

HARNEY COUNTY HISTORY PROJECT

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Subject: Harney County Chamber of Commerce Luncheon:

Announcement of Tecton Laminates Corporation

Ray Feichtmeir for KZZR

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JOSH WARBURTON: We have applications for everybody to sign up on today. I really appreciate the fine participation that we are having at this luncheon. We do have some good news at which the word got out, and I'm sure that's why a lot of you are here. I'd like to think that a lot of you would like to continue to be here, and active members of the Chamber. So, I personally invite those of you that are not currently members to join up as soon as possible. Hopefully, this isn't the last bit of good news that we share with you during Chamber.

We're going to deviate from our normal luncheon format. We normally have our members identify or introduce any guests or new faces, and that may take the rest of the afternoon. So --- but I do want to acknowledge Dave Rittersbacher, from Ochoco National Forest. He is a regional supervisor; he's over here. We haven't seen him before in the Chamber, and glad you could make it Dave.

I'm going to turn the time over to Dale, and he's going to walk you through the lineup, and what a lineup it is! I know that most of these people like to get to the point. I don't think many of them drag things on, and speak too long about things, with few exceptions, of course, like myself. So, with that I'll go ahead and introduce you to Dale, and give us the good word.

DALE WHITE: Thank you Josh. Before I start out, I'd like to introduce a couple or three individuals who will not be participating; Ted Turner the general manager of Snow Mountain Pine

and his wife Nancy; and Betsy Feichtmeir, Ray Feichtmeir's wife, who you will be hearing a little bit more later on in the program.

I'm sure that you are wanting to hear what these individuals said, but I think there is a few things that need to be said first, and I'd like to just take a moment or two of your time and express some appreciation especially to Stan Swol, and to Jerry Foster, and to Pauline Braymen. These multi-million dollar investments take a lot of preliminary negotiations and expenditures of time, and entails a strong degree of confidence on those who are aware of what's going on. And being the good reporters they are, they have been aware that something has been happening for quite some time, and all I've had to do is tell them that we are not at liberty to discuss it, and they have acted in a very helpful manner, and I certainly appreciate the way that they have handled this. And that they are here today to receive the credit that they desire and should receive.

We, as late as about 10:30 last night, Senator Timms was in conversation with the State Department of Economic Development, and Jerri Thompson, the governor's administrative assistant, putting the final details together. What I can tell you, and what you will hear in detail shortly is a major plant expansion, and new plant facilities of one or two or more that is going to be taking place in the immediate future.

One of the requirements of that was that the county have an access road that will provide new access to the Snow Mountain complement out there, so that traffic can flow in a pattern that is going to be necessary, because of the new construction that is going to take place.

We have applied to the State for a \$310,000 economic development grant to build an access road for the new facilities. We have received a favorable response from that, and Senator Timms will be able to give you a direct message from the State on that shortly thereafter.

I might tell you, and you are certainly aware that we have went through a tremendous five years of economic recession and depression, and loss of population, and all the bad things that takes care, or takes place during that type of a cycle that we have been through. But one thing that I think we need to realize, that Harney County has survived these times before. We went through at least once before that I can remember, in the late '60's when the air force and the job corps center pulled

out and we lost approximately the same populations, and there was the doom and gloomers among us who said Harney County would never recover. There has also been those doom and gloomers among us that said we will never get the employment back up in the wood products industry. We will never return to where we have been. I'm here to tell you today, that we have just begun, and it is just a bright future out there that's going to get better. And I would be willing to wager that when the 1990 census comes that the population of Harney County will exceed the one that was in 1980.

I guess we went through about 5 years with our Economic Development Committee that Diaz has headed up, with a lot of frustrations. I think we have come to about the place of being a football team that got us into a championship game by three yards and a cloud of dust, and all of a sudden decided that we was going to throw the touchdown pass. And we have been throwing those touchdown passes for the last 5 years. The only trouble is no one has been catching them. We have been after high tech; we have been after all kinds of exotic industries to bring us back to prosperity.

But I think maybe we forgot what brought us here in the first place. That was agriculture, that was timber, and that was the natural resources of this county that we have been built on. What we haven't done in the past, and what you are going to see, is going to happen in the future. We have just had the first bit of prosperity out of that log. We cut a board out of it, and we shipped it out for further processing, and everyone else down the line, clear to the west coast, and to the east coast as the case may be, achieved the jobs and the plants and the prosperity that came from that. We are now invoked upon, and it's the county's economic policy is to process that product, particularly from the lumber industry, and the agriculture industry to as close as to the finished product as possible, before it leaves Harney County.

