, Bleached Paperboard's vice president, mill operations, explained Evadale's need for the fiberline.

"We have reached a point where we need to balance our paper machine capacity with pulp mill capacity. We can get more capacity out of our paper machines and the new fiberline will help us accomplish that," said Cole.

The reduction in chemical costs is the result of a new digester and associated technology which removes more lignin (the wood fiber bonding material) and, therefore, requires less chemical bleaching.

It's All in the Chips

With fiber length and cell wall thickness the two most important structural characteristics of chips, a lot of attention has been paid to the new fiberline's chip processing equipment. A new system of chip processing will help maintain uniformity in chip size. Off-size chips adversely affect processing and quality. A chip screen, with motions likened to "walking" piano keys, will effectively screen chips for those that are oversized; for those that are the correct size of about 7 millimeters in thickness; and for those that are undersized, or fines, used for boiler fuel.

In order to recover some chips of slightly thicker dimension, a low maintenance system has been purchased. This system has two large rolls, which press chips to a 2 millimeter thickness causing the chips to break open allowing better cooking liquor penetration. The equipment will not harm chip fibers.

Chip length is not critical although a minimum length is required for inter-fiber bonding.

A chip itself is composed of cellulose and lignin, and other non-cellulose materials. The whiteness of bleached paper depends on how much of the lignin is removed and total reduction of contaminants, such as bark. Bark shows up as dirt in paper, and it cannot be bleached out. Tests are routinely conducted on Evadale's incoming chip supply to determine the percentage of bark brought in. The mill requires that suppliers' chips contain less than one-half percent bark. A large number of defects in the paper product can be traced back to the chips used to make it.

Evadale consumes about 1,031,000 cords of chips and roundwood annually, with 627,000 cords being pine and 404,000 cords, hardwood. ■

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JAY BRITAIN

The Minerals Department includes Ken Christopher, vice president, Minerals; Clyde Sheffield, draftsman/geotech; Pat Jackson and Monica Minton, secretaries; Jim Kennedy, geologist and Tim Tindell, (landman) and forester.

Taking advantage of the **BOOM** in the oil patch

Not many of us know it, but there's an honest-to-goodness oil boom happening in the east Texas oil patch. Unlike the gusher booms of yesteryear, this boom is more a sustained rumble.

New oil field technology, called horizontal drilling, has oil and gas producers scrambling to take advantage of finger-like fractures in places such as the Austin Chalk where vertical drilling previously netted little return.

What does this have to do with Temple-Inland, you ask? Over 700,000 acres of mineral rights, that's what.

Kenneth Christopher, Temple-Inland's vice president, Minerals Division, is a busy man these days, taking care of the company's mineral assets which spread from Tyler to Orange in Texas and throughout Louisiana, Oklahoma, Alabama and Georgia.

It's an exciting time, for the new technologies advancing oil drilling are banking big returns on the company's oil and gas interests.

"Right now, 7 or 8 wells in Jasper, Newton and Sabine counties are using the horizontal drilling method," said Christopher. "Only one is on our land, but all impact us in some way."

But according to Christopher, the primary role of the division is to provide geologic services to the company's operating groups.

"For instance, we have explored gypsum deposits in Oklahoma that could serve our wallboard operation there," he said. "We have developed 20 water wells west of Diboll to create a water field to service the needs of the area in the future. We have also established lignite coal reserves in Nacogdoches and Rusk counties."

The department has developed a program of service to provide about half of the natural gas needs of the manufacturing plants in the Diboll complex.

Christopher depends on his professional team to carry out the field work. Jim Kennedy, is a 14-year veteran geologist and Tim Tindell, the division's landman and degreed forester, manages over 150 oil and gas leases on tracts ranging from 40 to 6,000 acres. Clyde Sheffield is the draftsman/geotech with Pat Jackson and Monica Minton holding down the office.

The Minerals Division was established in 1959 when Arthur Temple hired Lowell Wood to put minerals management in the hands of professional geologists.

Today, the division looks after 330,000 acres of mainly oil and gas leases in Texas and Louisiana and 395,000 acres of hard mineral leases (gold, copper, coal, dimension stone, etc.) in Alabama and Georgia. ■

"We have developed 20 water wells west of Diboll to create a water field to service the needs of the area in the future."



JAY BRITAIN

Ken Christopher on a visit to an Exxon oil well on Temple-Inland land in Jasper County. The company has 109 oil wells and 77 gas wells on land in Texas and Louisiana. Most of the oil wells, 69, are in Louisiana, while most of the gas wells, 70, are in Texas.

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Southwest Louisiana Lumber Operation

"Congratulations to each employee whose outstanding performance in the area of employee safety has contributed to your accomplishments. Our efforts in safety are just as important as our efforts in cost control and production efficiency. It is unusual that any plant post such a distinguished record in its first year of production. This record builds a solid foundation for even greater achievements."

