### THE VOICE OF THE TIMBER INDUSTRY

# TINBER BULLETIN

DULUTH, MINNESOTA

NOVEMBER/DECEMBER 2007

**VOLUME 63** 

Gerald Smith Logging Sen. Coleman Visits Lessons from Losses

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# THE VOICE OF THE TIMBER INDUSTRY **TINBER INDUSTRY BULLETIN**

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#### **ON THE COVER**

Winter wonderland.

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### Sen. Coleman Listens to **Timber Industry Stakeholders**

t seems as though this winter is starting out like a real winter, with colder temperatures and more snow than we had early last winter. Let's hope the colder temperatures stay around!

### President's 0111m1

Every time I write this column there is more bad



news for our industry. This time it is the Weverhaeuser shutdown at Deerwood. The negative impact on some of our

MTPA members is huge.

As you work longer hours, sometimes in the dark, don't cut corners – safety is still the #1 priority.

Stay active in TPA, your voice counts.

Thanks,

Aumas CMEde



TPA transportation committee chair Jerry Demenge (L) speaks with Sen. Norm Coleman after a town hall listening session in Aitkin. The two discussed interstate truck weights and other transportation issues.

ore than 100 people jammed the Birchwood Restaurant in Aitkin to visit with Sen. Norm Coleman about the state of the timber industry.

Sen. Coleman called the town hall listening session to hear from those involved in the industry. Among those taking part in the discussion were TPA Executive Vice President Wayne Brandt, who introduced Sen. Coleman and moderated the event, and TPA Transportation Committee Chair Jerry Demenge.

Coleman stressed the importance of proper management of Minnesota's forests and pledged to accomplish that, particularly on the federal level.

"The way to take care of the forest is not to leave it alone and let it burn," Sen. Coleman told the crowd. "We've seen the devastation of fires from the lack of management. There may be a philosophical difference with some people, but not with me. To me, it's very clear. It's a basic public safety issue, that history has told us that when we don't do it, we pay the price."

Demenge spoke to Sen. Coleman about the high cost of fuel and also asked for his help in increasing truck weights on Minnesota's Interstate highways.

"I'll commit to working on that," Sen. Coleman responded.

ong-time Carlton County Land Commissioner Milo Rasmussen has retired. Milo ran a great program on a small land base and always seemed to take care of the little things before they became problems. Milo was a wellrespected voice in the forestry community. We wish him well in his retirement.

It's been a year since the crash of 2006. The current situation within

### Executive Vice President's Column



E.

We still see pockets that do not seem to reflect the new reality within our industry. We also know that after state and county

"turn back" programs that some of our members have significantly reduced stumpage inventories for this winter. Fuel prices continue to escalate and are a significant driver of operating costs right now.

On the company side of things the announcement by Weyerhaueser of the indefinite shut-down at Deerwood was not good news. While it had been operating at a reduced level for the past year it had provided a good market for a decade and a half. The Ainsworth plant at Grand Rapids remains closed while their Cook and Bemidji plants continue to operate. Ainsworth also recently announced significant curtailments in their Canadian-based production of OSB.

As we all know, the problems with OSB and lumber are driven by the sick housing market. I was recently at a meeting where a wellrespected national economic consulting firm provided their take on the housing industry. They did not see any light at the end of the housing tunnel until 2009. I think that it's fair to assume that this means the 2009 construction season. I have heard other reports that this slump may last longer than that.

The consultant provided a broad range of interesting information. One set of their statistics related to mortgages. From 2004 through the first quarter of 2007 between and 30 and 41% of all new mortgages in the U.S. were either interest only loans or negative amortization mortgages. A negative amortization mortgage is where you're not even paying all of the interest on the loan so every month your loan balance increases. Given how much time the government spends looking over our shoulders in the woods it makes you wonder who was looking over the shoulders of mortgage lenders.

We are fortunate that the paper business is not in the fix that engineered wood and lumber are. They have provided a stable market in these troubled times that we hope, and believe, will continue.

While these tough times continue we are an industry of optimists. You have to be when you wait 40 or more years for a forest to mature.

Headlines that you'd like to see we've all written them in our heads. I thought of this as I was looking at a headline claiming that business interests were lined up at the door of the Bush White House for special favors before this administration leaves D.C. in another 14 months. The headline that I would like to have seen eight years ago would have been about the anti-harvesting crowd lined up at the Forest Service door as it attempted to permanently wreck that agency.

#### \* \* 4

Former Norbord woodlands manager Brad Warren passed away recently. Brad was a member of the TPA Advisory Committee and was well liked by those who delivered wood to Norbord during his tenure. While only 63 at the time of his death, he had retired from Norbord a dozen years ago to log and work on his land. Brad was a good guy who passed too young.

\* \* \*

The USFS has named Kent Connaughton as the new Region 9 Forester. He is expected to report to Milwaukee in January. He is currently Associate Deputy Chief for State and Private Forestry in Washington, DC. He has previously served as Deputy Regional Forester in the Southwest Region, headed the Sierra Nevada Framework for Conservation and Collaboration and as Supervisor on the Lassen National Forest in northern California. He has a B.A. in Forestry from Stanford, a Master of Forestry from Oregon State and a Ph.D. in Philosophy from the University of California, Berkeley.

I haven't met Mr. Connaughton yet but want to welcome him to our region. He has big shoes to fill.

