

Company town reflects colorful lumbering era

Reasons given for closure

Kinzua Corporation's announcement earlier this year that closure of their sawmill-on-the-mountain was imminent, marked the beginning of the end of a portion of the company's colorful history in Morrow and Wheeler counties.

At the same time—and somewhat hidden between the lines—was the message that Kinzua Corporation was re-evaluating and reinforcing its position in the wood products industry and forest management.

Reasons behind the closure of the mill and company town of Kinzua have been shrouded somewhat because of negotiations on closing the operation. Kinzua officials have finished those negotiations and now the details are laid out in full.

Kinzua Operations Manager Harry Kennison sent a letter to company employees recently in which he outlined the factors that forced the decision to close the operation.

Kennison pointed out that over a year and-a-half ago the company was forced to close the railroad between Kinzua and Condon because bringing the track up to Public Utility Commission standards would have cost some \$3-million.

At that point, according to Kennison, the company had to take a hard look at where they were, and what moves would have to be made for the future of the company.

"We hired a firm out of Portland to actually cruise every tree the company had and also, look at the wood available in our area," said Kennison.

"When it was completed, we found that all of the timber we had and all the timber available was of small diameter...in fact, 42 per cent of it being eight inches and under in diameter," Kennison said.

With this information at hand, company officials knew the mill at Kinzua would not be able to process the smaller logs without substantial remodeling—estimated at \$1.5 million.

In addition to those factors, the Department of Environmental Quality wanted pollution control, the Environmental Protection Agency wanted a sewer system and OSHA wanted consideration given noise control. All this, Kennison stated, added several more millions of dollars to the railroad and sawmill reconstruction costs. Economically, it wasn't feasible.

Kennison said log decks should carry operations at the Kinzua mill until the first part of June.

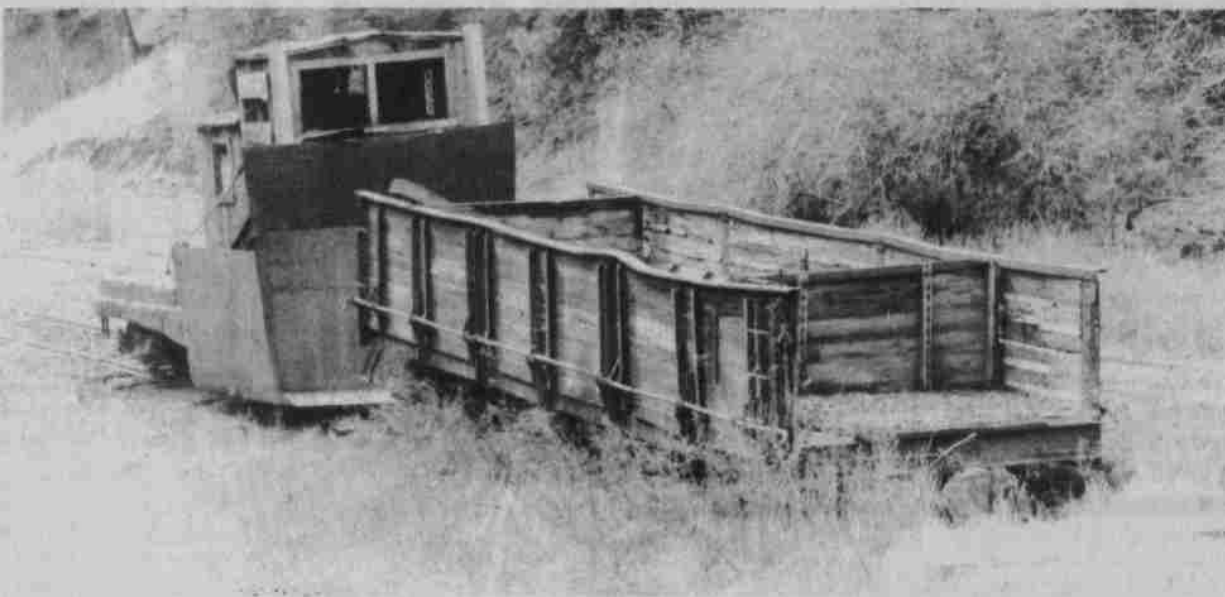
"At that time, we will have to start the procedure of closing a very colorful era. It has served us very well for so many years, and it is a very sad day for us all," Kennison said.