--Jack Sweeny
Vice President, Operations- Building Products Group



JAY BRITAIN

Southwest Louisiana Lumber Operation achieved one year without a lost time accident. The record is the equivalent to 233,924 man hours worked. Congratulations are in order for the employees of Building Products Group's newest wood converting facility and its plant manager, Gary Frost.

West Memphis recognized by national group

The Gypsum Association has presented its 1990 Safety Award to the employees and management of the West Memphis Gypsum Operation. The award was given for the achievement of "No lost workday cases in 1990".

In addition, two departments, the Office and Miscellaneous Departments, received "Certificates of Achievement" for 1000+ days without a lost workday case.

These accomplishments were achieved by the teamwork of all employees and the cooperation with company programs, implemented by the safety committee of the West Memphis Gypsum Operation. ■



RUTH BOLDEN

Accepting the 1990 Safety Award from the Gypsum Association are West Memphis Gypsum employees Roger Morris; Leona Wilson, Safety/Health Coordination; Jim McNeer, Plant Manager; Johnny Hamilton; Wayne Johnson and Oscar Dunlap.



Ashcraft receives Distinguished Alumni Award

Bleached Paperboard's Group Vice President **David Ashcraft** has received the 1991 Distinguished Alumnus Award from the College of Forest Resources at North Carolina State University. NC State Alumni Association presents the awards in recognition of service to the university by alumni, faculty and students. Ashcraft served as president of NC State's Pulp and Paper Foundation Inc. in 1986-87. ■

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During the first quarter, 1991 the Temple-Inland Foundation awarded over $385,000 in special grants; over $51,000 in scholarships; matched employee gifts through the Matching Gifts Program at a total of more than $176,000; and distributed $1,000 Scholastic Awards throughout Temple-Inland operating communities.

Among the organizations receiving special grants were Texas A&M University for the study of molecular biology of conifers; the cities of Diboll, Newton, Burkeville and Kirbyville; the American Forest Foundation for Project Learning Tree; the Center for Housing Resource's home repair program in Dallas; the Juvenile Diabetes Foundation and United Way of Southwest Louisiana.

Employees contributed some $72,000 to the Matching Gifts Program. Contributors totaled 263.

Valedictorians throughout the operating areas of Temple-Inland Forest Products Corporation as well as Inland-Rome, Guaranty Federal Savings Bank, Kilgore Savings and Inland Container Corporation received Scholastic Awards of $1,000 each again this year. The total number of awards given were 359. ■

1991 Foundation Scholarships announced

Robert G. Luttrell, president of the Temple-Inland Foundation, has announced recipients of the 1991 Scholarship Program.

Thirteen students were selected from 52 applicants who are sons and daughters of active and retired employees of Temple-Inland Forest Products Corporation and Temple- Inland Financial Services.

Students receiving four-year scholarships from the Foundation include the following:

Demetrios George Buxton, son of George D. Buxton, planner at Bleached Paperboard;

Joel Barrett Cook, son of Barry Cook, management control coordinator at Diboll's Fiber Products Operation;

Elvia Esteves, daughter of Rojelio Esteves, chip yard operator at Fiber Products Operation;

Dwain Edward Fairchild, Jr., son of Dwain Fairchild, scale operator and gatekeeper at Diboll's Particleboard Operation;

Catherine Ann Featherston, daughter of Carrolyn Y. Featherston, store house clerk at Pineland Operation;

Jason Christopher Green, son of Larry D. Green, welder journeyman, at Bleached Paperboard;

Sarah Sue Hughes, daughter of Burton R. Hughes, chip handler at Bleached Paperboard;

Jennifer Dawn Mitchell, daughter of Elvira M. Mitchell, senior collections assistant at LIC in Austin;

Nubia Rodriguez, daughter of Jose A. Rodriguez, trimmer operator at Fiber Products Operation;

Jeremy Glenn Scoggins, son of James N. Scoggins, cost accounting manager at Bleached Paperboard;

Jeffery Dale Smith, son of Charles W. Smith, master mechanic at the Fletcher Wallboard Operation in Oklahoma;

Earl Lee Stanton, son of Henry B. Stanton, millwright journeyman at Bleached Paperboard;

Kristen Elaine Wood, daughter of James T. Wood, formerly with LIC in Austin. ■

Inland Container building $17 million graphics center

Inland Container Corporation has announced it is building a $17 million Graphic Resource Center in Indianapolis that will include a state-of-the-art 10-color flexographic preprint press. Construction will begin on the 60,000 sq. ft. building in late summer and press installation and start-up is expected in the fourth quarter, 1992.

