GROUP PRESIDENT

"It's a matter of good business, and of being a good neighbor," he said.

"You don't add enormous costs to your overhead without just cause. In the case of pollution abatement. there of course were laws enforced by the regulatory agencies. We had anticipated these and had conducted extensive research by the time compliance schedules were enforced. thus putting us in a position to take the right course of action at a time that was right for our business. We were therefore better equipped to respond to these additional demands upon our available capital resources, while at the same time maintaining a viable business.

"The fact is, our Ecusta pioneers were troubled by the one problem with our industry they knew could not be avoided: the effect of the flax pulping process on the Davidson River and the French Broad River. There was no way known to convert flax straw to pulp without discharging pollutants into the stream, yet they began looking for answers even before the first cigarette paper was made in 1939."

In a similar way, Baldwin said, the Pisgah Forest plants were ahead

of the country at large in the awareness of an energy shortage.

"This largely was a matter of economics. We were looking at every facet of the operations for ways to reduce the effects of inflation on the cost of making our products, and we saw that to make do with less energy was a goal of real consequence. We went after savings in the use of energy, and we found them."

The energy-conservation program has been in effect at Pisgah Forest since 1970, three years before the "Energy Crisis" when the gas pumps went dry and alerted the country to the unhappy recognition that supplies were not without end. Baldwin said that savings came from changes in equipment, changes in methods, better engineering, and cooperation of all employees — in short, a total Olin response to the challenge.

"Just imagine what would have been the situation today without those savings," he said.

In speaking of the organizational changes, Baldwin said that for the first time in their history the plants and support personnel are operating as an integrated unit.

"When cellophane manufacture joined Ecusta at Pisgah Forest, the two were separated as organizations. Except for such joint services as utilities and industrial relations, each division had its own structures for manufacturing, marketing, engineering, research and development. Despite changing business objectives, goals and needs over the years, the organizations remained relatively unchanged.

"In early 1975 the international marketing units of the two divisions were combined into a Group function, and the two research and development functions were combined into one technical department. These changes worked well. This fact, coupled with a growing urgency to improve organizational effectiveness and flexibility, led to the changes announced last October.

"We have made significant progress toward the goal of operating as an integrated business. Continued progress is essential if we are to gain maximum advantage from our total resources," Baldwin said.

"I am confident that we will."

TWO NEW PATENTS ARE ISSUED

Two patents were issued to Ecusta Paper and Film Group employees in the fourth quarter, according to Robert W. Habel, group patent counsel.

Eugene Stewart was inventor of U. S. 3,983,761 of October 5, entitled "Garniture Belt." Habel said that in general this patent covers



HABEL

our latest development on endless belts for cigarette making machines. He said the belts have a unique structure and combination of fibers resulting in exceptional wear life without sacrificing other performance criteria.

such as dimensional stability, ten-

sile strength, and frictional properties.

Hugo Martin, Bill Owens and Wayne McCarty were listed as inventors of "Tobacco Substitute," U. S. 3,993,082 of November 23. Habel said that 13 claims were allowed in this patent covering shredded carbon filled paper tobacco substitute. The product produces a neutral taste when blended and smoked with tobacco, due to the unique combination of cellulose to carbon filler.

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