And we are going to see the start of that today as the announcements are made. I think you will see in the months and years to come that there will be further announcements as new opportunities arise to further process that, and as those come, long term prosperity is going to come to Harney County.

We are indeed fortunate, we are set in the midst of the ponderosa pine belt. There is only a limited number of ponderosa forests in the United State. We are in the center of that. We are

fortunate that we have been on a sustained yield, and that the allowable cut is going up instead of down. And I expect that that will continue, at least stabilize, and so we will have a strong base on which to build from.

And I'm not saying that the pot of gold is here, but we have certainly seen the rainbow. And I think you will agree that Harney County is going to be a much stronger and much healthier and better place to live. And we are going to do it in slow stages and a little bit at a time, so that we can handle it. But the opportunities have arisen, and I think that we have just begun to see what they are. That the future is indeed bright, and the future is going to be bright because of some of the people that you are going to meet today and hear from.

The first I'd like to introduce Senator Timms, and as I said before, you can be proud to have Gene representing you in the legislature. I've known him since both of us would have a hard time looking over the table. You know, he just went down and done an outstanding job. We didn't lose anyone when Bob Smith went to Congress; we just gained. Bob went on to represent us in Congress. Gene has just done an outstanding job representing us in Salem. He was on the phone, I know, till after 10 o'clock last night, because that was the last time that I talked to him, getting this put together. And he can tell you how our application for the road monies are, and whatever else. State Senator Eugene Timms.

SENATOR EUGENE TIMMS: Thank you Judge, and citizens of Harney County, Snow Mountain Pine. You know, that is why we are here is Snow Mountain Pine. Let's face it; it takes the private sector. I'm a member of the Trade and Economic Development Committee, and I know you want to listen to them, so I'm not going to take long. But you have to realize that this is an occasion today in the State of Oregon, for the reason we will be the second area in the State of Oregon to receive sight specific money from the lottery. So that is important, and it is important how it is done. The Governor of the State of Oregon, the Economic Development Department, the legislature is monitoring them continually, of how they handle these monies, and how it is done. There is a lot of politics involved. But we are fortunate, because we have Snow Mountain Pine, which is a state-of-the-art industry. They are what has to happen to wood products in the State of Oregon. Value

added industries, that is what we are looking for in the State of Oregon.

Tom Kennedy, head of the department, wanted to be here today. I've ended up with the job of representing the State. I hope I don't say something that's out of line. But I think things are moving along smoothly. I thought the Judge would probably mention more of the action committee meeting that they had yesterday, for the sight's specific money. They found the total action committee was in favor of allowing the monies to Snow Mountain Pine, or to the County to build the road for the infrastructure at the Snow Mountain Pine.

The Governor's assistant, Jerri Thompson, I talked to her last night, and she says to pass on today that the Governor will sign that, and it is on a shuttle to the Governor as this time for his signature. It has to be signed by the Governor to be official. So, we will be the second county in the State of Oregon to receive lottery funds. So, I want you all to go out and buy a lottery ticket. (Laughter) I know I've heard that --- I was in Baker last night, drove over this morning, that the Governor is not interested in Eastern Oregon. That we aren't going to receive lottery monies. People have tried to talk me into boycotting the lottery as they have done in Southern Oregon. But I've worked close with the Economic Development Department. I congratulate them; they have had their people out here to talk to Ray and Ted. They got involved, and they have helped us. And those monies are forthcoming, and I'm proud to be here today to pass that on to you from Jerri Thompson, the assistant to the Governor, and Tom Kennedy. I just wish that they could have been here. He planned on coming. He got a plane. Maybe we should have bought the Governor that plane too. But he couldn't get the --- the pilot would not fly him over here. The weather conditions were not such that he would do it in the plane that they lease. So therefore, he is not able to be here, but I'm glad to pass this news on to you. And we are proud of Snow Mountain Pine, and Harney County, and the State of Oregon. Thank you!

