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InTouch

By and for Employees of Temple-Inland Forest Products Corporation



WINTER '92

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Cover Photo
Fry scoops are one of the many items produced by Temple-Inland Food Service Corporation. Temple-Inland entered the $87 billion food service industry last March.

photo by Jay Brittain

Winter, 1992
Volume 8, No. 3

Correspondents
Steve Broeder, Deb Carroll, Bill Cecka, Barry Cook, Mary Cooper, Stacy Cooke, Herb Couture, James Cowan, Don Cox, Bill Eckmann, Roxie George, Dee Dee Groom, Jim Havard, Pam Henson, Paul Hugon, J.D. Johnson, Leo Lepold, Bob Lippincott, John Lyons, Shirley Morris, Charles Mott, Charles Poindexter, Dana Rogers, Nelda Ruby, Dot Saari, Jane Sitton, Pete Smart, Darryl Stanley, Lynn Willoughby, Charles Witherspoon and John Zenkner.

Public Affairs

Richard A. (Tony) Bennett
Vice President, Public Affairs

Carolyn C. Elmore
Director, Corporate Communications
InTouch Editor

Creative Staff
David Van Hoorn
Art Director

Jay Brittain
Assistant Art Director
InTouch Designer

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MY TURN



Clifford Grum
Chairman & CEO,
Temple-Inland Inc.

Fiscal 1991 is about to end and unfortunately it will be a difficult year for Temple-Inland Forest Products. The Building Products Group earnings will be at about break-even levels, and the Bleached Paperboard Group will be down almost 20 percent.

Certainly the weather, poor economic conditions, major rebuild of the recovery boiler at Evadale, and temporary over-capacity of supply contributed to our decline in profitability, but many of these factors will continue to influence our markets in 1992.

Whereas most economists predicted the end of the recession in the spring of 1991, they now acknowledge that they may have been premature, and the fear of another dip in early 1992 is now considered a real possibility. Hopefully, by the end of 1992, a general recovery will have been initiated.

We cannot assume that the recovery, whenever it begins, will necessarily pull us out of the trough, but we must use this crutch to step out by our own efforts. In my message last spring in this magazine, I indicated that we intended to try to weather the recession without any major elimination of permanent jobs, and that even though certain capital projects would be delayed, we would continue to build for the future.

The environment has not changed as we enter another year, but the delay in recovery is becoming more of a problem. We cannot sacrifice our future, but at the same time, our profitability has been dramatically reduced. If I can characterize our strategy for the next few years, we must learn to work together toward a smarter environment. Our future success is going to be dependent on group efforts — the destiny of our company needs your help.

Planning the future is the key to our success — not allowing events to dictate our reactions. Certainly the combined efforts of many employees contributed this year to our ability to continue almost normal operations despite weather conditions that forced our competitors to take extended downtime. However, we need to plan for future wet weather periods to allow full continuation of normal activities.

New regulations and improved audit procedures to ensure compliance are the wave of the future. Whether we totally agree with such changes in our work habits, they cannot be denied. We must accept and fully comply while not allowing a decrease in productivity.

Equally as important as planning will be communication. We must ensure that we maintain the ability to effectively communicate in both directions. This entails being as good a listener as speaker.

This year we commissioned a study of our internal communications, and, even accepting the margin of error in any research, it was conclusive that our communication programs were often unsuccessful. Communications to the communities in which we work were often more successful than with each other.

Your top management goals for 1992 will stress improving the environment in which you work and listening to your problems. Employment with our company should not only reward you financially, but also create a successful work experience.

The largest company headquarters in east Texas needs to be a leader both in profitability and as a superior employer in the eyes of its employees. We need your help to achieve this condition and establish the environment achieved by only a few companies. The quality of our employees is the best; therefore, our working environment should be superior — nothing less will be acceptable. We need your help. And I can promise you we will listen.

1992 will be an important year for planning for the future. After several years of informally discussing a new paper machine, a formal study should be completed by next summer on a new configuration of paper machines at Evadale.

The new hardwood fiber line at Evadale should be operational next fall about the same time as our northern chip mill begins operation to assure resources for the future. Special new freight cars will also be acquired to allow us to deliver tree length logs by rail to our southern paper mills.

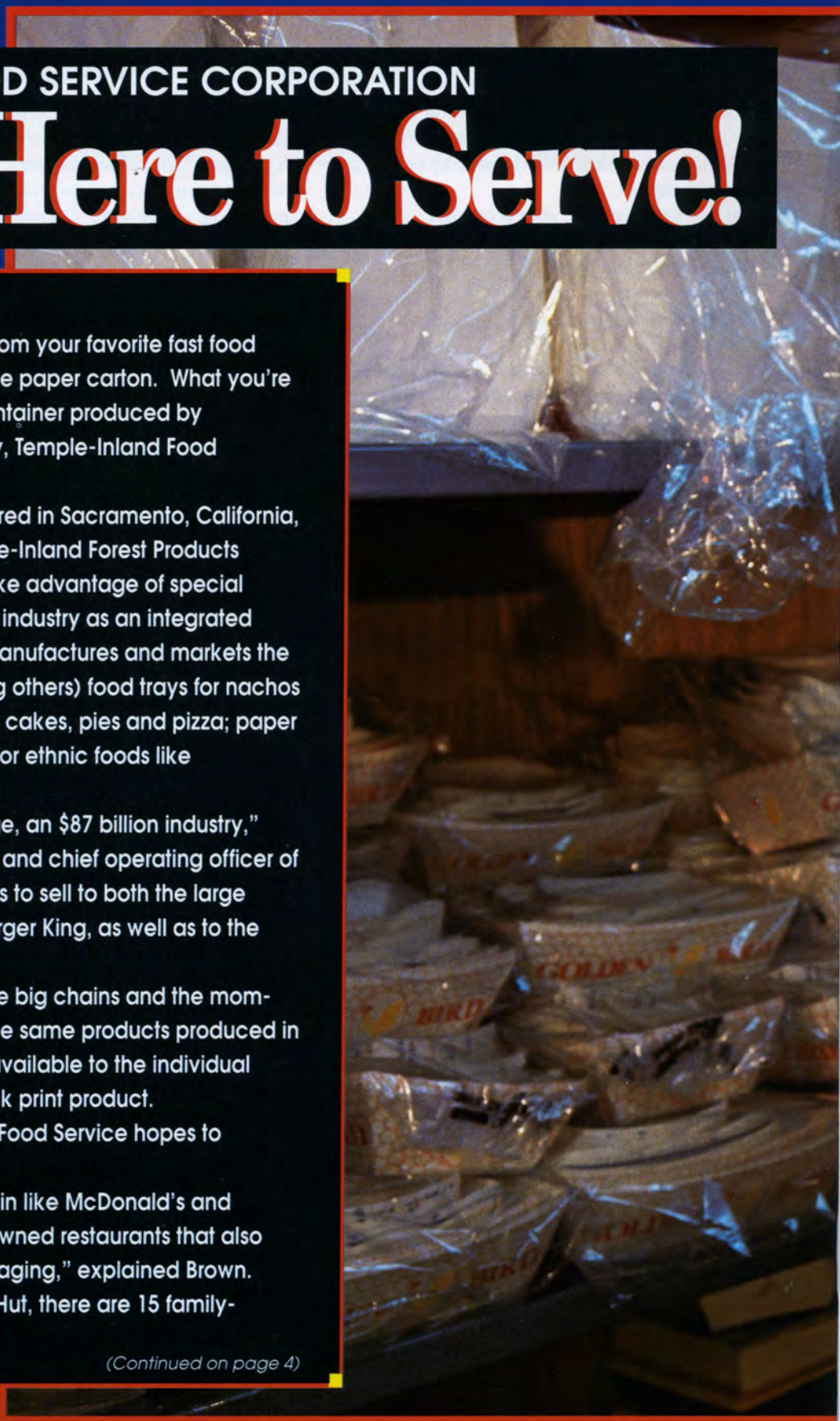
Building products' markets appear to be gaining some momentum. At least the weather this fall has allowed us to build a normal inventory and to operate our new and modern facilities at closer to optimum levels.

