

ARTHUR TEMPLE JR.

Interview 56a

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Megan Lambert, Interviewer

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ABSTRACT: The grandson of T.L.L. Temple, founder of forest products companies that became Temple-Inland, Inc., Arthur Temple Jr. tells interviewer Megan Lambert about the Temple family's relationships to both the business and community interests of East Texas through nearly a century of momentous change. He provides biographical detail into his own life as well as his father's and grandfather's, focusing mostly on events of the Great Depression through the 1960s, before the family business became a public stock company. Insight into company management is also given. People discussed in some detail include T.L.L. Temple, Arthur Temple Sr., L.D. Gilbert, Dr. J.C. Clements, Joe Denman, Walter Purdy, and Aunt Georgie Temple Munz, founder of the T.L.L. Temple Foundation, which origins are also explained.

Megan Lambert: Today is May 8, 1985, and I am interviewing Mr. Arthur Temple in Lufkin, Texas. My name is Megan Lambert. I think the thing I would like to do is to just ask you to start off talking to me about any of those topics that interest you.

Arthur Temple: Why the company and the family and the town are so cohesive, I guess is one. Well, I guess it starts back really with my grandfather, who was a person that was...He was a Christian Scientist in the first place. I don't think he was actually a member of the church but he practiced it. And he was very ... very stingy with himself, but very generous with other people. And up till my time, I think that was pretty typical of the whole family. I'm probably somewhat more generous with myself than they were, mainly because I just feel that money is to be used, not piled up. That is the real difference. The...My grandfather, when he came down to East Texas, he ...You can find it in lots of printed things...Some in particular, there was a rewrite of the American Lumberman, I'm sure you've seen it. Actually that was prepared to sort of back up some financing that he was trying to do. I remember it well, I was just a kid. But it came out surprisingly well in the sense that ... I really think it was true. It was a puff article, a little bit. But it diverted into some of the things that you are talking about that my grandfather did. You know he was....and I think the whole family has been, the key to the whole thing. He liked the people he worked with. I have a hard time talking about it. The...he sent up to Virginia and got some very fine cows for instance. This isn't much now days, but it was then. This little town that was detached from everything. Literally the...although they didn't get credit for it, the commissary, the company store, which has been on the line in history, not ours, but in general, was really just an attempt to make things available to people because if he hadn't done it, there wouldn't have been any place to get things. He...as I said, he went up to Virginia and got a herd of fine Guernsey cows which he was very proud of. And he encouraged all the employees to have a cow.

He would furnish a fine bull so that they could have good cows. You know. That was for milk.

He established a library, which really didn't have many books, but it was an attempt to think in terms of advancing the town. He just did dozens of things. I know there was an elderly lady that probably nobody much in Diboll remembers, he brought down from St. Louis. She was a very spiritual person and a Christian Scientist, I think. May not have been, may have been something else. But anyway, she was a fine lady and he put her over in the commissary and she made a point of....she did two things. She made certain that some nice things, like they always had a wonderful selection of really nice lace. I can remember that as a

ML: One of those details.

AT: And she... But she was interested....she was really a social worker. He brought her because she was interested in the people and the ones that were having a hard time. He did dozens of things like that. I can't think of them all. But he did it because he considered the people of Diboll, his people. They were....They were...and are to this day a business family. And he was always more interested in the poor than in those who were getting along real well. He brought in some managers. He had a lot of good people. But...of course in those days it was regarded as a big mill and did spread out all over every thing, but it really wasn't that big of an enterprise. It was ... it went through a period of expansion; I can't make this flow in a continuous way.

He was...as I said, he was generous with others but very tough on himself, on his family. Didn't spend any foolish money. Gave away a lot. And all of his children including my father and his sisters were the same except Latane's father, who was sort of the black sheep of the family. He was quite a womanizer, and quite a drinker, and quite a hell-raiser. But really one of the most interesting and best of the bunch, he was really a great guy. If he had been directed in the right way he would have been probably the outstanding member of that litter.