DALE WHITE: Thank you Gene, it is certainly true that we just had tremendous response from Tom Kennedy and the State Department of Economic Development. This has happened very rapidly, and very quickly, and as you know government is not used to responding that fast. We got the request in to the Economic Development Department a week ago yesterday, and they had a

meeting set up yesterday, which is seven days from the day they received it. The Economic Development Department had processed it and come up with a recommendation; the Governor had assembled all the department heads of all the major departments in the state. LCDC, transportation, state lands, all of those were assembled to meet. We received a 100% approval from them yesterday. And as Gene says, the only step left to be accomplished is the Governor's signature.

But obviously all of those things are just in response to what private enterprise can do, and without them government cannot function. Government can only assist when assistance is needed. And one of the things as I'm preparing to introduce Ray Feichtmeir, as I remember, I believe the first or second time I talked to him and Ted, was that they said that we're coming here, we're going to build the finest, the most modern, the most efficient lumber processing facility in the United States. And if there is any company that is going to be able to prosper, if there is any company that is going to be able to offer jobs and employment, it's going to be them.

And I can tell you from what I know, and from what I'm sure Ray will tell you; they have accomplished that in that sawmill. They are producing a tremendous amount out there that no one thought could happen, but it has happened because of an initiative, it has happened because of private enterprise, it has happened because people had the foresight and the fortitude and the courage to expend the capital and the energy that it takes to make these things take place. And that's why, that I could say previously that the future of Harney County is bright because what they have done with the sawmill, they are going to do with what the announcement is going to be today, and what I'm confident is either going to be them or allied industries in the future, are going to announce as they do here, as we further process down-stream the basic resources of Harney County.

And so, it is a real privilege to introduce to you, Ray Feichtmeir, a shaker and mover of Snow Mountain Lumber Company, and a real asset to Harney County. Welcome Ray.

RAY FEICHTMEIR: Thank you. I remember the day about three years ago when Ted and I drove into town. We got here about 3 o'clock in the afternoon and we looked at the sawmill, and we went out to dinner that night, we had first chance to talk together at about 10:30. We looked at each other and we said, "It's too big, we'll never do it." Well, next morning we got up, we had a three hour

breakfast, and we figured out we not only can do it, but we can make that the best sawmill in the whole world. And by golly it is! It really is! There is no sawmill anywhere that is more efficient, or more state of the art than that. And I tell you how it was done. It was done with innovation. It was done with good people. You know seven people came to town; one of them was Ted, there were some others. All the rest of the people are people that were already at Snow Mountain Pine who had experience. They are all in supervisory roles. They are all moving along. And I want to tell you the people here are the best in the world. This is a fantastic place, it really is.

Everyone out in the mill is pulling in the same direction, and our people, we'll stack them up against anywhere in the country, in any kind of competition because we know what they produce per men, and it's better than anywhere else.

Now that's part of the story. The rest of the story is our sales. Our sales are going extremely well, because we're concerned about our customers, we care about them, we work hard. Our sales manager, Joe Beitler, is doing a fantastic job. We're very lucky to have such a fine fellow, and the rest of the sales department, John Candy, Jim Bush; they're doing outstanding work. And as a consequence of that, we are in an excellent position with our customers. But it isn't, you know, the sales department is part of it, an important part, but it's every single person in the plant working for quality, concerned about how it all goes together that makes the thing work.

And then the third ingredient, and not the least important is innovation. We have changed the mill around. We've innovated, we've brought in new equipment, we continually change it, and over the years, you can be assured that as each new process comes out, or each new technological change comes along, we'll incorporate that in the mill. Now that's the strategy of survival. People, innovation, care, and concern for the customers, that's what makes a complete company. We have a complete company.

And now we are ready to move into the next stage, the next stages of our strategy. All along we've known that there was a marvelous timber base here. That's one of the reasons we're here. This is a fine forest, it's got a good cut, and it's not being infringed upon at this time, and we hope it won't be in the future by limitations. We need that timber, and we intend to use that timber more

intensively than it's ever been used before, here, or anywhere else.

Last year I took a trip to Finland and Sweden, spent two weeks. They use every scrap of that log, and we intend to do even better than they do. We'll get better recovery from our logs than they do. And we'll use every bit of it. Now what am I talking about. Well, we have logs, we have then certain by-products. The by-products are chips, and bark, and shavings, planer shavings. We intend to use all of those products as we go down the line, so that in the end we'll be left with some needles, and just a few of those. And that's our long-term strategy. And along those lines, to increase recovery in our small logs, we're announcing today that we are going to put in a laminated veneer lumber mill. Or it's actually, and I'd better describe that to you, because it's really more akin to a plywood mill, but it produces lumber from veneer. What laminated veneer lumber is, is plywood veneer that has been joined together in long billets, long pieces, laid up longitudinally, no cross-plys, all the wood is laid up longitudinally. And in our case, that will be a 50 foot long piece, by 4 feet wide, and our dimensions will be from 1 inch thick to 2 inches thick. Our primary product will probably be six-quarter and five-quarter, which are inch and a half, and inch and a quarter nominal, those are nominal dimensions.