We have the opportunity to make 1992 a very successful year, and I hope you will give us your help. ■ *-- Clifford Grum*

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TEMPLE-INLAND FOOD SERVICE CORPORATION

We're Here to Serve!



The next time you order fries from your favorite fast food restaurant, take a good look at the paper carton. What you're seeing may be a paperboard container produced by Temple-Inland's newest company, Temple-Inland Food Service Corporation.

The new company, headquartered in Sacramento, California, operates as a subsidiary of Temple-Inland Forest Products Corporation. It was created to take advantage of special market niches in the food service industry as an integrated paper converter. Food Service manufactures and markets the containers, which include (among others) food trays for nachos and fries; locked corner boxes for cakes, pies and pizza; paper plates and bowls; and food pails for ethnic foods like Chinese carry-out.

"The food service industry is huge, an $87 billion industry," said Everett Brown, vice president and chief operating officer of the new company. "Our mission is to sell to both the large chains, like Wendy's, KFC, and Burger King, as well as to the mom-and-pop market."

Food Service can satisfy both the big chains and the mom-and-pop businesses by making the same products produced in special print for the large chains available to the individual restaurants as a Food Service stock print product.

These special niches are where Food Service hopes to make an impact.

"For every large hamburger chain like McDonald's and Burger King, their are five family-owned restaurants that also require special food service packaging," explained Brown. "And for every pizzeria, like Pizza Hut, there are 15 family-owned pizza parlors in the U.S."

(Continued on page 4)

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Everett Brown, vice president and chief operating officer of Temple-Inland Food Service Corporation, cradles samples of products from the Sacramento plant. The company is especially proud of its special print lines including products for some of the nation's largest corporations.

Photo by Jay Brittain

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"For every large hamburger chain like McDonald's and Burger King, there are five family-owned restaurants that also require special food service packaging"



Temple-Inland Food Service Corporation executives attended the National Paper Trade Association Paper/Plastics & Allied Products Exposition in New Orleans in October. Pictured are Bob Rodman, vice president, Marketing; Everett Brown, vice president and chief operating officer; David Ashcraft, president, Temple-Inland Food Service Corporation; Joe Tully, vice president, Consumer Division; Bill Bausmith, vice president, Progressive Division. The booth featured free hot dogs during the lunch hour served in Temple- Inland hot dog holders.



JAY BRITTAIN

Walter Jacks manages Food Service's Sacramento plant. Everett Brown, Bob Rodman, Leonard Dibble and he have worked together for over 30 years.

continued from page 2...

TEMPLE-INLAND FOOD SERVICE CORPORATION

Brown and his associates at Food Service know something about building a client base and delivering products that satisfy customer needs. The capable team led by Brown, includes Bob Rodman who directs Food Service marketing; Joseph Tully, who handles the large consumer (grocery store sales) segment of Food Service, along with the manufacturing plant managers of Bill Bausmith at Carlisle, Ohio; Walt Jacks at Sacramento, California; and Jerry Morris in El Cajon, California and Denver , Colorado.

The business philosophy that Brown and his associates espoused as independent companies remains the basis for their operation today. The new company emphasizes its ability to produce high quality printed graphics to paperboard products produced in their regional plants.

"The market drives our product line," said Brown, " and our customer needs determine our product line. We emphasize new product opportunities in our market niches."

In March, 1991, Temple-Inland Forest Products Corporation acquired Sierra Container Corporation of Sacramento and Progressive Paper Products, Inc. of Carlisle, Ohio. Shortly, Fleetwood Pacific Corporation of El Cajon, California was added. These companies form Temple-Inland Food Service Corporation.

The Sierra Division of Temple-Inland Food Service has 14 forming units in operation and three Champlain Bobst presses. Approximately



JAY BRITTAIN

Everett Brown and his associates pioneered the micro-pail, a Chinese food carry-out pail suitable for microwave oven use.

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70 employees produce a variety of paper food products that feature food pails, trays, folding cartons, and cake/pizza boxes. Their largest customer buys the "line," meaning all stocking products for redistribution for all of the southwestern U. S., including Texas. Progressive employs approximately 130 people and is a leading manufacturer of paperboard fry scoops that are manufactured on its own N-Line production machines.

Fleetwood employs about 230 people at three plants which manufacture paper plates, cups and luncheon bags.

Food Service provides products in four primary food service categories: fast food chains, institutional (such as schools and hospitals), recreation and ethnic food markets.

David Ashcraft is president of the new company. He said the new company's vision is to provide the best in food service products while maintaining sensitivity to the use of a natural, renewable resource.

Ashcraft said paper will become a positive, viable alternative for fast food packaging as companies move away from the use of styrofoam, plastic and other types of packaging. Paper is made from a renewable resource, trees, and is recyclable.

"We are committed to balancing the needs of our food service customers with new technologies which support the highest quality paper products," he said. ■



JAY BRITTAIN

Salesman extraordinaire, Bob Rodman, sells Food Service products to customers throughout the Southwest.