Ben J. Lancashire, Inland's president and CEO, said the objective for the center is not only to provide preprinted rolls of linerboard, but also to provide a total graphic resource for its customers. ■

Year To Date

Special Grants	$385,000
Scholarships	$51,000
Matching Gifts	$176,000
Scholastic Awards	$359,000

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CAPITOL VIEW

By Tony Bennett

The designating of private land as "critical habitat" raises serious constitutional questions concerning the rights of private property owners.

The American Forest Council, an industry trade organization, has launched the second year of a three-year national advertising campaign aimed at telling industry's side of the forest management story. Temple-Inland and 17 other forest products companies have matched last year's spending of $2 million. The **Cable News Network (CNN)** and Headline News Network will be the principal platform for the 1991 campaign. New television spots will be seen on the two networks 50 times per week. The national broadcasts are expected to reach more than a third of all U.S. adults ages 25-54. They'll see the spots an average of 7.6 times. The ad message, **"...balancing the need for wood with our need to perpetuate the forest..."** will also offer an 800 number for further information. In addition to the tv spots, print ads will run in national magazines.

Texas Parks & Wildlife's new executive director, Andy Sansom, says Texans can expect changes in the way the state operates its parks and wildlife agency. Sansom, former director of the Texas Nature Conservancy, said non-consumptive users (people who don't hunt or fish) are making new demands for parks and services that don't have anything to do with wildlife. Nearly 100 percent of all revenues for the Parks and Wildlife Department comes from the 6 percent of Texans who are hunters or fishermen, but 80 percent of the people are seeking services unrelated to hunting and fishing. "There will be **a new market for our services**, and we've got to start looking at it and find ways to get other users to pay more of the costs."

Almost **12 million acres of public and private land will be set aside** if the U. S. Fish and Wildlife Service's proposal to protect the spotted owl in Washington, Oregon and northern California becomes law. The area F&WS has proposed is roughly twice the size of the area ceded the owl a year ago by a government science commission.

The proposed rule would restrict logging and reduce timber harvests in the Northwest by 78 percent, and would cost at least 100,000 direct and indirect forest-related jobs. (Texas forestry employs some 60,000 workers.)

The forest set aside for the spotted owl includes 3 million acres of private land. Private property rights and land use will be forever affected. The designating of private land as "critical habitat" raises serious **constitutional questions** concerning the rights of private property owners. Here in the South, the red-cockaded woodpecker also faces diminishing habitat and has forced changes on our forests. Will critical habitat for this creature one day devastate forest-dependent communities here in the South? Most experts think its only a matter of time.

The spotted owl and red-cockaded woodpecker are only two of 605 plant and animal species listed as endangered by the federal government. An additional 1500 are proposed for review. **What will be the next critical habitat** and **how far should the Endangered Species Act go** toward the conservation of all these plants and animals? ■



JAY BOITAIN

Red-cockaded woodpecker at Scrappin' Vallley, Newton County, Texas.

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McDonald's announces waste reduction plan

McDonald's Corporation and the Environmental Defense Fund jointly announced a comprehensive sold waste reduction plan for the fast food giant's 8,500 U.S. restaurants, according to an article in the American Paper Institute's "Solid Waste Watch."

A major source reduction step endorsed by McDonald's and EDF's seven member task force includes switching from polystyrene foam "clamshells" to paper-based wraps for packaging sandwiches. According to the task force summary, paper-based wraps offer a 70-90 percent reduction in packaging volume, substantial energy savings and substantial reductions in pollutant releases measured over the life cycle of the packages.

McDonald's is also reviewing its use of chlorine-bleached paper products to shift to brown, unbleached paper, or paper bleached with alternative chemical processes. McDonald's has already begun phasing in recycled brown paper carry-out bags and oxygen-bleached coffee filters in all U.S. restaurants.

Additional steps recommended by in the Waste Reduction Action Plan include replacing disposable corrugated boxes with reusable shipping containers wherever possible and the use of corrugated boxes containing at least 35 percent recycled content.

Aubrey Barlow, vice president, Sales and Marketing for the Bleached Paperboard Group, explained that McDonald's is in a transition stage in their food packaging as well as incoming raw material packaging that may take quite some time to "shake out."

"There is no doubt that a converter with the ability to supply recycled paper or paperboard to McDonald's would have an inside tract," said Barlow.

"Competitors of McDonald's, such as Burger King, Wendy's, Kentucky Fried Chicken and others have so far avoided getting on the recycling bandwagon to the extent McDonald's has," he noted. "When it comes down to the reality of the situation, economics is going to determine the packaging and in many cases, the bleached recycled product is higher priced than virgin material.

"The Bleached Paperboard Group is working diligently on the recycling issue and has been for some time. We expect to supply recycled grades from our mill at the rate of 50,000 tons per year, beginning in January, 1992. ■



MCKAY'S STUDIO

Participating in Inland Container's Maysville mill groundbreaking ceremonies April 10 were Ken Steppe, Engineering manager, Inland Container Division; Alec Benson, vice president and general manager of Inland-Rome; Ben Lancashire, chairman, president and CEO of Inland Container Corporation; Governor Wallace Wilkinson, Kentucky; Holton Catmell, president, Maysville Chamber of Commerce; and John M. Vaughn, vice prsident of Engineering and Technology, Inland Container Corporation.