But T. L. ... One of T. L.'s problems was that he gave away everything. If he liked a person he would... even if he was broke, he would write them a hot check, you know.

The girls were all very frugal, very frugal. I can remember one time that ... after I went to Diboll and took over, and the girls... My father's generation were all living and I was trying to appear to be a little more business-like than in the past. And we had regular board meetings and I never will forget, we had a big table that we used as a director's table. So I told Latane, who worked for us then, I said, "Go out and buy a nice.... We have such an ugly table, go out and buy a nice piece of pool table felt and cover that damn... awful looking table and make it look nice." And he did. And my Aunt Gertrude came down to that meeting. She wasn't on the board, but she came down because I was trying to show the family what they had. They didn't really know what they had. And she looked at it. Afterwards she came up and said, "Arthur, how much did that table cloth cost?" And I said, "Eighty-seven dollars, Aunt Gertrude." She said, "That's a terrible extravagance" And this was a pretty big company at that time, relatively speaking. I'm merely giving you that as an example.

ML: What year was that?

AT: Oh, I would say that was probably about '51. But anyway... but they were also very frugal with themselves but very generous with other people. That's the truth. The.... They were almost reclusive and knew nothing whatsoever about the company or what they owned or anything like that. I remember when I first came to Diboll, I started looking at the balance sheet and at that time our ration of current assets and current liabilities was real bad and I started checking to see why. The reason was that during the depression the company needed the money to try to keep everything going and they formed the habit of not taking their dividends and just letting the company bank them for them. And the company got the use of the money. And so I started looking at the balance sheet and wondered why we had all this debt. Well, it was owed to the stockholders. Their dividends they had never cashed. So I insisted that we pay them. And they didn't like it at all. And didn't know why we couldn't keep them it for them and when they needed some, they would just write us and say, "Send us some money." But we got a real good balance sheet in a hurry by just simply paying off the shareholders the money that they had left on deposit with us. Sort of like a bank.

The.... You know, the housing and everything was intended to try to help the people get by. They had a terrible time... We had a terrible time and the people that worked for us had a terrible time during the depression. There is a lot of stuff someplace that would really explain all that. It may be up at Stephen F. Austin. You know, we gave all those old papers to Stephen F. Austin.

ML: Yes, we have already started going through them.

AT: Well, somewhere and I don't know where, I thought I had them in my desk, but I don't know. Were really... heart-rending letters. I remember the commissary, of course, extending credit to the employees to try to keep them going. And of course, they make practically nothing. But it was people.... People don't understand that we actually didn't... we had a good bit of land but other than that we didn't have any money. And to keep people eating we would let them have flour, sugar and salt and probably salt pork and things like that. But we would extend credit to them. We got to the point where we couldn't pay our bills. And I've seen letters where Dad wrote to I believe it was Bealey's Flour Mills, asking them to... they had written and said they couldn't extend us any more credit, and asking them.. telling them the fact that we were helping the people, trying to get them to ship us one more car load of flour, you know, so that we.... But there was a long and tough period there, and I was just a kid, I was born in 1920 and I guess the depression was about 1930, '31. The depth was in '32. I use to sleep out on the sleeping porch with my father. We were very close. And ... well, let me back up just a minute. Mr. L. D. Gilbert was general manager of the company prior to that time. He died, I think, about '32. And my father took it over. Mr. Gilbert had gone through during the twenties when everything looked pretty good and relatively speaking they were making good money. And he had gone through a big expansion. They had bought some land, it really wasn't all that big of an expansion, but it seemed to be big.... The scale of things at that time. And so when the depression hit, we ... we owed a couple of million dollars and we didn't have any way to pay it back. Dad would call the bankers