JAY BRITTAIN

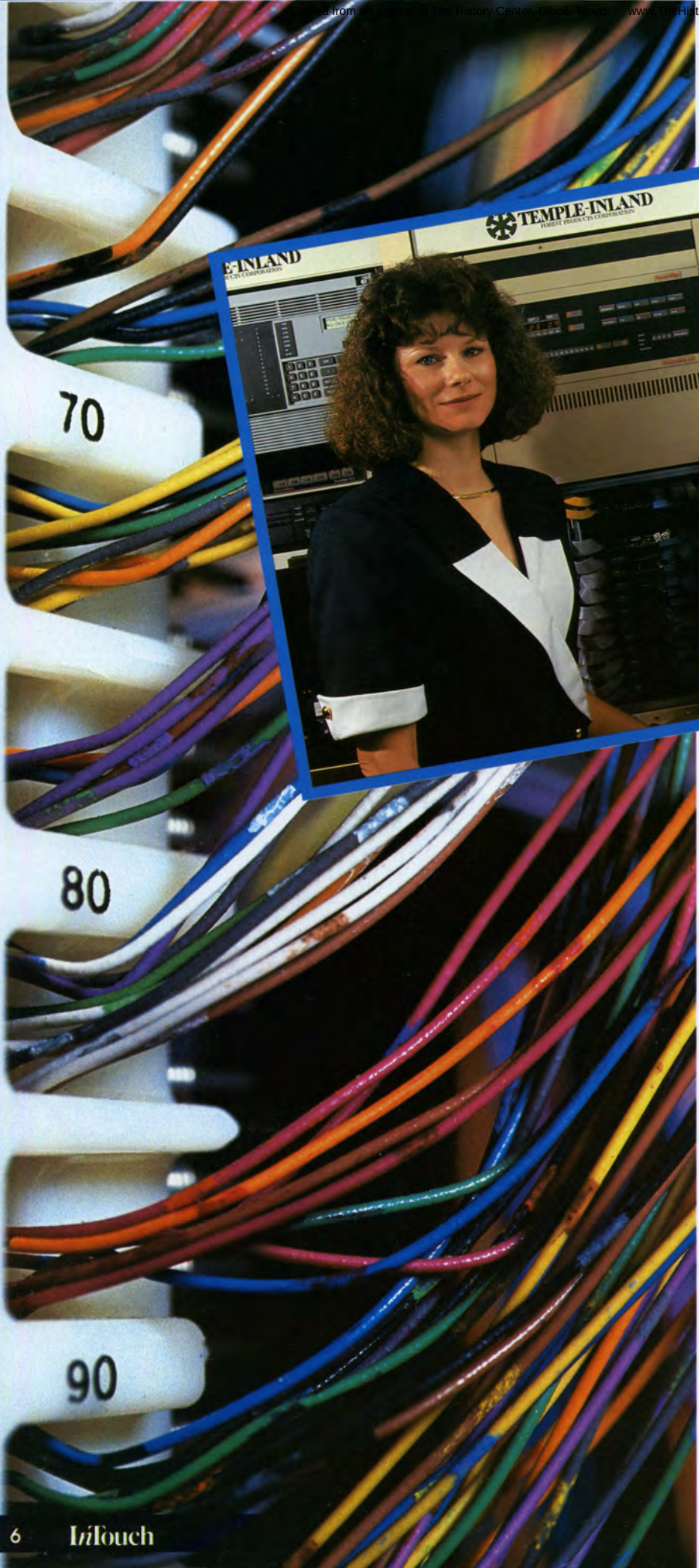
Temple-Inland manufactures school lunch trays for the Los Angeles Independent School District.



JAY BRITTAIN

Nested food trays are a popular item of the $87 billion food service industry. Trays such as these can be special printed or stock printed to serve both the big chains or small family-owned businesses.

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Telecommunication specialists John Oates and Barbara Goins find themselves on the leading edge of technology to keep Temple-Inland's communications running smoothly, quickly and efficiently.

JAY BRITAIN

COMMUNICATION IN THE 1990s

It's not what it use to be

A hundred years ago, communications in the lumbering business meant sending a letter to the next town by train or horse-drawn wagon.

Today, as members of a Fortune 200 company, Temple-Inland employees are likely to conduct their business around the world with the speed of light by using computers, cellular phones, facsimiles and voice mail.

It's enough to boggle the mind of an old-time lumberman.

The new communications techniques are made possible through remarkable technological advances and two key telecommunication specialists, John Oates and Barbara Goins.

Oates and Goins often find themselves on the leading edge of technology to keep Temple-Inland's communications running smoothly, quickly and efficiently.

"Our primary goals are to deliver voice and data access for the corporation in the quickest and most reliable way possible." said Oates, who

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has directed the department since 1985.

"It's critical for us to have a speedy way of doing business and, at the same time, make the system simple enough so that every employee can use it."

At Temple-Inland, Oates and Goins spend most of their time on two primary methods of communications: voice communication, which includes thousands of phones throughout the company, and data communication to the mainframe computer at Information Systems in Diboll.

Voice communication includes the day-to-day software for all incoming and outgoing phone calls, networking for long distance calls and the maintenance of voice mail, a relatively new concept which is playing a growing part in Temple-Inland's business.

"We started to voice mail with several sales people of our outside sales staff," Oates said, "but it has since evolved into a great communication tool for hundreds of our employees."

Some 70 employees went on line with voice mail three years ago. Today more than 400 employees use the system on a daily basis, allowing them to leave messages with an individual when they're out of the office.

"Our outside sales people were having trouble getting quick answers from other sales people, often playing what we refer to as 'telephone tag,' " Oates said.

"They would call each other back-and-forth and secretaries would take messages, often wasting a lot of time. With voice mail, they can now communicate without talking directly to each other.

For example, if an outside sales person in Tennessee needs an answer from another sales person in another part of the country, the message and be left and the answer forwarded without the two ever speaking directly to each other.

Another important task for telecommunications is the flow of data to the mainframe computer at Temple-Inland.

Three main stations are in place; at Information Systems and the corporate office in Diboll, and at the Bleached Paperboard Operation in Evadale. Hundreds of personal computers at various locations within the corporation are connected directly into one of these three points.

"This enables us to make our business transactions on a daily basis," Oates said. "It is a key tool in our business at Temple-Inland."

In addition to maintaining voice and data communications, Oates and Goins field at least 30 calls a day each as general communication problem solvers for Temple-Inland employees.

"Communication is becoming increasingly important in the business world, and the equipment is also becoming more and more sophisticated," said Oates, "and, as Temple-Inland grows, we will take a serious look at some of the new techniques, hardware and software that will enable us to continually upgrade our systems." ■

"We started to voice mail with several sales people of our outside sales staff, but it has since evolved into a great communication tool for hundreds of our employees."

API survey reveals moderate capacity expansion and continued recycling growth for 1992

After a strong 3 percent increase in U.S. paper and paperboard capacity in 1991, the rate of capacity growth over the next three years is expected to continue but at a slower pace. Industry capacity is estimated to increase at a rate averaging 1.9 percent annually to reach 91,880,000 tons in 1994, according to the annual capacity report released by the American Paper Institute (API), the industry's trade association.

Pulp and paper companies, responding to a prolonged climate of economic uncertainty and rapidly escalating environmental spending requirements, now plan to reduce investments in new manufacturing facilities below levels reported last year.