#### \* \* 4

As I write this I've got a little catch in my back from shoveling the foot of snow we just got. It would have been nice if the snow had held off allowing a little more frost get into the ground. But, it does look like we should have a decent start to the winter logging season. After being buried in mud all fall I encourage you all to spend some time with your crews to discuss winter safety. It's a time when everyone runs wide open until break up. This means it's a time to put that extra emphasis on safety.

#### \* \* \*

As we close out another year together I want to thank each of you for your support of TPA and wish you the best for this holiday season.

Why I Camet

### Member Feature...



# **Gerald Smith** He'll Do the Thinning Around Here

by Ray Higgins

That's the sort of logging business Gerald Smith owns. Oneof-a-kind in Minnesota, anyway.

"That's what I've been told," he says, "that I'm the only one in the state who does what I do."

It's unique because Smith specializes in thinnings, harvesting trees with a Tigercat shearer. And instead of setting the trees down where they're cut, Smith backs out of each row and sets them down on a skid trail.

"I'm narrow," Smith says about his shearer," so I can go through all that and take one row rather than two rows. No matter how long it is, I'll back through the strips."

That means he doesn't skin bark

from any of the trees he's leaving. Smith says his customers love that.

"I don't skid on the ground through the strips at all," he says. "Everything is carried out. I know it takes more time, but the landowners really appreciate it."

Another thing that takes time is another thing that makes Smith different: He works alone. No employees, no partners. That means he operates the shearer, loader, slasher, and even drives truck.

"I don't get a lot of volume done, but I'm not paying out a lot, either. I don't have a lot of overhead. I can be diversified and do other things," he says.

Now 65, Smith grew up in the Bagley area, just south of Shevlin, where his parents had a farm. He cut some wood with a bow saw and an axe while still a teenager, before getting his first Homelite chain saw.

After completing school, he went to work, but didn't stay with logging. Over the years, Smith has been a plumber – owning his own plumbing business at one point – he's custom hauled wood, owned a gravel pit, and hauled beets and potatoes, among other things. To this day, he farms on a small scale.

"This year it was oats, and I have winter wheat in," he says. "I used to rent land all over the country. I've been kind of a jack of all trades and that has helped me in logging."

After getting out of the plumbing business – he was one of three contractors in the Hoyt Lakes area when the town ran natural gas lines back in the 1960s – he bought a log truck and custom hauled in the Cook-Orr-Gheen area. That got him back into the logging business, at least for a while.

"It got real difficult," Smith recalls, "and the only thing you could sell was bolts so I quit logging and I bought an old gravel truck and grabbed jobs wherever I could get one, working for somebody else."

But he still did a lot of custom hauling and gradually got back into logging.

"I started out with a tractor and a dray," Smith says, "and then I went from that to a skidding trailer behind a TD-9 crawler and then I bought an HD-7 that had a little more power and I could get out of the woods quicker. And then I bought a gas tree farmer pole skidder. And I bought another that had a diesel engine."

Smith didn't always work alone. His son Kevin worked alongside of him for 17 years, and at one time they had two feller bunchers operating. But the younger Smith had an opportunity to become a logger in Tennessee and still logs there. Gerald hired a crew, but eventually fell into working alone. Another son, Kelly, slashed and hauled with his own truck for several years as well.

These days, along with the Tigercat, he owns two processors: a 653 John Deere processor with Fabtek head and a Siiro processor/Hood loader which he has on an 8-wheel drive carrier. He also owns another Hood loader, three skidders, including two cable skidders, a 2003 Western Star truck and three Staylight trailers, one with a loader. And the great news is, "my equipment's all paid for. Every bit of it."

Smith likes to specialize in thinnings, so those are the types of jobs he seeks.

"It was a thing that I had been studying," he says. "It's kept me from having to bid on a lot of timber sales. Because they're not in high demand, I can buy more over the counter, which I have bought a lot of. I bought the machine to do thinning because at one time thinning wasn't a real attractive thing to do. I could get sales that no one else wanted."

The job he's working on this day, 20 miles southeast of Bagley, is typical.

"To start with it was a 1000 cord thinning sale on state land," Smith explains. "A friend of mine took it, but he quit logging, so I took it off his hands to log the balance of it, which is around 600 cords. And there's aspen mixed in amongst the pine and that's where I'm cutting aspen, and red pine thinning for the bolts and the pulp."

Smith calls the Tigercat shearer "his baby." He loves working with it.

"I can cut about half a dozen trees or more before setting them down. They all fit in there," he says. Once he's done cutting and has skidded the trees to the landing, he hops into the Siiro to slash and delimb the wood.

"It isn't a real speed wagon sort of thing, but it does a good job. It does beautiful length. Every length is the same, so my customers like it," he says. "If you're running with the drums it hits the bank board and they're all 100 inches and when the stroke comes out, that's also 100 inches, so you don't need the bank board if you use the stroke every time, but it's faster with the drums. Then the sorting table sorts the bolts from the pulp. The wood comes out and hits that bank board and if it's a bolt you flip it one way, and if it's pulp you flip it the other way, and it works real well.

"For pine thinnings it works out real well," he says. "It isn't a real



Thinning is Smith's specialty. With his shearer, Smith can get into narrow rows, like in this stand of red pine.



Smith's Tigercat shearer prepares to set down the trees he's just harvested. The shearer can hold up to half a dozen trees or more at a time.



Smith's John Deere skidder. Once he's harvested the trees with the shearer, Smith skids them to the processor/loader.