This mill will be, will convert small logs much more efficiently than we can do in the sawmill. We'll utilize, we'll actually increase our product, by utilizing this process, and we'll reduce waste. And because of that we'll be able to increase our sales without substantial, or any increase in the number of logs that we have to consume.

So, we are in the process of making the final arrangements on going ahead with our construction. We're pinning down contracts. There will be people here in town this week, and we are writing the contracts for much of the equipment. Our bankers are here in town, and we are jollyng them up so that they open up the coffers. We are --- we have been studying this project for over a year, almost a year and a half, and we're very enthusiastic. We know it's the wave of the future, and we know we are going to be not only the first plant in Oregon, although there is another one proposed for down in Roseburg area. We think we'll be online before they will. But we will also be, by something like two and a half times, the largest plant in, not only the United States, but

in the world. We have to do things big out here. We have a big operation. This is a big forest, and we're a large lumber company. And this will be done in the name of "Tecton Laminates Corporation". It's a new company, a separate company from Snow Mountain Pine. The ownership is severely, or strongly related, but it is a separate company, and it will operate as a separate company.

And along with the announcement of going ahead with this plant, I'd like to just take a minute to say that there are several changes that we're making in personnel. John Hinton, who is right now the manager of the planing mill, will be the plant manager of Tecton Laminates. We'll call it "Tec-Lam". And he will be taking over that responsibility. Bruce Mallory will be moving to superintendent of Snow Mountain Pine. Ted Turner will be moving up a level in a sense, in that he will be responsible for overseeing not the day-to-day operations, but the strategy, the long term planning. All of the many, many details and opportunities that we have in the overall picture.

We --- the plant will employ in the neighborhood of a 125 people, and that's an estimate at this point. We can place people on paper real well, but when it comes down to running the thing you have to do it a little differently. You have to place people as they are needed, and we have to, we have that many in our table of organization at this point. But we're never sure until we start running the mill just exactly how it will run.

I'd like to tell you that this --- we studied everyone that is producing plywood equipment in the world. Last year three --- four of us went to a show in Hannover, Germany, where all of the European manufacturers are represented. That show covers about 50 acres of exhibits, and we saw every piece of equipment you could imagine. We've talked to all of the major manufacturers in the United States. We think after all this exhaustive research and hiring a team of consultants from Eugene that are the world experts in LVL, laminated veneer lumber, that we know what there is available in the marketplace, as far as equipment. This equipment that we're putting in is, will be the finest, the best, the most modern, and the most completely automated plywood mill in the world. That's simply because we're starting today. I couldn't --- if next year someone will have some new innovations, and that's the way this industry is moving, and that's appropriate. And if two years

down the road we have to tear some of this out and put that in, we will, because that is the only way you are going to survive in this industry. The people who have not modernized their mill, who have not changed, who have not moved with the times are --- they're not going to be around in 10, 15 years. There's an over capacity for sawmills. And the people who survive are the ones that invest in people, and in equipment.

Now when we invest in equipment, sometimes people are displaced. But I would like to point out to you that at Snow Mountain Pine; we have very highly disproportionate number of technical people to production people, compared to other mills. Those people are there because we have complicated equipment. We have high maintenance costs, but we have also high production per man. And as a consequence of that, we are in a better position to compete. And I can assure you that competition is the name of the game.

We will go tomorrow up north to John Day and bid against three or four other sawmills for timber. And we have to be in a position to buy that timber, and they're tough competition. And they are good people, but we are going to be better. And we are going to be the last lonely mill, anywhere.

So --- couple of other things that --- down the road that are causing us some difficulty, and that would help us, is that someday we want to get this railroad operating again. It really will help all of the industries, and it's something that we definitely need. And I wanted to just put in a plug for that because that is some-thing that is hurting us. It's hurting Frenchglen Lumber, and actually probably creating some limitation on their expansion.