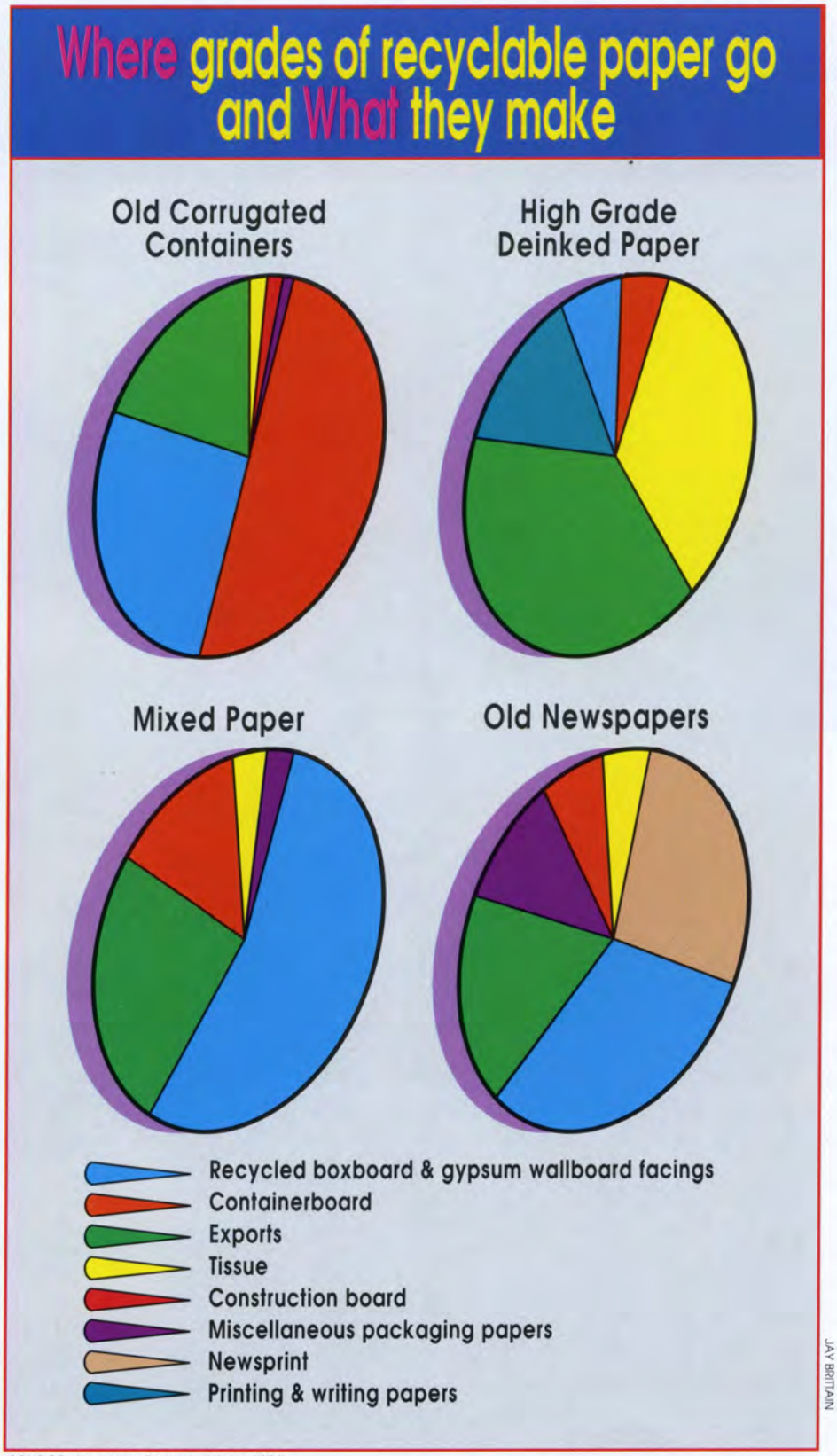
A one-year delay, from 1992 until 1993, in the installation of a major new Solid Bleached Paperboard machine will contribute to a rate of increase in capacity for solid bleached paperboard below the 4.6 percent annual growth rate reported in APIs 1990 survey. From a base of 4,886,000 tons this year, capacity is now estimated to increase at a 3.1 percent average annual rate, and to reach a productive potential for 5,353,000 annual tons of bleached paperboard in 1994.

According to Temple-Inland Group Vice President David Ashcraft, the increase in bleached paperboard capacity is coming from paper machine rebuilds which were completed in 1990 and 1991.

"The increase in capacity reflects the industry's ability to satisfy the consumers' preference for

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SOURCE: American Paper Institute, 1988

JAY BRITTAIN

(continued from page 7)

paper and paperboard packaging. Bleached paperboard should continue to grow throughout the 1990s," he said.

Estimates for containerboard capacity in the survey have been revised downward from year-earlier levels. Capacity for containerboard should now reach 30,562,000 tons in 1994, and the rate of growth should average 1.7 percent per year over the three-year period. As with other product grades, use of recovered paper, which totaled 7,790,000 tons in 1991, will outpace growth in capacity.

Inland Container Corporation is expected to startup its new recycled linerboard machine during the third quarter, 1992.

The survey also projects new investments in recycling facilities and greatly expanded utilization of recovered paper as raw material in the manufacture of paper and paperboard.

"Based on already installed or approved additions to recycling operations, the use of recovered paper should increase by almost 5 million annual tons from 1991 to 1994 and should then constitute more than 30 percent of the industry's raw materials supply," said API president Red Cavaney at a news conference in mid- December to report the results of the Institute's 32nd annual capacity survey.

Cavaney continued, "In contrast to lowered rates of growth in capacity for paper, paperboard and wood pulp, increased investment and expanded utilization of recycling facilities are reported in the survey. From a base of 22,009,000 tons of recovered paper consumed as raw material for papermaking in 1990," he noted, "consumption is planned to increase more than twice as fast as for all fiber sources and to reach 28,665,000 tons in 1994."

At this level recovered paper will comprise more than 30 percent of the industry's total consumption of fibrous raw materials, estimated at 93,714,000 tons in 1994.

"This expanded level of recycling, part of planned capital outlays that will total billions of dollars over the next three years, shows progress toward the industry's voluntary goal of recovering annually, for domestic use and for export, a full 40 percent of the nation's paper by 1995. ■

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CAPITOL VIEW

By Tony Bennett

Subsidized Canadian lumber threatens U.S. industry

The International Trade Commission (ITC) recently decided in favor of the U. S. Coalition for Fair Lumber Imports, finding that **Canadian subsidies are injurious to the U.S. lumber industry**.

"Subsidized Canadian lumber is, once again, a serious threat to U.S. lumber manufacturers. This is a free and fair trade issue. Canadian subsidies threaten the economic recovery of the southern forest products industry **by suppressing prices below competitive levels**," said Harold C. Maxwell, group vice president, Building Products, and a member of the Coalition's executive committee.

Canadian imports, currently more than 12 billion board feet, amounted to $2.6 billion in sales in 1990. The imports represent approximately 28 percent of the U.S. softwood lumber markets.

Almost all **Canadian timber is owned by the provinces** and sold at administered prices far below the timber's full value. This administered pricing is intended to benefit the Canadian lumber industry.

In 1986, the ITC had determined that subsidized Canadian lumber was probably the primary cause for depressed prices and rising import market share in the U.S. lumber market. This was followed by a Commerce Department finding that countervailing duties should be imposed. These duties were never finalized because the Canadians agreed to a Memorandum of Understanding (MOU) in 1986, which imposed a 15 percent export tax on Canadian lumber, offsetting part of the subsidies. Last October, though, Canada withdrew from the MOU.

It is now up to the U.S. Commerce Department to determine **what level of countervailing duties should be imposed on Canadian lumber** entering the U.S. market.

The Coalition for Fair Lumber Imports is made up of U.S. lumber companies and all of the major U.S. lumber associations opposed to subsidized imports. Member companies include Georgia-Pacific Corporation, International Paper Company, Potlatch Corporation, Temple-Inland Inc., and Union Camp.