Smith's Hood loader is on an 8-wheel carrier. Immediately behind it is a Siiro processor.

volume thing, but it does real accurate work. You have the drum feeds and the stroke, so for the bigger limbs you use the stroke and the smaller ones the drum feeds pull it through. It's fast.

"I've yet to put a seal in any of the valve banks except the one griesen that runs my slasher. I've had to put a seal there, otherwise that's it. I've got just about 8,000 hours on it," he says. From there, he loads his trucks with the Hood knuckleboom loader, with the pulp going to Norbord and Ainsworth, and Potlatch getting the bolts.

It's a unique way of getting the job done, but Smith says it's the way to go for him.

"I've been very blessed to able to buy a lot of private wood," he says. "I'm as fair as I can be to them when it comes to paying them and they know it. They know the situation out there. They also remember when the wood was going for \$70 and more per cord. A lot of them aren't concerned about that, they're mainly concerned with the job that you do when you're done. And I respect them for that. Not that I'm trying to get the wood for nothing, I just want to do a good job."

"Some of them won't even write up an agreement. I want to write up an agreement to their price per cord, how to leave the slash, everything. But some of them said 'no, because that's why you're here, because we trust you.'"

Smith is quick to point out that although he doesn't have any help working in the woods, he's not alone in the business. Wife Doreen has worked as a tax preparer for 37 years and helps with Gerald's books. With that expertise, she also offers valuable insight as to how his business could be run better.

"I have a wife that I've been blessed with that's been a real support in my business," Smith says. "She knows the law and does the books for me. She can look at profit and loss and share with me if things aren't going too well. And that means a lot because you if you go too long with the losses, you better make some changes. She let's me know what's going on, because when you're a busy workaholic type, you need someone there to take a look at things. She's been a real blessing to me.'

Smith's "workaholic" nature also means that even at age 65, he doesn't know how soon he'll get out of the business and retire. He does know that he loves logging.

"Logging's been the main part of my life, I guess and it's been good," Smith says. "Of course, with the stuff we're dealing with it hasn't been as good as it was. But I like being self-employed, for one thing. I like making my own decisions. I think it's very peaceful out there in the woods. Seeing things that have been created for us that we can enjoy, even if we are cutting down trees, knowing they'll re-generate, which is good for wildlife habitat if it's done properly. I'm enthused about that. And when you're done, you have satisfied landowners."

# **Lessons from Losses**

• help TPA members avoid accidents resulting in injury or damage to property, The Timber Bulletin, in association with Lumbermen's Underwriting Alliance, will publish details of actual incidents and what can be done to avoid such occurrences in the future. By sharing this information, TPA and LUA hope to make our industry as safe as possible.

**Incident:** A track machine with a stroke delimber attachment was destroyed by fire. The machine had about 9000 hours of use recorded on the hour meter, and was basically an excavator that is specialty built for logging. In this situation this equipment did have the logging packet that included excellent side/top/bottom shielding with access doors to all areas of the internal components. The machine was equipped with one 10-pound multi-purpose fire extinguisher and a built-in electrical disconnect (solenoid system) that will

disconnect after 20-30 seconds.

On the day of the incident, the weather was warm/dry for this time of year, temperatures in the low 70's, very windy and little rain all spring. It was a day with some clouds but good midday sun and very low humidity.

Just before the fire broke out the operator had shutdown for a midday break and at that time service was completed (grease/check). During this break the operator had lunch (in machine), greased and checked machine over for possible problems or maintenance needs. When the operator tried to start-up the machine would not respond. He tried numerous times with no starter noise heard, however the dashboard lights, radio, etc. all worked. Approximately 3-4 minutes had elapsed from the time the operated initially tried to startup. The key was shut off and he was checking fuses in the cab when

the skidder operator raced up to this machine and said to shutdown for there was a fire on the back side opposite the cab (blind side). There was a strong wind blowing from the operator side over the machine so the operator could not see smoke. The loader/slasher was approximately 75 yards away and immediately responded with his extinguisher. The machine operator involved in the fire used his extinguisher with the fire bouncing back almost immediately. By then 911 was called, the owner and the skidder operator both responded with their 10-pound fire extiuishers, one from both sides, but the fire could not be stopped. Very black smoke occurred from the beginning of the fire and appeared to have started in the rear area of the engine compartment spreading quickly to the center of the machine (in the direction of the battery compartment). After the three extinguishers were exhausted (continued on page 14)

#### (continued from page 12)

the three individuals on this site switched from fighting the equipment fire to controlling the spread of fire to the forest. By using two skidders the wood material in the area could be pulled away reducing the risk of fire spread. No injuries occurred.

911 being called initially, the local fire department (forestry) responded in approximately 25 minutes and extinguished the fire. However, the machine was destroyed.

The operator has 20 years logging experience working for this company. He has a good work ethic and considered fully trained in equipment operation and woods work. The machine was wellmaintained.

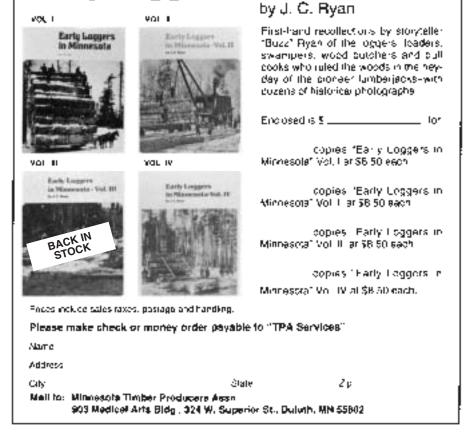
It is uncertain as to what failed. The most logical cause would probable be a starter problem that created a direct electrical short. The overheated electrical wiring may have burned into a hydraulic or fuel line which would cause a fast-moving and hot fire. Also, in review of the burned machine it was noted that the covering on the electrical cables from the battery to the starter area were completely burned but other items in the battery compartment were not completely burned. This leads to the belief the electrical wiring was very hot (possible electrical short). This machine did have an automatic electrical disconnect but this may have failed when the electrical melted down. In the panic of this fire situation the manual disconnect was not shut off.