When we come to town, we said we would hope to develop downstream manufacturers. We were able to work with Frenchglen Lumber, Contact Lumber Company, and their subsidiary Frenchglen, to get them to put a plant in here. I understand they have just opened up a second shift. I think that LVL will give them some additional opportunities to go downstream with manufacturing. And we have spent time talking to Contact Lumber and Frenchglen people about this. And when we get some more --- when we get product available, I think that there is some good chance that they will be utilizing some of that product right here for value added kinds of

processing. That is an aim that we have. We'd like to have our customers here. We'd like to induce them to come here. The railroad would help that process a great deal.

I think I should also mention that, as many of you know, about a year and a half ago we thought we were going to be able to build a co-generation plant. Due to some difficulties, the political people here are sort of smiling at this, there was --- we were stopped. We did not get a contract with CP National that we need in order to go ahead with a co-generation facility. And it was our feeling that we were improperly denied that contract, because under the law, the federal law, and the state law, we were entitled to it in our opinion. Now opinions don't make contracts, but they do sometimes make lawsuits. And so, we sued the public utilities commissioner of the State of Oregon, and also the CP National. That suit, which we thought was going to go quickly, didn't go quickly, it cost a lot of time and energy. And I made this statement, that when a lawyer says he's preparing a brief, it's absolutely a misnomer, it's not brief at all, it's --- it ended up stacks of paper this high. But the judgment has come down, and it was not only favorable to us, it was almost a repetition of our lawyer's brief, and that the law was abrogated and we do have a right to that contract.

Assuming that this all goes ahead, as it should, and I think that we have a good reason to expect that it might, we will hope-fully be making another announcement to go ahead with the co-generation plant. Some of the fuel for that will come right out of the woods, slash that's being burned and wasted. This is another part of our strategy to take that material that is being wasted, and use it efficiently, and constructively, and the --- our expectation is that we'll be able to, in '86, start a co-generation plant, construction on it, and that will take probably 18 months.

A time frame for the LVL plant will be, we hope, to start production next --- July, August. Partly it will come down to some close negotiations in the next week with one of our major suppliers as to delivery dates of equipment. We'll be fighting for two days, and he'll be fighting for two years. But we'll somewhere in there we'll negotiate a compromise.

At any rate, we feel that there is enormous additional opportunity here. We haven't still used all of the possibilities that we have available to us. And we think that we are very fortunate to be

involved in this community, with these people, and with this forest. And I think that if we can contribute to that in any way, we hope that we can do it constructively, positively, and with a great deal of spirit. Thank you very much.

SIDE B

DALE WHITE: Tell them what the investment is going to be approximately?

RAY FEICHTMEIR: About \$15,000,000 to \$20,000,000.

DALE WHITE: If you were familiar with some of the figures that was going around on the co-generation plant, there's going to be another \$20,000,000 or so. If you realize that the assessed value of the county is about \$200,000,000, in about two years, even if nothing else happens, your taxes will be reduced by 25% just because of increased value. Not counting the new jobs and all that will come with that. But the end isn't here yet. We've had the LVL plant, and we have had the co-generation plant, and I guess since we are taking about the logging industry and the timber industry, we still have got an announcement from the chip off of the block that's going to follow in his father's footsteps, take the bull by the horns, start processing, and start contributing to the economy, and we're just excited about that also. So, I'd like to introduce Mark Feichtmeir, who would make an announcement of his own. Mark.

MARK FEICHTMEIR: Well, that's sort of a hard act to follow. But give me a couple of years. I came down here in January from Seattle, where my dad has a real estate development business, and three brothers who I worked with for a period of a year up there. And I moved down here because I saw an opportunity down here to get involved in quite a large business, and it seemed very attractive at the time. And I sort of said, "Well, what the hell! Try it and see what happens." It was quite a change, because I lived in New York City for 10 years prior to Seattle, so I sort of come from the, you know, one extreme to the other. Anyway, I've been involved in a lot of personnel functions and, in one-way or another, I've been --- and have met some of you folks. But around summer, it became apparent that there was an opportunity to process the trim ends out of the planning mill. Now I don't know if you are all familiar with the trim end. When the lumber gets --- goes through

the planning mill the, currently the sander gets surfaced and then they will grade it, and occasionally, you know, depending on the quality of the piece, they will cut off the end to upgrade the value of the remaining portion of the board. That piece that they cut off is called the trim end. Now what I'm going to do is gather that all in some sort of a bin or something and transport it.