Construction begins on Inland's newest mill

Inland Container Corporation broke ground April 11 on its newest linerboard mill, a 100% recycle facility located in Maysville, Kentucky. The Maysville mill will join Inland's Newport, Indiana mill and its Ontario, California mill in utilizing 100% recycled fibers from old corrugated boxes.

Technology developed at the Newport and Ontario mills, as well as the experience gained from these operations, will be used to make Maysville the most technologically advanced recycle containerboard mill in the world.

The $176 million project will employ 125 people and will produce 600 tons of linerboard and corrugating medium a day. The plant is expected to go on stream in early 1993. ■

Temple-Inland will build for the future in core business through difficult year

Temple-Inland Chairman and CEO Clifford J. Grum told shareholders at the company's annual meeting in May that though 1991 will be a difficult year for the company's core businesses, the company will continue to build for the future through upgrading its mills with latest technology, bringing new operations on line, and actively pursuing expansion of the banking group.

Grum noted that $350 million has been allocated this year towards mill upgrades.

Also, Grum was elected chairman of the board at the meeting of the board of directors. He will succeed Arthur Temple, who chose not to seek reelection as chairman.

Ten people representing United Paperworkers International and United Brotherhood of Carpenters and Joiners unions attended the shareholders meeting. ■

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Jewels in the Forest



JAY BRITAIN

The trumpet-like blooms resemble a more common east Texas flower, the honeysuckle.

Springtime in east Texas cannot be better defined than the 50 acres of cliffs and ravines which form the Wild Azalea Canyons near the town of Newton, Texas.

Temple-Inland established the set-aside some 20 years ago at the urging of the Magnolia Garden Club of Beaumont. The canyons are said to be the largest concentration of wild azaleas known in this part of the South.

The wild azaleas are characterized by delicate pink-and-white flowers resembling in sight and smell the more familiar honeysuckle flower. Wild azalea plants are "leggy, open shrubs that grow to 8 feet tall." They are native to the sandy soils of Texas, Arkansas and Tennessee. The blooms are clustered, often numbering more than 16 flowers and stretching 5 inches across.

Forming the backdrop to the pink-and-white panorama is the dark green of loblolly and longleaf pine as well as native hardwoods including the waxy-leafed magnolia. Dogwoods are also abundant throughout the canyons' trails, and the rare Texas orchid, the yellow lady slipper, is know to grow there.

The company maintains the road to the canyons and a parking area, but the canyons themselves are left in their natural state. The city of Newton formed a festival in honor of the flowers held in conjunction with peak blooming time, the last week in March and first week in April.



JAY BRITAIN

Bumble bees thrive during the springtime among the abundant flowers of the canyons.

Newton County's Agricultural Extension Agent Mark Price has been the most ardent promoter of the canyons, organizing the Wild Azalea Festival and sending annual promotional materials to the media state-wide. Price says that hundreds of people from all over the state have visited the canyons.

Experts say the unique geologic formation of the canyons were formed by eroded sediments deposited by streams between two and three million years ago. According to Dr. Saul Aronow, a Lamar University professor, the canyons are part of the extensive pre-Ice Age Willis Formation.

A brochure featuring a locator map of the canyons can be obtained by writing this publication or by contacting Mark Price, County Extension Agent, P.O. Box 627, Newton, Tx 75966. ■



JAY BRITAIN

Newton County Extension Agent Mark Price heads the Wild Azalea Festival held each year during late March and early April, the peaking season for the wild azaleas.

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Wild azaleas mix with dogwoods to form a flowering wonderland within the canyons' ravines.

Photo by Jay Brittain

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Marge Smith coordinates the Museum of Southeast Texas project for Temple-Inland. Over 3,000 students, including these from the Orange, Texas Intermediate school, learned how to make paper at home using common, household items.



JAY BRITTAIN

Over 3,000 5th graders from southeast Texas learn the ancient art of PAPERMAKING

Each spring, Marge Smith coordinates an ambitious hands-on educational effort on behalf of the Bleached Paperboard Group. Marge is in charge of organizing Temple-Inland's portion of the Museum of Southeast Texas' Kaleidoscope project whose mission is to make the museum a cultural and educational resource as well as providing fun for the entire family.

In its second year, Temple-Inland's papermaking project has reached over 4,000 5th graders. Last year, 807 students from 10 schools made paper with Temple-Inland volunteers. This year, the total grew to 3,280 students from 22 schools.