LUA-suggested preventive measures include:

- Complete refresher employee training for proper operation, service, emergency response, etc. for new and existing employees. Weekly tool box safety meetings work well in reviewing all equipment. Cross training all employees is very beneficial.
- 2. Always shut down the electrical disconnect (master switch) on your mobile equipment during shutdown, during maintenance and in an emergency situation. Refresher training for all employees and temporary operators needs to be reviewed regularly.

(continued on page 17)

### Early Loggers in Minnesota



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### **2008 Logger Conferences Include Location Change**

he closing of Bemidji's Northern Inn means a new site for one of next year's Logger Conferences.

Sponsored by MLEP and Logsafe, Bemidji's two-day event is set for Wednesday April 16 and Thursday April 17 at the Hampton Inn in Bemidji.

A Logger Conference will also be



Bay Casino in Tower on Tuesday April 8 and Wednesday April 9. The Bemidji conference is being held on a

held at Fortune

Wednesday-Thursday instead of the traditional Tuesday-Wednesday because the 16th and 17th were the only two consecutive dates the Hampton had available. Because the Hampton's meeting space isn't as large as Northern Inn's, attendance may have to be limited for the Bemidji Logger Conference.

Registration materials for the 2008 Loggers Conferences will be mailed in February.

#### Governor's Biodiesel Task Force Explores Bio Increase

Pawlenty has directed his Biodiesel Task Force to explore the issues surrounding increasing the state body's requirement from the current two percent blend in diesel fuel (B2) to a 20 percent blend by 2015. As part of the plan, the governor would like the state to go to a B5 blend by next year.

The legislature is expected to consider the issue during the coming session.

The Biodiesel Task Force is made up of 14 members, including representativevs of the trucking community, petroleum marketers, soybean growers, among other interested parties.

Task force members have mixed opinions on the issue. Task force member Bob Krogman of the Minnesota Petroleum Marketers Association cited issues with B2 use in cold temperatures and suggested the state iron out those kinks before moving to B5 or higher. Task force member Jeremy Bezdek of Flint Hills, a Minnesota refinery, said his company isn't comfortable offering higher than B2 and said Flint Hills doesn't currently offer an arctic product higher than B2. Other task force members are proponents of the biodiesel blend increase, citing environmental and other reasons.

Mark Buccelli of the Minnesota Department of Commerce's division of Weights and Measures appeared before the task force in October and said his department cannot currently test all of the variables that they'd like in-house. Being able to do that, either by outsourcing or internally will require additional funding. Buccelli said more personnel and equipment will be needed to go to B10 and higher.

At the Task Force's Nov. 26 meeting in St. Paul, Joe Suchecki of the Engine Manufacturers Association told the task force his organization approves of B5 as long as it meets the specifications of each manufacturer, but because they don't know how higher blends will affect the durability of the engines long-term, they don't support levels above B5.

#### DNR Gives Update on Re-offered Wood

**D**NR Timber Sales Unit Supervisor Lillian Baker says the state is on track to re-offer all wood turned back during the 2007 Timber Sale Relief program.

Legislation passed earlier this year directed the DNR to re-offer all turned-back wood by Jan. 31, 2008.

According to Baker, 95 percent of the turned back sales will have been re-offered by the end of December. The remainder will be back on the market by the legislature's deadline.

"We feel pretty good about what's already been re-offered," Baker said. "Our field staff has made an extraordinary effort in getting those sales involved in the Timber Sale Relief program back on the market by Jan. 31."

#### New USFS Region 9 Forester Named

A ent P. Connaughton has been appointed Eastern regional forester

(Region 9) for the U.S. Forest Service. Connaughton will oversee 15 national forests in 20 eastern states, including Minnesota and Wisconsin. He is currently Associate



Connaughton

Deputy Chief for State and Private Forestry. "Kent brings a wealth of experience in managing national



"Joe Suchecki (C) of the Engine Manufacturers Association addresses members of Gov. Pawlenty's Biodiesel Task Force in St. Paul. Looking on are Task Force chair Kristin Weeks-Duncanson (L) of the Minnesota Soybean Growers Association and Charles Neece of Farmers Union Marketing."

forests and cooperating with state and private forestry programs that will serve him well in this new assignment," said USFS Chief Abigail Kimbell.

While in the Washington Office, Connaughton was responsible for federal protection of the nation's forests from fire, insects, and disease, as well as programs to support sustainable management of nonfederal forests, conservation education, and tribal relations.

"I am very pleased to have this opportunity and challenge," said Connaughton. This region is known for its size and geographical dispersion, and I look forward to carrying out the high standards set by Chief Kimbell."

A 29-year employee of the USFS, Connaughton holds a Bachelor of Arts degree from Stanford University, a Master of Forestry degree from Oregon State University, and a Doctor of Philosophy degree from the University of California, Berkeley. He is a member of the Society of American Foresters, and was elected Fellow of that professional society in 1991.