I believe at this point, it will be behind the real long, L-1, the large building and across the road, and the railroad tracks to the east side, I guess. And I'll be building a plant there, about 12,000 square feet, a building, and installing some machinery, and I'll take the trim ends and I'll be --- first I'll begin ripping them and planing if necessary, then they will go through two automated defecting saws. They'll be some people who will be marking, you know, if you have a knot, they will be marking with chalk line, and the saw will automatically cut that. Then a portion of the product, probably six and five-quarter, will go through a finger jointing system. I'm not sure exactly, you know, the range of products I'll be making at this point. But generally speaking, it'll be clear pine material of either blocks or finger joint in nature. I anticipate employing about 20 people at this point. That's what my plans show, and as Ray has mentioned, it's something you try and predict as much as you can, but, you know, you have to give this an approximation.

I hope to start construction on March 1st, and anticipate about three months, including installation of machinery, so I hope to start actual production on June 1st of next year. I should say this is a totally separate company, which I'm endeavoring to finance through State, Oregon State umbrella revenue bonds. And I'm working with some people on the Oregon Economic Development Commission in Portland to try to get that through. I should know within --- I should have good indication by early December. If that falls through, there will be some changes in plans, but I think that there is a real strong chance that that will take place. Now have I left anything out here? I think that's it. Thank you.

DALE WHITE: Ted. Congratulations on your promotion.

TED TURNER: Thank you. I just wanted to say one thing that Ray left out of his speech, and that is that I think that Dale White and the other county commissioners, and Gene Timms have been some of the finest local politicians that I have ever been around in my life. And they have gone to

bat for us, and they have gone to bat for Harney County, and we thank you! You're an asset.

DALE WHITE: It's easy to work with nice people, and it's been a pleasure on our behalf.

Something that triggered my thoughts that I wanted to also say Ted, and I appreciate what you said, but what also needs to be said on my behalf, and I'm sorry that Frank isn't here, but --- Earl Tiller and Frank White, I have two of the best commissioners in Harney County, who I don't think you all realize the type of work they do, and the dedication that they express, and they have just been tremendous backers of me. And during this process, I've been able to tell them limited, and asked for their help, and their commitment, and they have given it. And, you know, I just feel that they are the finest commissioners, and not only that, but they are the finest friends that any county judge could ever have. And I'd like to give Earl and Frank --- Frank isn't here, but Earl is --- the recognition.

Now this, you probably cannot see it, but probably many of you have seen the stakes anyway. What is going to happen, the reason we had to push this very rapidly is, because the existing access to the parking and to the shipping at Snow Mountain Pine is going to be eliminated with the construction of the LVL plant. And that plant will basically start in back of the old maintenance building at the head of the log feed, and come up back of the office building, and end just about back of the commissary --- Ted or Ray?

TED TURNER: Probably further down than that.

DALE WHITE: Further down than that, so it's a big building. But as you are familiar, the main gate is going to be completely eliminated by that. To meet the schedule that Ray has outlined for his building, means that they have got to pour their footings and their concrete flooring before December 1st of this year, or else the frost conditions in Harney County are going to eliminate that, and if that does not occur, then this building project is going to be put off six months or a year. Probably we'll be looking at a summer from now before they can get in.

For that to happen, Snow Mountain has got to have access. The yellow road that we have outlined here, this is at the Hines City limits. This is the highway; this would go on down and the mill property would be down there. This is their property; right here is the Forest Service complex.

We will run a road through here that will go on and connect up with the road that goes to French-glen Millworks that we have accessed. A "T" will come off and go basically down to where the present shipping and parking is.

We will be starting the construction of that road tomorrow with every resource that we have, so --- our road superintendent is back there, I hope that he understands the urgency. But in order --- We have got to get at least this portion done and graveled within the next two or three weeks so that Snow Mountain, or Tecton or whoever it is, will have the opportunity to close off the existing access to Snow Mountain, and have an access to get their people and their products in and out, and still have time to get their foundations and their flooring in, so that, before the frost conditions get to be a problem that would obstruct construction. They then would be able to go ahead with their building plans, constructing the remainder of the building during the winter season, and then have a building there that they could start putting their equipment in.