Bleached Paperboard retirees and family members of active employees manned the project. A process or project engineer attended each session as well, to provide a demonstration of the papermaking process. ■



JAY BRITTAIN

Tin can papermaking involves a piece of window screen and wire for support. Retiree Ray Adams volunteered his time to demonstrate the process.



JAY BRITTAIN

Bleached Paperboard retiree Leo Beal demonstrates papermaking using the hand mode.



JAY BRITTAIN

Students were able to personalize their individual sheets by using colored pulp and turkey baster.

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JAY BRITTAIN

Two Temple Associates employees were honored by co-workers recently after returning from Operation Desert Storm. Mike Armstrong (left) served in the Army Reserves driving a heavy transportation vehicle from October, 1990, to April, 1991. Mike hauled M-1 Abram tanks throughout the Persian Gulf war theater including Saudi Arabia, Iraq and Kuwait. He also hauled enemy, Russian-made T72 tanks from the front. Mike had less than 48 hours notice that he was leaving for the war and said the biggest impact of the war was leaving his family and friends. Mike is assistant office manager for the Industrial Division at Temple Associates.

Dan Keogh spent three months in California as a medic in the Marine Reserve Corps. His M.A.S.H. unit (Mobile Army Surgical Hospital) gave physicals and inoculated military personnel who were leaving for the war. Dan did not see action in the Persian Gulf, although at least two times he was put on alert and got as far as boarding a plane before the flight was called off. Dan is an insulation superintendent with Temple Associates working at the Bleached Paperboard mill in Evadale.



Last quarter's contest was so popular that we've had to change the method for determining a winner. If you think you know the correct answer, mail your response with your name, location, and phone number to InTouch Q&A, Drawer N Diboll, TX 75941 or FAX to 409/829-1329. We will place all correct responses in a hard hat and draw out a winner. Employees and retirees are eligible for the prize of a gift certificate to the company store. **Deadline for entries is September 10.**

Last quarter's winner was John J. Boyett, retired from Pineland Operation with 48 years of service. He was first (it was close) to correctly identify Bill Nichols as the first professional forester hired by Southern Pine Lumber Company. Bill was hired June 1, 1949 after graduating from Stephen F. Austin State Universtiy with a degree in forestry.

Here's this quarter's question...

In what year did the company first produce particleboard and in which city and state was the mill located?

TEMPLE-INLAND
FOOD SERVICE CORPORATION

New subsidiary formed

Temple-Inland Food Service Corporation, a wholly owned subsidiary of Temple-Inland Forest Products Corporation, has acquired three paperboard converters.

The acquisition began on March 1 when Sierra Container Corporation of Sacramento, California and Progressive Paper Products, Inc. of Carlisle, Ohio were purchased. In June, Fleetwood Pacific Corporation, of El Cajon, California and Denver, Colorado, was added.

The company was incorporated to market and manufacture paperboard containers and products primarily for the food service industry. The goal of the new integrated paper converter is to produce the highest quality paper products that support the strong environmental and recycling commitments of its parent company.

The new company will be managed from Evadale, Texas, and David Ashcraft will serve as president. Everett E. Brown will function as vice president and chief operating officer.

Ashcraft said the major thrust of the acquisition is to position the Bleached Paperboard group more closely to the consumer.

"The primary intent of the acquisition is to perform applied research, in particular on recycled products. In this way, we can better keep up with the demands for new products."

"Product needs are changing rapidly," he continued. "This new company enables us to respond to new technologies." ■



JAY BRITTAIN

Bob Barrett was named plant manager at the Buna Lumber Operation in March. Bob brings with him 24 years of forest industry experience.

"The primary intent of the acquisition is to perform applied research, in particular on recycled products. In this way, we can better keep up with the demands for new products."

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JAY BRITAIN

Officials break ground on $85 million fiberline

The Bleached Paperboard Group broke ground on an $85 million fiberline project on June 13.

Participating in the ceremony were Bleached Paperboard Group Vice President David Ashcraft; Bob Prough, vice president, Sales, of Kamyr, Inc.; State Senator Bill Haley; and Clifford J. Grum, chairman and CEO of Temple-Inland Inc.

About 180 construction jobs will be created with startup expected during the fourth quarter, 1992.

The new Kamyr Fiberline System is designed to produce 1,000 tons per day of hardwood pulp and will increase pulp mill capacity to 2,150 tons per day.

"We have chosen the most modern, state-of-the art equipment for this project," said Ashcraft, "which will ensure our employees and our neighbors in the Southeast Texas community that we will remain a contributing partner to local economies in the years to come." ■

Dioxin lawsuit served

Temple-Inland responded promptly to media coverage concerning a dioxin lawsuit filed against the company in May. The following statement was released upon request to the media as well as in letter form to employees of the Bleached Paperboard mill.