#### Revised Timber Sale Requirements

n August, the DNR issued new Timber Payment Requirements. The new requirements have been put in place because the department's accounts receivable system has been integrated with the Office of Management and Budget Services (OMBS).

According to the new requirements, "payments for invoices must be mailed to OMBS and payments for invoices will no longer be accepted at any area or field office."

DNR Timber Sales Unit Supervisor Lillian Baker says permit holders can still pay advance payments at the area or field office. Baker says this policy is new to the division of forestry, but not to other state agencies. Baker says the reason for the new requirements is that the department is centralizing revenue processing functions to improve efficiencies.

#### Forest Service Approves Timber Contract Extensions

he chief of the Forest Service announced it is adding another oneyear extension on timber sales. This is in addition to the one-year extensions granted in November of 2006. Timber sale contracts awarded prior to January 1, 2007, are eligible for extension and deferral of periodic payment due dates for up to one year.

The Forest Service says the move is to minimize contract defaults, mill closures, and company bankruptcies. The Forest Service acknowledges that the government benefits if defaulted timber sale contracts, mill closures, and bankruptcies can be avoided by granting extensions. According to the Forest Service, "having numerous, economically viable, timber sale purchasers increases competition for National Forest System timber sales, results in higher prices paid for such timber, and allows the Forest Service to provide a continuous supply of timber to the public in accordance with Forest Service authorizing legislation."

This finding does not apply to (1) contracts that have been or are currently eligible to be extended under market related contract term addition (MRCTA) contract provisions, except sales using the Hardwood Lumber index that were awarded after Dec. 31, 2005; (2) salvage sale contracts that were sold with the objective of harvesting deteriorating timber; (3) contracts the Forest Service determines are in urgent need of harvesting due to deteriorating timber conditions that have developed following award of the contract; or (4) contracts that are in breach.

To receive an extension, purchasers must make a written request to the appropriate contracting officer. Purchasers also must agree to release the Forest Service from all claims and liability if a contract extended pursuant to the Nov. 2, 2007, finding is suspended, modified, or terminated in the future.

#### (continued from page 14)

- 3. Practice fire extinguisher use and discuss the dos and don'ts when using this fire protection. Discussing this topic in a hands-on manner will help in preparedness in an emergency situation.
- 4. Electrical components need to be of good quality and installed properly. Utilizing manufacturing dealer's maintenance staff may alleviate some problems.
- 5. Install an on-board fixed self-suppression system on all mobile equipment. Additional protection is always very beneficial in a fire emergency situation. Always following the owner's manual maintenance required for regular maintenance and self-inspection is crucial to the performance of this protection.

# On the Markets

The *Timber Bulletin* publishes information regarding results of recent timber sales and other market indicators, as well as other market-related news items.

#### **Recent Timber Sales** Average prices, as reported by each agency

**N**ote: On state sales, the DNR does not calculate price per cord on individual auctions. Price per cord information on these sales is done by TPA staff. This average is for "trembling aspen" and "aspen species" combined

#### **DNR – Brainerd Area**

October 17 – Oral Auction	
Species	<u>Avg. Price</u>
Åspen	\$30.02

#### DNR – Orr, Tower, and

Littlefork Areas	6
October 23 - Ora	al Auction
Species	<u>Avg. Price</u>
Åspen	\$24.06

#### DNR – Deer River and

Hibbing Areas	
October 24 – Or	al Auction
Species	<u>Avg. Pric</u>
Åspen	\$25.74

#### DNR – Cloquet Area

October 25 – Ora	al Auction
Species	<u>Avg. Pric</u>
Åspen	\$22.54

#### **Cass County**

Red Oak

October 25 – Oral Auction and sealed bids <u>Species</u> <u>Avg. Pric</u> Aspen \$29.23 Birch \$17.86

#### DNR – Aitkin Area

October 25 – Oral Auction and Sealed Bids Species <u>Avg. Pric</u> Aspen \$27.98

#### **Koochiching County**

November 14 – Ora	al Auction
<u>Species</u>	<u>Avg. Pric</u>
Aspen P&B	\$30.62
Balsam P&B	\$18.83
Spruce P&B	\$20.37

#### St. Louis County

November 15 – Sealed	Bids
<u>Species</u>	<u>Avg. Pric</u>
Aspen pulpwood	\$28.44
Ash pulpwood	\$ 7.50
Black spruce	
pulpwood	\$32.07
Birch pulpwood	\$11.09

#### Clearwater County

November 15 – Oral A	Auction
<u>Species</u>	<u>Avg. Pric</u>
Aspen P&B	\$32.15
Jack Pine P&B	\$31.75
Oak P&B	\$10.40

This was an Intermediate Auction only.

#### Itasca County

November 20 – Oral Auction	
<u>Species</u>	<u>Avg. Pric</u>
Aspen	\$25.77
Paper Birch	\$ 9.27
Balsam	\$24.42
Black Spruce	\$32.06

#### DNR – Blackduck Area

November 30 -	Oral Auction
Species	<u>Avg. Pric</u>
Åspen	\$30.38

All 22 tracts on this auction were re-offers of sales turned back in DNR Timber Sale Relief program.

#### **Aitkin County**

December 3 – Oral Au	uction
<u>Species</u>	<u>Avg. Pric</u>
Aspen P&B	\$26.40
Maple P&B	\$ 8.92
Paper Birch P&B	\$11.86

#### DNR – Aitkin Area

December 3 – C	Iral Auction
<b>Species</b>	<u>Avg. Pric</u>
Åspen	\$27.59

Four of the eight tracts offered on the regular auction didn't receive bids, as did four of 23 tracts on the intermediate regular auction. In addition, 10 of the 31 total tracts on both sales sold for appraised.