Recycling mandates could hurt successful industry efforts

Government officials today are looking for just about any way to reduce the growing volume of **solid waste destined for a shrinking number of municipal landfills**. With recycling probably the most important option available, Temple-Inland and the U. S. paper industry must continue to play a vital role in increasing the public's awareness of recycling.

Our industry has a **proven record toward this goal** already, and we have publicly pledged to do a great deal more. The following facts indicate the success recycling has seen and will see in the future.

- Last year, **29 million tons**, representing one-third of all paper consumed in our country, were recovered for recycling.
- In 1990, better than **one of every two corrugated boxes** were recovered for recycling. In fact almost **80 percent of all post-consumer waste material** recovered for recycling was paper and paperboard.
- In 1990, the U.S. paper industry announced a national goal to recover, for domestic recycling and export, **40 percent of all paper Americans use** by 1995, requiring the investment of billions of industry dollars to expand recycling capacity.
- Today, use of recovered paper as a raw material by U.S. manufacturers is growing at a rate twice that of virgin fiber. Millions of Americans are playing a role in the expansion of the collection system, which is generating two million additional tons of recovered paper each year.
- Recycling will reduce the amount of paper disposal destined for landfills from **50 percent** in 1988 to **35 percent** in 1995.
- Nearly 90 percent of all the increases in paper recovery after 1988 will come from the **post-consumer** waste stream — not just to 1995, but forever into the future. **By mid-decade, three-quarters of total recovered paper will be post-consumer**.
- The U.S. paper recovery rate will move from below to above the world average, quite a feat for a nation with the world's largest and most productive private forest resource base and low relative population density.

Problems and challenges still exist as increased recycling capacity comes on line to process certain regional over-supplies of some recovered paper grades. To keep the growth of paper recycling going, it is essential that the elements contributing to the success to date not be diminished or lost.

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"Canadian subsidies threaten the economic recovery of the southern forest products industry by suppressing prices below competitive levels."

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"Many well-intentioned but hastily passed laws and regulations threaten to create barriers to the efficient expansion of recycling"

CAPITOL VIEW *(continued from page 9)*

When it comes time to reprocess all this recovered paper, significant capital investment is required. Paper is the most expensive manufacturing business in America. Paper manufacturing is twice as capital intensive as chemicals, primary metals, and twice the average for all other manufacturers. We are a highly fixed-cost business with very high operating rates — in the 90 percent range. Recycling growth, therefore, can only come after significant incremental capital investment to handle recovered paper grades.

To keep paper recycling growing, the economics must be financially attractive. To maximize recycled fiber usage, the market place for recycled products must be given maximum flexibility to move recovered paper to its highest and best use, based on economics. Overall, paper recycling will grow permanently and efficiently, built upon a sound base.

Today, however, many well-intentioned but hastily passed laws and regulations **threaten to create barriers to the efficient expansion of recycling**—regulations such as mandated minimum recycled fiber-content standards, mandated collection programs without regard to markets or available converting plants, or new taxes on virgin wood fiber. These artificial "stimulants" will ultimately decrease the growth of paper recycling and should be resisted. Economics and the market place will eventually yield the most efficient and fastest growing recycling programs to reduce the volume of waste in our landfills and to make better use of our nation's resources. ■

Adelizzi elected group vice president

The Temple-Inland Inc. board of directors elected Robert F. Adelizzi group vice president—financial services. Adelizzi recently joined the company as chairman and chief executive officer of Guaranty Federal Savings Bank, succeeding Richard M. Jones, who plans to retire at year-end.

Adelizzi, 56, was president and CEO of HomeFed Bank, a $16 billion California thrift based in San Diego. Guaranty Federal, based in Dallas, has total assets of more than $7 billion, and has over 100 branch offices in Dallas/Ft. Worth, Houston, San Antonio, Austin and throughout central Texas.

Jastrow named TIN chief financial officer

Kenneth M. Jastrow II was appointed to the additional post of chief financial officer of Temple- Inland Inc. Jastrow serves as chairman of the board of both Lumbermen's Investment Corporation and Capitol Mortgage Bankers, Inc., Temple-Inland's mortgage banking operations.

Jastrow was president and chief executive officer of LIC from 1972 until 1984, when he left to form Capitol Mortgage Bankers. Capitol became a part of Temple-Inland through acquisition in June, 1991.

TIN board elects Lancashire executive vice president, director

At its November 1 meeting, the Temple-Inland board of directors elected Ben J. Lancashire, 63, executive vice president and a director. He will continue as chairman, president and chief executive officer of Inland Container Corporation.

TIN board elects new director

Larry Eugene Temple, an attorney in private practice in Austin, Texas, was elected to the Temple-Inland Inc. board of directors on August 2.

Temple has had a distinguished record of public service for the state of Texas. He was chairman of the Select Committee on Higher Education, a member of the Texas Higher Education Coordinating board and serves on the boards of the University of Texas and the Lyndon B. Johnson Foundation.

Earlier in his career, he was special counsel to former President Lyndon B. Johnson and executive assistant to Texas Governor John Connally.

Temple serves as a director of Guaranty Federal Savings Bank.

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Scholarship Applications Available

High school seniors who are interested in applying for Temple-Inland Foundation Scholarships are encouraged to obtain applications from local personnel offices of Temple-Inland Forest Products Corporation of Financial Services or by writing the Foundation at P.O. Drawer 338, Diboll, Texas, 75941.

Sons and daughters of active or retired employees of Temple-Inland Inc.'s Forest Products Corporation and Financial Services subsidiaries may apply for Temple-Inland Scholarships, provided the parent has completed three years of continuous full-time service as of April 1, 1992.

Applications should be completed and returned to the Foundation no later than March 15, 1992. ■

The Foundation

The Temple-Inland Foundation awarded over $210,000 in special grants during the third quarter in 1991.

Organizations receiving grants included a number of United Way organizations which received funds totaling over $50,000.

Other organizations receiving grants included the Center for Housing Resources for a home repair program; Mothers Against Drunk Driving for video equipment; Patrick Henry State Junior College for library reference materials; and the City of Diboll for the municipal golf course.