You can get anything you want at the Kinzua Mercantile, which, along with the Kinzua Cafe & Tavern—affectionately known as Barry's Place—are the liveliest spots in town. Prominently displayed at both businesses are signs proclaiming the future "No Credit After April 14th".



Founded in the early part of this century by E.D. Wetmore, the Kinzua Tree Farm of 50,000 acres gave birth to Kinzua Corporation, a leader in the wood products industry. A good portion of the company's history lies here in the Town of Kinzua—owned and operated by the company for more than six decades. Kinzua Corporation recently made the decision—in the face of economics—to close the company town and sawmill operation. At the same time, Kinzua is bolstering its position in the industry and the ensuring future of forest lands of Morrow and Wheeler counties with concentrated management of the forests and a new sawmill in Heppner.



A snowplow made of solid steel and a deteriorating wooden boxcar huddle close together...solemn remains of the bustling railroad that once carried many millions of board feet of lumber from Kinzua to Condon. The railroad was closed about 18 months ago when it was learned that \$3 million would be needed to bring the track to Public Utility Commission standards.

Company officials look to timber future

The events leading to the closure of the mill at Kinzua and, separately, the construction of a new \$4.5 million sawmill in Heppner point to a deeper and far more complex area of production at Kinzua Corporation.

The company's goal is to provide a perpetual supply of usable wood fibre, while striking a compatible balance with other resource values such as grazing, wildlife, watersheds and recreation.

Providing that perpetual supply of wood—or keeping the forest lands on a sustained yield basis—in a low rainfall area is a production concern Kinzua Corp. has planned for.

The new Heppner sawmill—expected to be ready by mid-June—was designed by Operations Manager Harry Kennison to fully utilize all sizes of raw timber taken from Morrow and Wheeler counties. Logs ranging from five inches to five feet in diameter can be processed and used for either dimension lumber or in the company's veneer plant.

Kennison explains the importance of utilizing the small diameter logs this way:

"We have enough raw timber to take us down the road many years, but a big part of that timber supply is small diameter logs harvested in thinning operations.

"We depend on limited rainfall in our area and consequently the number of trees per acre must be limited to provide satisfactory growth. In each harvesting operation our foresters select the best trees as 'leave trees' to provide for a future crop.

"In addition to quality of trees harvested, consideration

is given to correct spacing of the trees. A newly planted area might number 700 trees per acre while a healthy stand of harvest size trees might number 100 trees per acre.

"The period in a stand's life between its establishment and the first commercial thinning is critical. Wood cuts show trees growing more wood fibre in eight years—after one pre-commercial thinning—than they grew in the previous 38 years.

"For every 17,500 acres thinned, an increase in annual production of one million board feet results, along with dramatic increases in forage

for livestock and wildlife." Considering that Kinzua Corp. owns over 200,000 acres

of its own forest land and manages almost that much of privately owned lands, the importance of the company's intensive management, thinning practices and the ability to utilize small logs becomes apparent.

Kennison continues, "A typical operation for us includes the following practices. A normal logging operation removes the harvest size trees. Then a commercial thinning operation follows, designed to obtain the desired spacing of trees over nine inches in

diameter at the stump, using material to five inches in diameter at the top for the plywood facility at Heppner.

"This is followed by pre-commercial thinning to provide proper spacing of trees under nine inches in diameter. Final treatment includes clean-up of brush, closing as many roads as possible, planting grass seed and seedlings."

The end result is increased production for future generations and a constant supply of useable timber for present generations...the end result of a company making wise—and sometimes tough—management decisions.

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