#### Good News and Bad News in Latest Housing Stats

he latest statistics that offer a look at the health of the housing industry present a mixed bag. The good news is both new home sales and housing starts were higher in October than in September. In addition, mortgage applications during the last week of November reached its highest level in over three years. The bad news is new home sales and housing starts are still down from their 2006 levels.

And while new home sales were 1.7% higher in October over September's estimate, the figures from the U.S. Census Bureau show the figure of 728,000 units was down 23.5% from October 2006.

The picture was similar regarding October housing starts. Census figures put the figure at 1.229 million, up 3.0% from September's estimate, but down (continued on page 20)

\$18.97

#### (continued from page 18)

16.4% from October 2006.

As for mortgage applications, the market composite index compiled by the Mortgage Bankers Association (MBA) reached 791.8, its highest level since July 2005. It also represents an increase of 22.5% from the previous week, and up 24.2% compared to the same week in 2006.

However, market watchers and economists warn that the overall trend in the mortgage business continues to be downward.

The MBA's market composite index is a measure of the nation's mortgage

loan application volume. The survey covers approximately 50 percent of all U.S. retail residential mortgage applications, and has been conducted weekly since 1990. Respondents include mortgage bankers, commercial banks and thrifts.

#### Number of North American Sawmills is Shrinking

he number of larger, permanent softwood lumber mills in the United States and Canada has shrunk from 1,311 in 1995 to 990 as of June 2007, according to economists at the USDA Forest Service Forest Products Laboratory (FPL). In a report issued this week, economists Henry Spelter, David McKeever, and Matthew Alderman also report that economic prospects for the industry are clouded by overcapacity caused by a cyclical downturn in housing.

"This report is part of an ongoing effort to present periodic snapshots of the evolving softwood sawmill industry, which is highly diverse with a multitude of publicly traded and privately held companies," says Spelter.

The report contains information on the location, ownership and approximate capacities of the 990 softwood sawmills currently existing in the United States and Canada. The authors also review major end markets for lumber and changes in usage trends along with data on the amounts and uses of chips, shavings, and sawdust generated as byproducts in the course of sawing lumber.

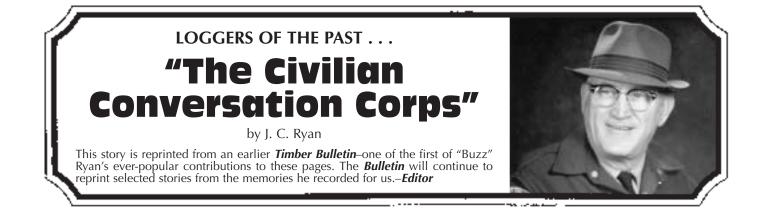
Economic issues affecting softwood sawmills are also addressed in the report, including the 2007 housing recession, the 2006 Softwood Lumber Agreement affecting the terms under which lumber is imported from Canada into the United States, and the ongoing mountain pine beetle epidemic in British Columbia that threatens to cut timber supplies over the next five to 10 years.

The report notes that the mountain pine epidemic in British Columbia has the potential to shrink North American lumber supply by four percent within 10 years, a development that is likely to benefit the economics of the timber industry in the U.S. South.

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Forty years ago—on March 31, 1933, to be exact—the United States launched the greatest program of natural resource conservation coupled with unemployment relief ever undertaken in America up to that time. Franklin D. Roosevelt that day approved an Act of Congress that in part set up the Civilian Conservation Corps.

A recent article by Henry Clepper in the "American Forest" magazine, "The Birth of the CCC," has stirred many fond memories of my work with the CCC. The following article describes the CCC in the Cloquet Valley Forest, typical of many throughout the land.

Soon after President Roosevelt took office in the spring of 1933, legislation was passed setting up the Civilian Conservation Corps. This was President Roosevelt's pet program and no time was lost in getting it under way. This year of 1973 is the fortieth anniversary and an appropriate time to recapitulate what it did for forestry in Minnesota.

After the original stands of timber were logged and the large fires that followed were past, personnel of the Division of Forestry often dreamed and hoped that some day they might have at their disposal an organized crew of fire fighters that could be mustered at a moment's notice to take action on fires as soon as they were reported.

The rangers and patrolmen of the Forest Service depended on lumber camps and settlers to fight the fires and it often took a day or more to get a firefighting crew together. We who were worrying about where the fire fighters would come from, once the camps were shut down, had no way of knowing that help would soon be coming from the Civilian Conservatior Corps and its well organized firefighting crews.

Soon after the corps were organized, we began getting letters from the Director of Forestry asking us to pick sites for a possible camp. While no one knew anything about how large a camp might be or how long a period to plan for, we went ahead and picked out sites of old lumber camps that had water supplies and good roads to the site. Each week came further word from St. Paul on leases for the proposed camp sites, inspection of water supplies, etc., by the Army.

I had contacted the Cloquet and Northern Lumber companies that owned much of the land in the newly established Cloquet Valley Forest and they informed me that they would give a lease on their land any place I picked for a camp, so the lease matter was easily taken care of. About the 15th of May 1933, an Army officer called and we inspected the several sites that I had picked. I had picked one site at the old camp clearing just south of the ranger station, known as the Gravel Pit Camp, and another at old Camp Six on the south shore of Sullivan Lake in Sec. 24-55-14 on the Kelsey Brimson Road.