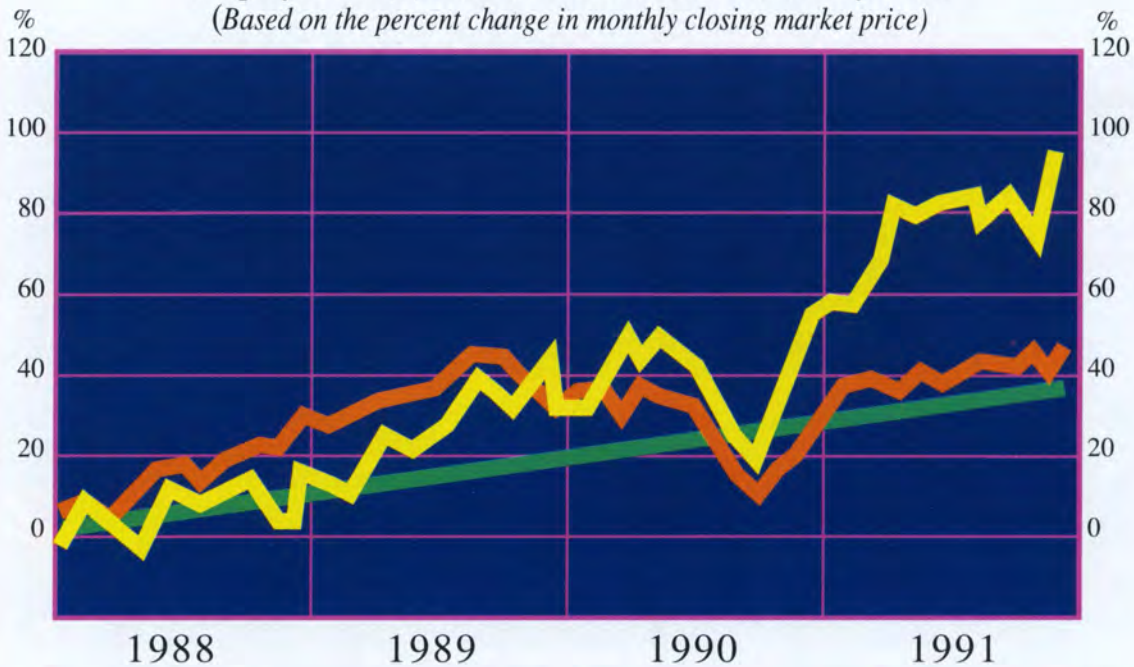
Temple-Inland Forest Products Corporation employees contributed nearly $6,000 to the Matching Gifts Program and the Foundation contributed over $16,000 in matching funds to over 50 organizations. ■

Organizations receiving grants included a number of United Way organizations which received funds totaling over $50,000.

Temple-Inland Forest Products Corporation

Employee 401(k) Plan Investment Performance By Fund

(Based on the percent change in monthly closing market price)



FUND A	FUND B	FUND C
Fixed Income Fund	Temple-Inland Stock Fund	Equity Fund

	4 Year Return		Return For
	Cumulative	*Average Annual*	*1991*
FUND A	37.86%	9.46%	8.79%
FUND B	90.91%	22.73%	54.91%
FUND C	54.53%	13.61%	24.97%

At left, the performance of Temple-Inland Forest Products Corporation's Employee 401(k) Plan Funds are graphically illustrated. The percentage of increase of each fund is charted by color, corresponding to the fund listed below the chart. For further information on the Employee 401(k) Plan, contact your local Human Resources representative.

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SEXUAL HARASSMENT

Knowing the policy is first step in avoiding potential problems

Sexual harassment in the work place is nothing new. Neither is Temple-Inland's long-standing policy prohibiting such behavior in our work place. (See opposite page). But, as Clifford Grum, chairman and chief executive officer of Temple-Inland, stressed, "Now that recent news events have focused the nation's attention on this serious problem, it is a good time to remind our employees of the company's policy on this issue."

If Americans learned anything following the highly publicized proceedings of Judge Clarence Thomas' Supreme Court confirmation hearings, it is that sexual harassment in the work place can have different meanings to different people.

Hiring,firing, promotions, raises—in fact, all decisions affecting your job—should be based on your job performance, not on whether you submitted to or rejected someone's unwelcome sexual advances.

So where does the controversy come in? Well, for one thing, the law only prohibits unwelcome sexual advances and sometimes, it can be hard to read another person's signals. For another, the courts and the Equal Employment Opportunity Commission have taken the definition of sexual harassment one step further and said that unwelcome sexual conduct that interferes with a person's job performance or creates an "intimidating, hostile, or offensive working environment" is also against the law.

Can a "hostile environment" mean suggestive jokes, lustful leers, sexy calendars, and demeaning remarks? The answer may be "yes" to all of the above.

While any two people may have different opinions on whether something is "offensive" or not, you can try to judge your own behavior by asking a few simple questions: would I say or do this in front of my spouse or my boss? Would I feel uncomfortable if someone did or said this to me, my spouse or other family member?

"In some situations, a locker room mentality exists. Our employees should understand that this kind of situation has no place today in the work environment," said Herb George, vice president, Human Resources.

"In some situations, a locker room mentality exists. Our employees should understand that this kind of situation has no place today in the work environment,"

If, as an employee of Temple-Inland, you think you may be the victim of sexual harassment, you should follow both company policy and common sense advice as stated by George.

"Knowing the policy is most important. However, our employees can often use common sense to eliminate the problem," he said. "Confronting the person responsible for the offensive behavior, and simply voicing your opposition, will, in most cases, end it then and there."

"The more sensitive that everyone becomes to the problems associated with sexual harassment and the company's intolerance of it, the more effective this approach will become."

He continued, "If this doesn't work, or you don't feel comfortable confronting the person directly, get help. If you are uncomfortable going to your immediate supervisor or department manager, go to a Human Resources representative. Our Human Resource people are schooled in handling these matters, and they are responsible for enforcement of the policy."

He goes one step further, suggesting that someone with a complaint can turn to him or to anyone in a position of authority within the company with whom the complainant feels comfortable, and ask that person to bring the matter to the attention of the appropriate management. Employees can also contact Temple-Inland's general counsel, Roger Ericson, at (409) 829-1301 to report violations of the company's policy.

What happens next? According to George, "The course of action is to fully investigate the complaint in as confidential a manner as possible. If the situation warrants, disciplinary action up to and including discharge will be taken."

"The company takes the matter of sexual harassment very seriously," confirmed Grum. "Sexual harassment will not be tolerated. Our employees are entitled to work in an environment that is free of intimidation, coercion and harassment."

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SEXUAL HARASSMENT POLICY

OF TEMPLE-INLAND FOREST PRODUCTS CORPORATION

It is the goal of Temple-Inland Forest Products Corporation to provide a work environment free from sexual harassment. Such harassment in any form, verbal, non-verbal or physical, is strictly against Company policy.

Sexual harassment is a violation of Title VII of the Civil Rights Act of 1964, and it is against the policy of the Company for any employee, male or female, to sexually harass another employee by:

a. making unwelcome sexual advances, requests for sexual favors or other verbal or verbal or physical conduct of a sexual nature a term or condition of an employee's employment, or

b. making submission to or rejection of such advances, requests, or conduct the basis for employment decisions, either favorable or unfavorable affecting the employee, or

c. creating an intimidating, hostile or offensive working environment by such advances, requests or conduct.

Sexual harassment does not refer to behavior or occasional compliments of a socially acceptable nature. It refers to behavior that is not welcome; behavior which, from the objective standpoint of a reasonable person given similar or like circumstances, would impair that person's ability to perform his or her job effectively. Sexual harassment may take different forms, including, but not limited to, the following:

Verbal	Demand for sexual favors, sexual innuendos, suggestive comments, jokes of a sexual nature, sexual propositions, threats.
Non-verbal	Sexually suggestive objects or pictures, graphic commentaries, suggestive or insulting sounds, leering, whistling, obscene gestures.
Physical	Unwanted physical contact, including touching, pinching, brushing the body, coerced sexual intercourse, assault.

