

WASHINGTON (UPI) — Any hopes that inflation might ease up in the next few months were dashed Thursday when the government reported a sharp climb in wholesale prices, particularly for food — during October. The 0.9 percent overall increase in consumer-ready goods and the 1.7 percent food price rise were identical to September advances, and prompted government economists to reiterate predictions that prices would moderate during the remainder of 1978.

That theory now has been "shot out of the water" by the

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## \$7M Project To Employ 160

# Lincoln Paper Mill to Open

By TOM MULLER  
Union Leader Staff

LINCOLN — The silent machinery of the paper mill here will soon be turning anew as final papers were signed in New York yesterday for a \$7 million project to reopen it and employ 160 persons by the time it is in full operation in approximately 90 days.

Hiring is planned to begin Monday for the venture, which is expected to revitalize the 70-year-old mill in a town which has been paper-oriented for generations and was once the economic center of Grafton County.

The new firm, the Franconia Paper Co., Inc., has been formed to process both virgin pulp and waste paper into products to be marketed through one of the company's principals, Perkins-

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Goodwin Co. of New York City, an international broker of paper products.

According to David Kirker, executive director of the Northern Community Investment Corp. of St. Johnsbury, Vt., another principal, an initial complement of 20-25 men will be hired immediately to get the building and equipment back into shape.

"We have to fix the roof, make electrical repairs and refurbishments and replace bearings in the machinery," Kirker said last night. He estimated a total time of three months would be required before the mill was ready to begin full operation.

MILL

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## 2 Children Die in Franklin Fire



### Inside

#### Bristol Man

#### Crushed to Death

William Park, an employe at the North American Rockwell sawmill on Beebe River, dies in an industrial accident. Story on Page 22.

#### Three Letters Pages

As Election Day draws near, the letters keep pouring in. Three more pages in today's editions, on pages 18, 24 and 26, bring the year's total to 319 pages of your letters.

Dr

New Election Year Begins

# MILL

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Kirker said the new company anticipated no problem finding employees. "We have had many inquiries and people have been walking in and placing applications on file in the event we did reopen," he said.

He said many of them were former workers at the mill. While the area does not have high unemployment, Kirker said many workers are "under-employed," and could benefit from the scale of wages the mill would be paying its employees.

## Property Acquisition

Completion of acquisition of the property and long-term financing of the new company was the culmination of months of cooperative effort, Kirker said. The property was acquired from the Connecticut Bank and Trust Co. in Hartford, which was the mortgagor for New England Pulp and Paper Co., the most recent company to buy the mill. It closed in August, 1976 after a year of technical problems. The mill has been idle since.

Kirker said a high official from Perkins-Goodwin would relocate to Lincoln to manage the mill. He said Peter Gould, president of the last firm at the mill, would continue there in "a key management position."

Long-term financing of the project includes funding from the group of private investors with NCIC and also a New York bank. The Farm Home Administration has approved a guarantee of the loan to acquire the property.

The Environmental Protection Agency (EPA) has given a permit to the Town of Lincoln to allow the mill to discharge wastewater into the community's sewage treatment facilities.

Kirker said the firm plans to improve the pre-discharge treatment of waste water which will be handled by the town's system.

## Will Use Railroad

A side benefit of the reopening will be the usage of the 75-mile railroad between Lincoln and Concord. The line

presently is owned by the N.H. Transportation Authority, which in turn has leased it to a private operator.

The railroad presently is subsidized by both federal and state funds, but usage for the mill may make it more viable.

"Our incoming raw material and our finished products will utilize the railroad line, of course," Kirker said.

The line originally was purchased by the state to guarantee service would be available to the mill should it reopen. Keeping the railroad operating kept the equipment from deteriorating and avoided expensive restoration costs.

An official at the N.H. Transportation Authority had said yesterday that they were aware of the impending completion of financing for the project, but had not yet been told what the new firm would expect for rail service.

Kirker said the details of the operation as elicited by questions from the Union Leader, also would be released later today at a radio news conference for Lincoln area residents.