I was informed by the Army officer who inspected the sites that there would be some camps assigned to the U.S. Forest Service and some to the Minnesota Forest Service, but he did now know how many or where these would be located as it was up to the Forest Service to pick the sites. During the following two weeks we were informed from our St. Paul office that we would probably get a camp, but that we were well down the list as several sites would be considered before Cloquet Valley.

However, on the night of the 8th of June 1933, I had a call from G. M. Conzet, our Commissioner of Forestry, who told me that the first company of CCC men were ready to be shipped out of Fort Snelling, and his plan was to send them to Cusson, north of Orr, Minnesota, and house them in the headquarters building of the old Virginia and Rainy Lake Lumber Company supply camp.

He told me that some question had come up about the lease and he would have to send them somewhere else. He asked if my leases were in order and if my water supply had been approved by the Army. I told him that both had been taken care of, and he said OK, we will sent you the first CCC company of the Minnesota Forest Service.

I had been in bed when he called and I went back to bed, but could not sleep, thinking of the problem that had been presented to me. The next morning I had another call from Conzet telling me to hire trucks and make arrangements for transporting the men from Brimson to the camp site. I asked him if he had funds set up for hiring trucks; he said no, but we will have to find some, and get at least 10 trucks ready to meet the train at Brimson early in the morning of June 11.

I gathered up whatever logging trucks and school busses I could, and at 6:00 a.m. on the morning of June 11, 1933, the special train arrived at Brimson with a company of 194 enrollees, their officers, camping equipment and supplies. The men rollled out of the train and into a little Fred Ault store that stood near the depot. Fred had opened up early to see the special train arrive. In a matter of 30 minutes, Fred had sold every candy bar, bottle of pop, cakes and cookies that he had in the store. The enrollees had been given their first pay envelope just before they left Fort Snelling the evening before.

After a short talk with the company commander, Captain A.M. Sherer, to whom I explained the layout, he called the boys together and we started unloading the cars and hauling to the camp site 11 miles west. By 9:00 p.m., June 11, we had all of the boys and equipment moved, tents set up, kitchen set up and everyone fed a hot supper and bedded down for the night. Thus my first day with CCC.

This being the first State Forest Service camp, it was numbered S.51, as the State Camps started at 50. The Army number for the CCC company was 719. The camp was also given the name of Camp Charles in honor of the first company commander, who had been replaced by Capt. A.M. Sherer shortly before leaving Fort Snelling.

The next two weeks were put in getting the camp in order and cleaning up the site. By June 24, 24 local men known as LEM (local experienced men) were enrolled by myself from the men and boys of the nearby towns of Markham, Makinen and Brimson. These men were to serve as leaders to teach the boys how to do woods work. These LEM were picked with great care as to ability and personality.

We had been taken so by surprise in





getting a namp so soon that we did not have our forential picked until a week or so after the company arrived. The first forential to show up was A.I. Coolidge of Kinfe River, an extrainp foreman and timber crusser for the Alger Smith Lumber Company. Frank Donnley of St. Phol as supercetendent, Zena Elsthisway of St. Pauli as forestor, Swan Carson of Italith as foreman and William LePever as foreman and blocksmith all joursed in a week. Other foreman joursed within a month and by July 4, we serve pretty well or gamzed,

Our first fire-fighting by FFF was done on July 2 and 5. The lays had almost all been given leave to go to town on July 4. A fire started the afternoon of the 4th on the Constock Take Road and 1 was at camp to gather up the boys as they returned from their Fourth of July leave and start them out on the fire. While they had but little training in fire fighting, it was somethic to have a neew available in a burry and we such had the fire under control.

As a result of this first fire, a program was set up to give every boy 16 hours training before he could be sent on a fire. By 1995, every COC comp had a well organized and trained fire lighting crew.

Too photo shows the Sullivan Lake CCC Camp S.U.1. Company 719, in 1935. In operation form June 1938 to November 1941, it was Minnesota's hits and last State CCC camp. Plancing trees was a major part of CCC work photo at last shows a creat major part of CCC work photos at last shows a creat plant pre-bland, and IDa Ibnition photos a creat planting pear Big Lake, in the Fond du Lac Foreis.



Shortly after August 1, we were assured that we would have a camp during the winter months and we started in to get timber cut and hauled for the camp. The buildings were all the palisade type log buildings and neatly made. The barracks were in the form of a quadrangle, six 20' x 40' barracks on each side with 18 men to a barrack. On one end of the quadrangle were the Army office and supply room, and on the other end the mess hall. Around the quadrangle were the hospital, modern baths (showers and latrines), a 40' x 120' recreation hall, power houses, pump houses and laundry.

Out in front was the Army quarters. Off at the side were the Forestry or work agency buildings, consisting of foreman quarters, office, blacksmith shop, tool shop and eight garages for trucks and equipment. Capt. Davis of Kansas City took charge of the company shortly after the permanent barracks were built, and by 1936 this camp became the show place of the Superior sub-district, which had headquarters at Two Harbors.

This camp remained in first place during its entire life. Each year new buildings and improvements were made, and it was the only camp that boasted a six-hole golf course, modern baseball fields, outdoor boxing ring, etc. Besides the Army officers and doctor, an educational adviser and helper were added, a modern school room was constructed and all types of educational classes were held. Movies were shown at least one night a week, boxing matches held one night a week, and both baseball and softball were played between this and other CCC camps each weekend during season.