Sexual harassment may be overt or subtle. Some behavior which is appropriate in a social setting may not be appropriate in the workplace. Sexual harassment by any employee, manager, employees, salaried and hourly alike, will be expected to comply with this policy and take appropriate measures to ensure that such conduct does not occur. Appropriate disciplinary action, up to and including discharge, will be taken against any employee who violates this policy against sexual harassment.

Sexual Harassment Complaint Procedure

1. Any employee who believes that he or she has been the subject of sexual harassment or any employee who observes an incident of sexual harassment against another employee should report the alleged act immediately to his or her Supervisor, Department Manager, or Human Resources Representative.
2. If a complaint involves a Manager or Supervisor, the complaint shall be filed directly with the Human Resources Representative.
3. In order to encourage the reporting of any incidents of sexual harassment, the Company will handle all complaints in a confidential manner and will not disclose such information to anyone except as needed to effectively investigate the complaint or where necessary in the Company's judgment in responding to legal proceedings. The Company will undertake a prompt and thorough investigation of the matter. The investigation will be fair and impartial and will normally include conferring with the parties involved and any named or apparent witnesses.
4. If the investigation reveals that the complaint is valid, prompt attention and disciplinary action designed to stop the harassment immediately and to prevent its recurrence will be taken. The Company will also make follow-up inquiries to ensure that the victim and witnesses have not suffered retaliation for filing a complaint or assisting in an investigation.

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The Second Annual ***Pineland Operation Picnic*** *was held in August with over 1,000 employees and their family members attending. The fun-filled day featured activities for the entire family, but the main event was the Softball Tournament in which eight teams representing various departments vied for bragging rights. According to Pineland Operation's newsletter,* ***Woodvine****, "The final outcome of the tournament was not decided until midnight when the team comprised of Finish End and Green End employees edged the pre- tournament favorite and defending champion Management team."*



JAY BRITAIN



JAY BRITAIN

Pete Smart, Building Products manager of Marketing Services, coordinated the "fat wood" project for customers and friends of Temple-Inland. Shown with Pete are Jo Anne Ricks and Doug Nichols.

Fat wood or rich lighter pine was offered as a Christmas gift from Temple-Inland to customers and friends of the company. The heart wood came from Pineland Operation and the attractive boxes were provided by Inland Container Corporation. The Building Products Group organized the project under the direction of Building Products manager, Marketing Services, Pete Smart. Clients of Lufkin Workshop and Opportunity Center packed the wood for shipment. A total of 1,500 boxes were packed.



Fletcher Gypsum Operation completed 272 days totalling 137,762 manhours without a single recordable accident. The accomplishment was due to teamwork involving the safety committee and all employees, creating keen employee awareness. Pictured are Fletcher Gypsum employees Dexter Stockstill, Linda Lowe, Mark Riceman, Sam Watts, Mitchel Wilson, Danny Wehunt, Elizabeth Sanders, Jonas Scarbrough and Tom Lindley.



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Temple-Inland participates in Future's Day in Beaumont

Temple-Inland's Bleached Paperboard Group participated in **Future's Day**, the career option program offered by the partners in the year-long Great Expectations educational project of KFDM-TV, Channel 6, St. Elizabeth's Hospital and Temple-Inland.



JAY BRITAIN

*Ray Davis hands out pine seeds to eighth graders attending **Future's Day** in Beaumont in late October.*

Over 3,000 eighth graders from southeast Texas schools attended.

Temple-Inland's booth was staffed by engineers and chemists from the Bleached Paperboard mill. Included were Susan Robert, Grant Gilson, Susan Quick, Mark Becker, Richard Mayes, Dennis Dace, Mark Stout, Scott Briggs, John Parigi, Fred Patterson and David Lewis.

Two other Temple-Inland booths were staffed by Temple-Inland Foresters Turner Evans and Ray Davis, and Wildlife Biologist Darryl Stanley.



JAY BRITAIN

***Future's Day** was attended by over 3,000 eighth graders in the Southeast Texas region. The event was held in the Montaign Center in Beaumont.*



JAY BRITAIN

Emergency Care Before the ambulance arrives, ECAs can respond

Fifty employees of Building Products Diboll operations have learned emergency care skills that will enable them to respond to serious illness or injury on the plant site.

The students of Paramedic Instructor Keith Anderson's Emergency Care Attendant (ECA) class have completed 40 classroom hours giving them the skills and ability to handle any emergency they may encounter.

Among the skills learned are cardiopulmonary resuscitation, oxygen therapy, bandaging and splinting, spinal immobilization, traction splints, extrication and child birth. They also learned some diagnostic skills including stroke, heart attack and diabetes.

Betty Barkley, Building Products Group occupational health nurse, said the emergency care training is to ensure that each shift is adequately covered with emergency care personnel.

"We hope to expand this training to include all of our locations," said Barkley. To date, three classes have been held.

Ruth Oates assisted with skills training.

Employees receiving ECA certification through the Texas Department of Health are required to pass a state test, administered at an independent location. Combined with the 40 classroom hours, successful completion of the state test gives employees the minimum required emergency care education to work as an ambulance attendant.



JAY BRITAIN

Rose Jasso, Laminating Operation supervisor, and Jason Kartye, Fiber Products Operation supervisor, learned how to check vital signs as part of emergency care training.



JAY BRITAIN

Paul Suarez from Diboll Particleboard Operation practices head wound bandaging on Robert Haynes, also from Diboll Particleboard Operation.

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Human Resources managers listen to presentations on the topic "How to Conduct Your Business" in a first-ever Human Resources Conference held in Diboll.

Human Resources Conference held for Building Products

A first-ever Human Resources Conference brought together Human Resource professionals from all Building Products Group locations to discuss the topic, "How to Conduct Your Business."

The conference was held at the Employee Development Center in Diboll.

Plant location employees dealing with personnel issues heard presentations from Temple-Inland's Legal Department, Employee Benefits Department and the Texas Employment Commission.

Jule Fenley, attorney for the corporation, discussed "Changes in Doing Business" in relation to the Americans with Disabilities Act (ADA). Federal regulations concerning physical access, reasonable accommodation, job analysis/description forms and essential functions were presented.

Unemployment claims preparation and discrimination issues were presented by speakers from the Texas Employment Commission.

Jim Ulmer, manager, Employee Financial Plans, explained policies of the company's insurance and benefits packages.

The conference, arranged by Building Products Human Resources Manager Jay Tabb and Project Coordinator Dawn Garza, is expected to become a biannual event. ■


JAY BRITAIN

Fiber Products Operation employees and their families participated in Z-D Day, a day of re-commitment to the operation's quality programs. Taking a time-out from the fun and games are John Wallace, Bill Tipton, B.J. Widmann, Virginia Wallace and Norman Poteet.


JAY BRITAIN

Enjoying lunch provided at Fiber Products Operation's Z-D Day are T. J. Widmann (son of B.J. Widmann) and Richard Collmorgan.



Last quarter we asked the question, "In what year did the company first produce particleboard and in which city and state was the mill located?"

From correct responses, Pineland's Melinda Booker's name was drawn. The year was 1964 and the place was Pineland, Texas.

This quarter's question is more "global," at least superficially. A good, educated guess will win this one.