I don't know about you folks, but we at the county are tremendously excited not only as to what is taking place today, but the opportunities of the future. You know, most of the lumber that goes from Harney County, and I suspect a lot of the pine mills, it doesn't go to be boards on a house, or something like this. It goes to furniture manufacturers, mobile home manufacturers, window, and doorframe manufacturers. What we're doing and what we hope to capitalize on, the lumber that they ship to Michigan, and the river mills back there --- 30% to 40% of that is lost in processing. But they pay the full freight rate on that from here to wherever it is, and then they throw away 30% to 40% of that. What we hope to capitalize on, and what Ray alluded to, is that we hope to get those type of facilities to locate here at this complex, do as much of that processing of the finest product here, instead of taking it someplace else. And I think as transportation becomes more expensive, and the other conditions that exist, that that is going to become much more attractive. And I'm hopeful that we'll have many of these announcements to take place in the future.

But one reason that the State is so excited about this, and one reason that I'm sure that Mark is going to get his financing, goes back to what Ray said. They believe that the only mills that are going to exist in the State of Oregon are going to be the state of art mills, that are going to be ones

that continually change their products and their equipment to meet new and changing conditions. And ones that do the down streaming, I think is the word I learned this week, further process that product to the ultimate degree. And that is what these people are doing, and that's why the state economic development people are so excited, because they say that those are the mills that are going to survive. Those are the communities that are going to prosper.

And I can tell you that after 2 to 3 years, or however long these people have been here, that if anyone can do it, they can do it. The County is prepared to do everything we can. We have got a very influential senator setting on trade and economics, who is going to see that the State does their share, and the people of Harney County, they have always been the best. We're not going to be New York City, Mark, but we'll make you glad you left New York City. And you're going to be glad that you are a part of Harney County for the next few years especially. Not only because of the things that have brought you here in the first place, and that you really like, but it is going to help that you are going to be able to earn a living here and have a little bit of prosperity in the future.

And I can assure you with just as much assurance as I can, that this is not going to be the last announcement that will be coming. I don't know when, or how quick, but I can tell you that with all my heart, I believe that they will be coming. The employment will be greater than ever in the mill industry in the next few years. We are probably halfway there now, and we still got jobs to go. But the opportunities are unlimited if we have the technology, and the foresight, and the ability to use the God given resources that we have here, and we have some of the best. So, I thank you for coming. If I had a --- Into? You said the prayer, are you going to do the benediction or what?

INTO LIIMATTA: I think that is a very good word. Three percent in the last --- of the all-time employer here at Hines, for the past --- been over half the century. When Snow Mountain came in, there were skeptics. I among them. I suppose that Ray in his speech mentioned that there has to be cooperation for the sales and all that. Well, I think that Dale White, a dyed in the wool Democrat, rated very highly a dyed in the wool Republican senator, two dyed in the wool Republican county commissioners ... And that's an indication that we can do it, and we will do it.

But I was going to jump on my hind legs when Ray mentioned that after visiting Finland

and Sweden ... utilization will be better than theirs. Darn anyway Ray! In 1956, I took my wife first time to Finland. That was still after war ... in Finland, so we took a train. After a two-hour train ride north to my home city from Helsinki, my wife turned to me and said, "Honey, when do we run out of these parks?" Well, those parks were totally and intensively managed forest. Now if you can, and Mark, if you can raise that darn forest and use more thoroughly, then more power to you. I mentioned skepticism --- well, Feichtmeir and their attorneys and some of us from Hines, we were renegotiating for the original agreement in Chicago last December. It was then I mentioned to Ray, I said, "Ray, I want to get to retire and get to my island in Alaska, and I don't probably come back to big ... in case something goes wrong." And Ray looked me in the eyeballs and said, "Now Finn, go to fish and enjoy. Don't worry, we'll be here long time after you are gone." And I think he has made a believer of me, so I apologize for what I was skeptic.

DALE WHITE: Thank you for your attention, and I'll turn it back to Josh.

JOSH WARBURTON: Well, thank you Dale, and Gene, and Ray, and Mark and the rest of the Feichtmeir family. You talk about more news coming up down the road. I'd like to make a proposal that on the minimum we have one good news luncheon a year. This has been great news for the community, and the entire County, as well as the towns of Hines and Burns. So, I want to give you full Chamber support, and anything we can do to assist you in getting things settled, you let us know. Because we're totally on your side and we really appreciate you becoming part of the community as rapidly as you did, and we hope to see you here a long, long time. So, with that we'll go ahead and adjourn the meeting. We're running a little late, and a lot of you have to get back to your businesses. Those of us who are going to play golf, will go play golf. See you next week and thank you!

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