June 25, 1968

TO: R. M. Burns

cc: W. J. Sheehan

FROM: R. S. McGranahan

SUBJECT: PAPER MILL IN CHICAGO PLANT

It appears that it could be physically possible to get a paper mill of 48" to 60" width and approximately 20 ton per day capacity into the Chicago Gasket Plant. This could be put into Plant 2 using the same areas occupied by our present wet machine operations and certain other space now under-utilized or occupied by operations we have already considered dropping, in connection with the proposed packaging program.

We could locate the paper machine along the south end of Plant 2. The wet end would be on the south side of the present wet machine area, the dryers, calender, reel, and rewind where the asbestos drying oven is now. We would use a special conveyor section to transfer the web overhead across the main north-south entrance aisle to Plant 2, so we would not lose that access. Finished coils would come off the line at the west end, near the lab.

The balance of the wet machine area would be used for stock preparation, water recovery, and other accessory equipment for the wet end. It might be possible to retain the steel unloading dock, but it is not probable there would be any under-crane space for steel storage.

The east side of the second floor would be used for storage of asbestos and other raw materials. This would be essentially the same area now used for asbestos and refiberized scrap, plus the area now occupied by Corpac 500

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manufacture and Victolene gasket blanking. This should give us space for a reasonable asbestos and scrap inventory. Latex and asphalt storage could use areas presently used for this purpose and some additional holes could be found for more latex and liquid chemical storage tanks.

Finished materials would have to be stored in the present asbestos warehouse. Unless we could create more first floor space by removing the rubber making operation, we would be very tight for storage since this move would lose the steel storage area we have been counting on in the wet machine space and this steel would have to go into the asbestos warehouse or back to the garage.

The corbestos A and B presses would have to be relocated. Other than that there would be no major relocations of active production facilities involved in this addition. We would very much limit ourselves for future expansion of any operations in Plant 2.

Because of the inconvenient arrangements for receiving, handling, storing and issuing materials made necessary by the arrangement of this building, I would estimate the operating crew of this machine would need to be increased by at least two men per shift over what it would be with an ideal installation. This could result in an excess cost of up to $10 per ton of finished product.

Installation of the machine and its associated equipment would be more costly than in a new location, probably in the order of $100,000 to $150,000, when making allowances for things available in Plant 2 which would have to be provided in a new location. This excess cost would be caused: first, because we must tear out a lot before we can start putting in new; second, everything

must be fitted to available space, making design compromises necessary which would run up the cost; and third, we would have to comply with Chicago city codes which would impose some conditions we might not have to face in another area.

It would be possible to get this equipment into Plant 1. One advantage would be a one-floor operation with the attendant economies in material handling. It would, however, use up about 40,000 sq. ft. of prime first floor space. Most of this space is now occupied by Department 214 and by metal storage, all of which must be on a ground floor and most of which should be together for efficient operation. There is just not this kind of first floor space available in these plants to relocate these operations into.

Plant 5 might be a possibility. It is long enough to take the machine and use of the basement, first, and second floors for this operation might be practical if we could make the necessary structural changes in the building and if we needed the three top floors for something else. It would probably not be economical otherwise, since the sale price of the building could make up a substantial part of the cost of a building specifically to house the wet machine.

If it is desirable or necessary to put the paper mill with an existing Victor operation, my feeling is that the best move for the long run would be to put it into an addition to the Robinson plant. Robinson uses some quantity of the materials made on the paper machine now. If we are able to make Victolex papers and if the projected growth in soft packings goes as planned,

their percentage should increase. They are already in the materials business and this would be a logical extension of it. The plant could use some additional operations to help their overhead.

Today there is a shortage of male labor in Robinson, but this will not necessarily apply two or three years from now. The refinery project will take a lot of people during the construction period, but this will drop down very radically when it goes into operation. Hopefully, some of the extra people who will come into the area for the construction will want to remain if there is a place to work.

The Robinson plant was designed to be substantially expanded and there is ample land available to accommodate outside water storage and settling ponds. Putting the paper operation there in a building addition designed specifically for this purpose would enable us to get the best possible economy and flexibility of operation, possible inclusion of equipment to make wet machine products and improved potential for expansion into new products.

These same considerations would apply equally as well to a new plant on the Elgin property, except that there we would be starting with raw land, the initial cost would be higher, and unless planned as part of a long range move of other operations might not be a practical operating move.