Roger D. Ericson, vice president and general counsel of Temple-Inland Inc., today issued the following statement concerning a lawsuit filed May 30, 1991 in Orange County State District Court against Temple-Inland Inc. and Temple-Inland Forest Products Corporation, formerly known as Temple-Eastex Incorporated:

"Temple-Inland's bleached paperboard mill in Evadale complies with federal and state waste water permits. The trace levels of dioxin associated with our mill do not pose a health risk to our employees, those living in our mill communities, or consumers of our products.

"Following the recent unexpected discovery of dioxin's association with U.S. bleached pulp and paper mills, our first confirmation that dioxin was present in the waste water from the Evadale mill came in 1989. Since this initial discovery, Temple-Inland has moved in a timely and responsible manner to reduce the formation of the trace quantities of the unwanted by-product, dioxin.

"Despite the lack of evidence to prove cancer-related health risks in humans associated with dioxin at bleached paper mills, Temple-Inland has implemented process changes in response to public concerns. To date, the company has spent $3.3 million in direct expenditures for dioxin reduction. Additionally, an $85 million pulp mill modernization project will further reduce the amount of dioxin produced at the Evadale mill. Our management will continue to seek the best available technology to achieve still further reductions.

"After the September, 1990 Texas Department of Health fish advisory, samples taken in independent studies indicate levels below the state's criteria for warning in large mouth bass, blue catfish, blue crabs and clams at all points sampled along the Neches River. Only the spotted gar was slightly above this level. The information from these latest studies have been informally presented to appropriate regulatory agencies.

"The Environmental Protection Agency announced April 10, 1991 it will review the risks associated with dioxin partly because of new national studies that suggest small amounts are less dangerous to humans than previously thought.

"Temple-Inland will vigorously defend this lawsuit and is of the firm belief that the company will be completely vindicated."

In the letter to employees, David Ashcraft added the following remarks.

"Our waste water is safe, and as recent as May 24, 1991, Dr. Vernon Houk, assistant surgeon general and director of the Center for Environmental Health and Injury Control at the Centers for Disease Controls, has been quoted in the national news media as saying that in his view, dioxin in low doses is a minimal health

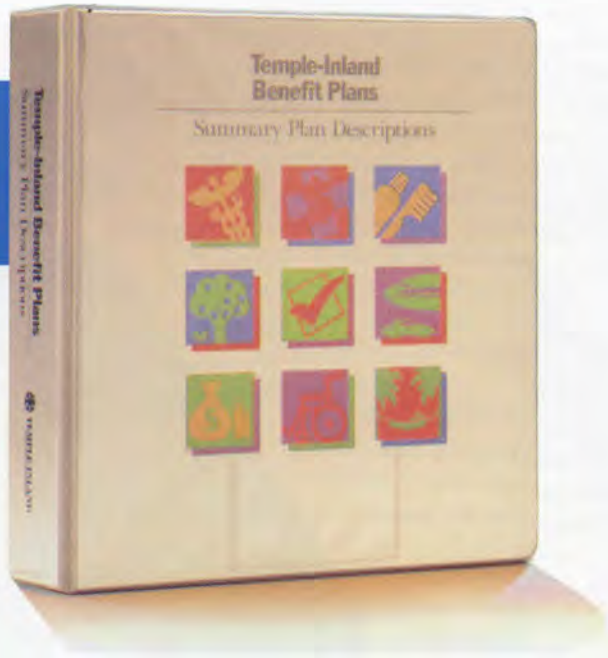
"Despite the lack of evidence to prove cancer-related health risks in humans associated with dioxin at bleached paper mills, Temple-Inland has implemented process changes in response to public concerns."

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risk in humans and that dioxin as a carcinogen is a weak one associated only with high-dose exposure.

"Since 1989, we have taken steps to improve our processes by finding the best technology to help reduce the presence of dioxin. We will continue to look for the most current scientific advances to help protect our environment." ■

Can you find this book around your house?



If you are enrolled in the Temple-Inland Flexible Benefits Plan, locate your Summary Plan Description Handbook and use it to complete this short quiz. Your benefits handbook describes each major benefit plan offered by Temple-Inland, so you will find the answer to each question in the right plan section. The first 20 Flex participants to answer all 10 questions correctly will receive a surprise Flex "credit."

Okay, begin by folding out the Events Chart.

Q *What happens to your accidental death and dismemberment coverage when you retire?*

Q *What happens to any non-vested employer matching contributions in your Thrift Plan account when you leave the Company?*

Q *If you become disabled, how long will you receive short term income protection?*

Now, dig in to the Flex section -

Q *If you have a change in your family status, how many months do you have to request a benefit change?*

Q *What happens to the cost of your benefits if you get a pay change mid-year?*

Now, test your knowledge of your benefits coverage -

Q *Does the plan pay for a second surgical opinion, whether or not surgery is performed?*

Q *Do you know the value of your life insurance if you died right now?* Put down the amount you think your beneficiaries would receive and we'll check it for you.