and they wouldn't even talk to him. I never will forget, one of the bankers that was involved was Boatman's Bank in St. Louis. They called a creditor's meeting. And they were going to throw us into bankruptcy, and Dad went down and put on the very best performance he possibly could. I'll never forget how nervous he was before he went down there. 'cause he... I started to tell you that we slept out on the sleeping porch in Texarkana and Dad never slept. For a... hell, I guess two or three years he just almost didn't sleep because he was worried sick about this debt that had been created in the expansion. But anyway, the bankers wouldn't let us have any more, they called a creditor's meeting, Dad went down and put on his best act and had all the big bankers that we owed at that time. The three principal ones were Boatman's Bank in St. Louis, South Texas National Bank down in Houston, represented at the meeting by a Mr. Gossett, and by Fred Florence at the Republic Bank. And ... they heard the story and Boatman's National Bank said well, you ought to get rid of these retail yards. We had a number of retail lumber yards around the state at that time. And Mr. and Dad said, "Well, Mr. Boatwright.".... Boatwright... I think. "Well, Mr. Boatwright, there is no way in the world that we can sell those." Nobody Nobody would buy anything. There wasn't any money, you know. Nobody had any money. And even though they had value, you couldn't sell them. People today can't understand that, but I can remember it. There was no money. And ... Mr. Boatwright said, "Well, get rid of them. They are loosing money." He said, "We can't get rid of them." He says, "Well, anyway get rid of them." He says, "Throw them in the gulf." My dad quoted that to me a hundred times. And ... and Mr. Gossett supported Dad, but Mr. Florence was the wonderful banker and I suspect we owe Mr. Florence more than we owed any of them. Anyway he said, "No, I'll tell you what let's do. These people are honest. There is no money. And we have a choice of taking them over and throwing them into bankruptcy. And we don't know a damn thing about running sawmills." Which is all we were then. And he said, "I'll tell you, these people are honest and they will do everything that they possibly can. They will do a better job than we can. And I vote we stay with them." And they did and that turned the day. And from that day,... within two years, by making tremendous sacrifices, Dad had paid off what seemed like an awful lot of money then... two million dollars. And ... he never forgot.... of course, he never forgot Mr. Boatwright either, but he never forgot Fred Florence and Mr. Gossett. And today the Republic Bank is our principal bank, even though we're.... we normally wouldn't be located there. We probably would be doing business with a New York bank. But today Republic is our principal bank and I'm on their board and executive committee. And ... I had the opportunity.... I didn't know Mr. Florence of course then, I was just a kid... but some years later I was at a meeting and Mr. Florence was there and I told him that story. And... he remembered it. And ... I told him, I said, "Mr. Florence, you know, it was ... that was really tough. But I know that you have done a lot of favors for a lot of people, but I just want you to know...." And that was before I was in Diboll, I was working somewhere else. "I just want you to know that most people forget when they don't need you any more. The favors that you have done for them in the past. But I just want you to know that that I won't ever forget it." And... I think it impressed him that I knew it.

So then sometime later when I was running the company, a good bit later, we wanted to put in... we wanted to expand. It was the first big expansion outside of the lumber business that we had ever done. And it was going to require six million dollars,

which was more money than we had ever talked about spending on anything. And ... I went up to see Mr. Florence to see about the money. And he called Oran Kite, who was the number two man in Republic Bank, which was a big bank by then. And.. he said... he listened to my story about two-thirds of the way through and he said, "Oran," said, "I've got to go to a meeting. But I have heard all I need to." And said, "These are good people." And said, "Arthur is going to..." I was just about twenty-one, no, I guess I was about twenty-four then. He said, "This boy is going to be important to this bank" and said, "You let him have the money. You let him have it at the prime rate, fixed or if you want to, let him... whatever he wants, let him have it to float with the prime rate to go up or down." But he said, "You take care of everything he needs." And then he turned to me and said, "Arthur, you go make the deals. I'll furnish the money." Which was a ... you know the story is not about Fred Florence but... he was an important part of our success. I mean his attitude. In Dad's day and in my day. And.... Of course, saying that to a kid who had that responsibility. I guess I was older than that because I didn't go to Diboll until I was twenty-eight. But it was right after I went to Diboll. But to say that to a kid was certainly not typical of a banker. Now bankers will let you have the money if you can prove that you will pay them back. I mean any of them will. And most of them when they say, "Well, we will let you have that but then they spend about five minutes impressing you with how good they are being to you and what they are doing for you. But he was such a wise person that he undertook to think I was important enough to flatter me. Now I knew he was flattering me at the time. I wasn't fooled about that. But for him to go to the trouble to flatter me was the great thing. That he really did think that I could do something for that bank. And you believe me, I have been breaking my neck ever since to prove that he was right even though he is dead. That is beside the point except that it did have an important effect on the company. Not only to keep us from going into bankruptcy, he kept us from going into bankruptcy.