Dances were held at camp one night each month and girls were brought in by bus from Duluth, Two Harbors and surrounding country. Boys were transported to dances outside the camp each weekend by company trucks, and an officer and educational adviser was always in charge.

New enrollment periods were each 3-months, but during the first few years we had but little turnover, as the boys liked the camp, the commander and the foreman. Later on, in the late 30's, the turnover was much greater. Many of our hovs came from the Twin Cities, from the farming country in the southern and western parts of Minnesota, and we had two large groups of boys from Kansas and Nebraska. Camp S.51 Company 719 could always boast of their high caliber boys-not only in their conduct but in their work accomplishments, their sports and overall behavior. For the entire life of the camp, it was an outstanding operation.

Some of the first officers were regular Army, but were replaced by reserves as soon as they were available. The Army job was to house, clothe, feed and doctor the boys while in camp, and it was the Forestry job to work them and give them on-the-job training. The Forestry part consisted of a camp superintendent, four general foremen, an engineer, one or two trained foresters, a game manager, and sometimes a carpenter or other specialist, depending on the work. Boys were trained at mechanics, truck and tractor operators, clerks, supply and tool clerks, etc. The Army set up leaders and assistant leaders to keep discipline while in camp, and these boys were often used as crew leaders in the field.

When a new group of boys arrived, they were kept in camp for two or three weeks while they were getting their shots and basic training. And when this was over they were turned over each morning to Forestry for field work. The Army generally had about 30 men on detail as cooks, orderlies, hospital attendants, clerks, mail drivers, supply truck drivers, and special detail. When the company was at full strength of 200 boys there were usually 170 men turned over for field work each day.

We in the Division of Forestry soon realized that in case of cutback in number of camps, the ones that would remain would be the camps with the best work plans, etc., so realizing this, I got on the ball and always had a well laid out work plan that could function both winter and summer and this really paid off, as camp No. S.51 was the first camp to come in and the last State camp to be closed down.

The Forestry, or work agency, of the camp was known as ECW, or emergency conservation work, and funds for its operation were separate from the funds used by the Army.

I believe that at the peak of activity we had 30 State Forest Camps in Minnesota and 30 Federal Forest Service camps, besides a few soil erosion camps that were under the Department of Interior. The Army sub-district headquarters for eastern Minnesota was at Two Harbors, and consisted of an office force and inspectors who made regular trips to the camps to check on the Army end of the program. All Army orders worked through the sub-district office.

For the first few years the ECW part worked out of our St. Paul office, but in later years the ECW central office and supply and repair shops were set up at Grand Rapids. Before the program came to a close because of the war, we had a very well staffed and equipped organization to carry on any forestry job. As far as work accomplishments, the following were some of the outstanding:

Built 135 miles of telephone line, built 40 miles of truck trails, planted 10 million trees, built 3 dams, built 30 bridges, built 16 Forest Service buildings, 200 miles of foot trails, roadside clean-up on all the roads in the forest, felled snags and reduced fire hazards over the entire Cloquet Valley district. We carried on game counts, deer kill surveys, stream improvement, lake surveys, and sort of game management work, built fire towers, made timber type maps of the entire forest, cultural and timber stand work throughout the forest and many jobs too numerous to mention. We put in days and days fighting fires, including the big Pequaywan Lake and Palo Markham fires.

Besides our regular work, we searched for many lost hunters, berry pickers, etc. Because of our fire organization of CCC men who were trained to go in the woods, we were called on by sheriffs each time parties were lost, and we could get a crew out and lined up to make a search in a hurry.

The turnover of boys became greater during the years of 1939 through 1941, and with the Second World War getting under way, Camp S.51 was finally closed in late November 1941. A watchman was kept at the site for a couple of years, but the camp was finally turned over to the Corp of Engineers, who called for bids and the building were sold to contractors and torn down for the material.

The buildings were completely gone by 1945. The camp clearing was planted with trees and the only things remaining today are several stone and concrete fire places standing among the planted trees that are now 10 feet tall—all that remains of a flourishing organization that operated from June 11, 1933 to late November 1941.

However, the many stands of planted trees now 40 to 50 feet high and the many truck trails and dams will always remain as a symbol of the first good boost that conservation had in Minnesota.

As mentioned above, the boys stayed longer in the camp the first two or three years and I got to know them all better than I did the boys in the later years of the camp. Some of the boys the last few years were younger and only stayed about three months. It was the boys of the first two or three years of CCC life that made the program as good as it was.

I continued to enlist LEM and most of the local men who wished to serve in the camp for a while. I believe that during the life of the camp about 6,000 boys passed through and I believe that each and every one derived some good from it.

It is now 40 years since this camp opened and 32 years since it closed, and each year there are several of the boys—now grown men and some grandfathers—who stop to show their children or grandchildren the location of the CCC camp they served in. Most all of these stop to see if old Buzz Ryan, the Ranger is still around. And I can say that I really get a kick when they tell me of their successes: some are doctors, some attorneys, ministers, successful businessmen and the like, and it makes me feel good that I played a little part in helping them on their way.



Above CCC built to lear road in Cloquer Valley Forest, Below: Side Leke CCC Camp, north of Habbing



# Classifieds

To serve our readers better, the Timber Bulletin offers free classified ads of up to 85 words to all members and associate members of the Minnesota Timber Producers Association. All ads must be submitted in writing to the Association office. The MTPA assumes no responsibility for ad contents and accepts free ads on a first-come, firstserved basis within space limitations.

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