(HINT: You'll need your most recent Flex Confirmation Statement, your current annual salary, as well as your handbook.)

Q *Why is it smart to "Buckle Up" when you drive - besides the obvious safety reason?* (HINT: see Page 4 in AD&D.).

Q *What percent is the employer matching contribution if your total Thrift Plan contribution is 4% before tax? How about a total of 4% after tax?*

Q *Which department should you contact if you want to continue your education or improve your job skills?*

Great! Now send your answers to Flex Quiz, Corporate Employee Benefits, PO Drawer N, Diboll, TX 75941. Remember, you must be a Flex participant to win. Winners will be announced in the next issue of InTouch.

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Debts piling up?
Free credit counseling offered by organization

Families in the Deep East Texas area needing credit counseling should call 409/634-7859 or 1- 800-873-2227. Another CCCS office can be reached at 409/721-9511 in the Beaumont, Texas area. Employees outside Texas can find their nearest CCCS office by calling toll free at 1-800-338-8622.

It was the last of the month, Joe Anderson (not his real name) was hunched over the kitchen table, juggling a pile of household bills against the balance in his checkbook.

Using a pocket calculator, he soon reached the conclusion he had been dreading the entire month: there wasn't enough money left to meet his credit obligations.

Joe Anderson isn't alone. In fact, his dilemma affects most of us. Bills start mounting for one reason or another, we fail to watch our spending, and we're soon deeper in debt than we wanted to be.

But thanks to a relatively new public service organization, families with debt problems like Joe Anderson's now have access to professional financial guidance and planning at no cost to the individual.

Funded in part by a $2,500 grant from the Temple-Inland Foundation, the Consumer Credit Counseling Service arrived in the Lufkin/Diboll, Texas area last year and is now serving hundreds of east Texas families with debt problems.

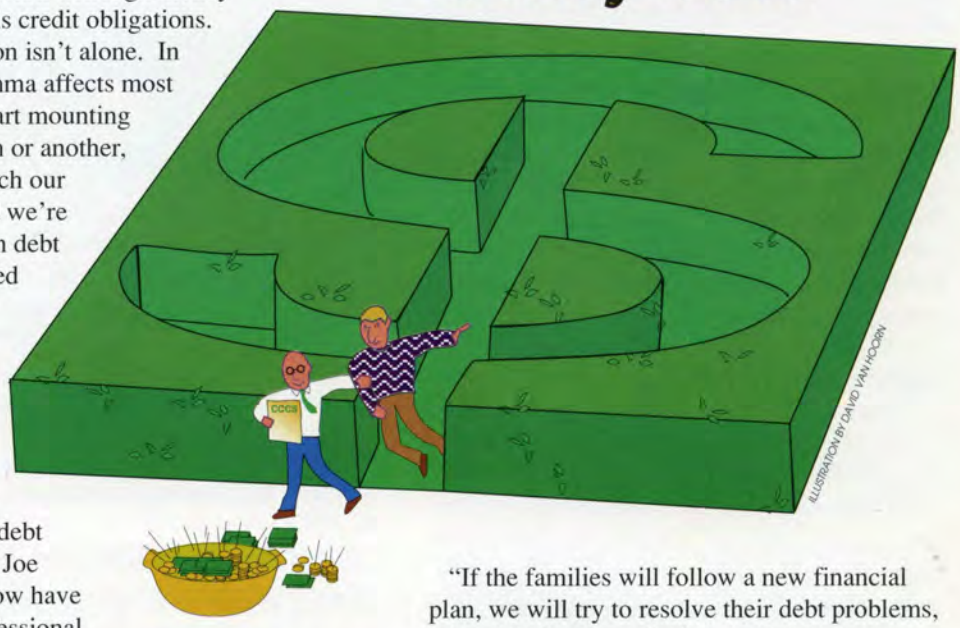
Affiliated with the National Foundation for Consumer Credit, CCCS is not a government agency. Financial support comes from business firms like Temple-Inland and community leaders who realize the need for CCCS services to help those facing financial and credit problems.

"What we try to do is to help people with debt problems work out a plan for paying their debts and getting their money management program back on the right track," explained Jerry Kolb, a counselor with the Lufkin office.

"If the debts are manageable, we'll establish and administer a common sense pay-back plan which enlists the help of the creditors so that the consumer is able to maintain an orderly schedule of settling the debts."

CCCS also helps people prevent further financial problems by guiding consumers in the wise use of credit, budgeting and family money management.

"All of our counseling services are confidential and available to anyone, regardless of their race, creed, color, sex, social position or financial status," said Kolb.



"If the families will follow a new financial plan, we will try to resolve their debt problems, restore their peace of mind, and help them understand how to be better managers of their own finances," said Kolb. ■

Following a contact with CCCS, families are scheduled for interviews with a counselor and told what financial materials to bring to the interview.