Here's the question:

In America, we refer to the government agency in charge of intellegence as the CIA or as "The Company." The Soviet Union, however, never refers to their intellegence group as the KGB. Located in the wooded countryside outside Moscow, the KGB espionage directorate is refered to in another way. There are two possible answers.

(Hint: Both correct answers are terms integral to our business.) Correct entry drawn will win a gift certificate to The Company Store. Good luck!

BMP's

The latest word in forest management these days is a phrase known as Best Management Practices, or BMPs.

The phrase simply means that companies like Temple-Inland are using the best possible guidelines in the forests to make sure that logging contractors and others are protecting the quality of streams and water bodies, according to John Monk, Temple-Inland's Forests general manager.

At present, BMPs are voluntary. If the voluntary effort doesn't satisfy regulatory agencies like the federal Environmental Protection Agency and state agencies like the Texas Water Commission, foresters fully expect that regulators will impose mandatory guidelines for safeguarding the forest environment.

Basically, BMPs are designed to protect soil and water resources while allowing productivity of the forest. The guidelines are directed at construction and maintenance, harvesting operations, location of landings, skid trails, drainage, treatment of waste and chemicals and the protection of streams.

"BMPs are common, good forest management guidelines, specified in detail," Monk said.

In implementing the voluntary guidelines, Temple-Inland upgraded many of its harvesting and forest management techniques, such as site preparation for tree planting and reforestation and improving streamside management zones known as SMZs — buffer zones of trees left standing near creeks and rivers to minimize soil movement in these areas.

"We think we were doing a good job of protecting the forest environment with our current practices, but the BMPs will ensure that we do a consistent job in the most critical areas," said Monk.

Temple-Inland foresters continually monitor timber harvesting operations of the company's lands.

In some states, like Maryland, BMPs are past the voluntary guideline stage, and have become law. Monk believes the same thing could happen in Texas if voluntary measures fail to achieve water quality goals that have been established.

"We volunteered to uphold these practices, and it's our responsibility to keep our streams as clean as we found them," he said. ■

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SERVICE ANNIVERSARIES

Third Quarter, 1991

Bleached Paperboard

35 years
Edward Fikes
Ralph Fournier
Jarrell Morris
Joe Self
Burley Woods Jr.

30 years
Charles Calhoun
Emmett Haynes
Gene Hollis
John Morris

25 years
Richard Allen
James Andrews
James Coudrain Jr.
Joe Goodwin
Luther Gore
Raymond Holland
Herman Laird
Bobby Landers
Billy Levings
Alex Low Sr.
James McCormick
James McMillan
Joe Bob Nichols
James Pickering
Bud Shoats
Virgil Smart
Robert Strother
Henry Swearingen Jr.
England Twine Jr.
Robert L. White

20 years
William Burks
Larry Cofty
Willie Gill
James Morgan
Larry Osborne
Perry Rhone
Robert A. Smith

15 years
Robert Black
Douglas Bonnette
Carl Caldwell
Lonnie Carr
Malcolm Clark
John Ellison
Carl Ferrell
Charles Fry Jr.
James Gibson
Murrel Green
Ray Hinote Jr.
Loyd Holmes
Paul Kiefer
Al Little
Anthony Manning
Brenda Moye
Johnnie Overstreet
James Parker Jr.
Tommy Reeves
James Ringo
Vandie Smith Jr.
Gregory Swinney
James Thomas
Bill Vaughn
Carl Williams Jr.

10 years
William Bass
Michael Brooks
Barney Jenkins
Johnny Johnson
Terry McMillan
Marvin Odom

5 years
Grant Gilson
Willie Thomas
Sidney Whitehead

Building Products

Diboll

40 years
Bill Thompson

35 years
J.D. Johnson
March Young Jr.

30 years
A. J. Delco
Clyde Maxey
Robert Rast

25 years
Fred Arceneaux

20 years
Evelyn Adams
Bertholdo DonJuan
Junior Grandgeorge
David Howell
Georgann Loftin
Jimmie Menefee
Brijido Pena
Conrado Salais Jr.
Bryan Ward

15 years
Jose Barrera
Randy Burt
Reubin Hall Jr.
Gary Martz
Modesto Mendoza
Clara Mitchell
Butch Posey
Artuto Tamez

10 years
Ricky Brasher
Jose De La Cerda
Carlos De La Fuente
Francisco Garza
Charles Johnson
Nancy Kline
Pedro Palonimo
Joe Powell

5 years
Warner Camp
Sam Coleman Jr.
Scott Havard
Humberto Mancha
Elisa McCleskey
Ronnie Gene Montes
Donald Owens
Terry Pate
Don Patrick
Jose Solis
Martin Tamez Jr.
Edward Thompson Jr.
Joseph Weeks

Fletcher

5 years
Gerald Barron
Robert Hackworth
Terry Johnson
Adrian Kuhlman
Ronald Loffelmacher
Michael Monroe
Martin Reynolds
Danny Smith
James Weeks

Monroeville

15 years
Paul Baggett
Curtis Fountain
Oliva Wright
Robert Wright Jr.

10 years
Terry Hornady
Ronald Turberville
Terry Wiggins

5 years
Robert Boyer
Gregory Engelken
Samuel Scott

Pineland

35 years
Edward McBride

30 years
Lyndon Jones
Floyd Townsend

25 years
Spurgeon Gordon
Bill Whittington
George Worry

20 years
Woodrow Bosley Jr.
Leo Moore

15 years
Murray Burrell
Joe Dupree
Diana Weatherspoon

10 years
Art Smith

5 years
Richard Chumley
Katherine Garrett
Kennethy Horn
Mark McDonald
Scott Morrison
Richard Parks
Jerry Webb

Southwest Louisiana

15 years
Glen Weeks

Thomson

15 years
Marvin Poole

10 years
Roger Howell

5 years
Sylvester Barnes
Jeffery Lane
Anthony McTier

West Memphis

15 years
Lucille Steele
Elois Tolleson

Corporate

20 years
Mike Harbordt
Jerry Manning

15 years
John Cryer
Ann Dover

10 years
Donna Dove
Carmen Perez
Clyde Sheffield

5 years
Kenneth Jones
Ken Kofford
Emory E. Maples
David Pustka

Forests

35 years
Alvin Marshall

25 years
Tom Burger

20 years
John Mathis

15 years
Rela Beaty
Earl Crawford
Charles Morton
Donald Taliaferro

10 years
Don Dietz
Bill Goodrum
Jim Steele

5 years
Tom Bell
Charles Cagle Jr.
Ted Chapman
Ron Gresham
Steve Haverin
Frank Hyatt
James Karr
Clifford McCardle
Butch Miller
John Monk
Isaac Nerren
Jay Sargent
Valerie Shattuck
Frank Shockley
Nathan Spencer
John Vige

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Blanketing the southern bottomlands during the fall is a blaze of color in hues ranging from bright yellow to deep red. The Sweetgum tree (liquidambar styraciflue) is found on a great variety of sites, usually moist silty clay or silty clay-loam ridges. The Sweetgum is a desirable ornamental because of the attractive shape and brilliant colors of autumn and the peculiar corky outgrowths on the twigs. Sweetgum is one of the most important commercial hardwoods of the U.S. and is exceeded only by the oak group in the amount used annually.

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

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