At the interview, the counselor will analyze the family's income, expenses and overall financial situation. They will also discuss possible solutions and make recommendations.

A family is then encouraged to evaluate the possible solutions, make its own decisions, and return to the counselor to finalize DETAILS OF THE FAMILY'S PLAN.

In certain cases, CCCS makes arrangements with as many of the family's creditors as possible to reschedule payments so that lower payments can be made over a longer period of time. The family keeps a certain amount of its net income for living expenses and sends a deposit to CCCS, which pays the creditors according to the plan arranged with them.

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SERVICE ANNIVERSARIES

Second Quarter, 1991

Corporate

35 years

Joe Ruby

10 years

Lacy Breckenridge
Mary Cooper

5 years

Charlie Mae Mahan
Neuville Miller
Annie Ward

Building Products

Diboll

30 years

Bobby Amason
Leroy Smith

25 years

Jose Sosa

20 years

Robert Campbell
Joe Capps
Gregory Drake
James Furgurson
Florentino Garza
Roy Johnson
C. W. Loftin
Juan Maldonado
Gary McGaughey
John Minsinger
Pedro Olvera
Abelino Reyes
Ned Rhoades
G.B. Treadway
Donn K. Vance
John Wallace

15 years

Alton Carrington
Leroy Criswell
Laverne Joshua

10 years

Robert Brewer
Johnny Leslie
Hector Lopez
Kenneth Poole
Jay Wyatt

5 years

James P. Aldred
Gordon Dean
Robbie Fletcher
Larry Hill
Ron Massa
Melissa McCall
Edwin McGaughey
Bert Nash Jr.
Deward Stanford
John Temple
George White

Buna

5 years

Jim Brody

Fletcher

Standley Alexander
Michael Boelen
Joe Brown
Abel Bustos
Lewis Cozad
Cheryl Eary
Ernie Embrey
Kenneth Etter
Stephen Herndon
Ronald Hodge
Dalton Howard
Treasia Leatherbury
Tim Smith
Sammy Watts
Edward Williams
Jefferey Zike

Monroeville

15 years

Willie Stallworth Jr.

5 years

Charles Schroeder

Pineland

25 years

Timothy Cooper
Bobby Dennis
Raybon Hunt
Troy Robers
Joan Traylor

20 years

Bonnie Davis
Jerry Fields
Armour Parks Jr.
John Taylor

15 years

Billy Dickerson

10 years

L. C. Holman Jr.

5 years

Mary Buckley
Thomas Butler
Charles Clark Jr.
Richard Clark
Thomas Impson
Mike Jerge
Coleman Lindsey
Neulon McBride Jr.
Robert Mitchell
Melvin Parrish
Patricia Pickens
Roy Roberts
Lemuel Stanley
John Stewart
Jeffrey Watts
Denise Weatherspoon

Thomson

15 years

Freddie Haynes
LLoyd Roberts Jr.

10 years

John Cummings

5 years

David Adams
Rickey McNair

West Memphis

10 years

Willie Brant
Kenneth Cage

5 years

Jimmie Stonum

Bleached Paperboard

35 years

J.K. Butler
Ronald Collins
Charles Hudgins
Bud Pickett

25 years

Wilton Adams
Jimmy Clark
Johnnie Franklin
Joe McKinney
Charles Miller
Doyle Moore
Burton Morgan
Mal Morgan
Carolyn Myers
Lovain O'Quinn
Lamar Parker
Betty Robinson
Don Tantzen

15 years

Dennis Blueitt
David Booker
Thomas Brown
Dee Cannon
E.A. Deets
Larry Gentry
Rusty Gore
John Lackey
Jim Pell
Dan Spurlock

10 years

Woody Davenport
Darron Denbow
Larry Lackey

Forests

45 years

Dorothy Birdwell

40 years

Kay Henson
William A. Newman

25 years

Ron Ducote
Paul Hugon

20 years

Rodney Fox
Tommy Richardson
Raymond Williams

15 years

Wes Wright

Temple Associates

5 years

Wayne Steel

Universal Electric Construction

25 years

Herman Chaddrick
Louis Martin Jr.

15 years

Tommy McCullough

10 years

Ted Hazelton
Leonard Smith

5 years

Stacey Hebert
Ottis Buster Hood
Suzanne Taylor

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JAY BRITTAIN

A field of insectivorous pitcher-plants (Sarrancenia purpurea) lies in a bog at Temple- Inland's Scrappin' Valley Wildlife Preserve in Newton County. The pitcherlike, heavily veined red or green leaves are usually half filled with digestive fluids. Flaring lips are lined with downward-pointing bristles that help trap insects. Wildlife Biologist Joe Hamrick stands in the background overlooking the vast field.

TEMPLE-INLAND
FOREST PRODUCTS CORPORATION
P.O. Drawer N / Diboll, TX 75941 / (409) 829-1430

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