The way Dad paid off all that debt. The government came in and in an almost unmerciful way... they knew how badly we needed money to keep our people eating... just to keep them eating. That they bought probably the best timber land we had for the government ownership. They paid us, I think, two dollars an acre. And it had beautiful timber on it. They just robbed us but that was the only place we could sell it. And we had to have the money. We sold them, I think, a hundred thousand acres at two dollars an acre. But two hundred thousand dollars probably was one of the most important things that could happen to us.

I'm rambling.

ML: Can I ask you something?

AT: Sure.

ML: One of the things that has interested me, in thinking about your company as it grew, was the relationship between a centralized, coordinated policy and the many different spin-off enterprises that there were. I guess, the way to express this best is to say that I'm interested in the relationship of the central policy to local initiative and management and how that balance was negotiated, juggled. To what extent were general

managers ... in charge of the local mill operation, given a great deal of autonomy. Or to what extent were they very closely monitored?

AT: Well, I don't know that I can answer that really. Because it is a little bit pretentious to call anything... are you talking about the early days?

ML: Well, I would kind of like to hear a histori...

AT: There really wasn't any of that. And I don't mean to be taking credit. There wasn't any planning or anything like that until the time that I went down there.

ML: Well, you should take credit.

AT: Well, it was... it was... you have got to understand that when my grandfather came down here and bought the first six thousand acres, which he probably paid a dollar an acre for... back in the eighteen-nineties. He ran it ... out of his hip pocket more or less. He lived in Texarkana and came down to Diboll on mill visits from time to time, had managers that were good men at Diboll and later at Pineland and other places. But he wouldn't have known what you were talking about... about policy. Of course, he did have some policies. He had the policy of taking care of our people.

ML: So it was more like an attitude.

AT: It was an attitude entirely. And any pretence that it was a formal policy would be ridiculous, because the truth is he lived in Texarkana and he didn't think there was anything strange about living in Texarkana while the operations were someplace else because that was where he wanted to live and it was his mill. He had given some stock to some of his key people and ... they... their families still have that mostly. But... unless you call that a policy, he didn't have any policy.

ML: Well, talking about this attitude... this special attitude, do you think he first came to Texas with the idea... not only that he was going to build a sawmill, but that he was going to found a town?

AT: No... No, No. See he was the son of an Episcopal minister in Virginia and at a very young age, and I'm not sure what, I've always... my father always said thirteen, so I will assume that is right. I've heard other figures, but when he was just a kid, his father lived in Miller's Tavern, Virginia. And incidentally I just went back up there and bought the old home place, eight hundred and fifty acres.

ML: Oh, great.

AT: But... his father was an Episcopal minister and his father before him had been an Episcopal minister. And strangely enough, he must have been a very stern person because he was awfully hard on my grandfather. And there was no love lost between my grandfather and his father. And he ran away and went and lived with Harry Walker's

family, who was a cousin. And later he followed his older brother, William...and John...his older brothers William and John, down to the area around Texarkana, but it was out in the country. And Uncle Willie gave my grandfather a job on his farm plowing. And he plowed for a few days and one day, and I've heard him tell the story so I know it is true, he just left the mule in the field and he walked to Texarkana which was about twelve miles, right down the railroad track. And as he put it, his first ... he got a job and his first position as he said it, was sweeping out. He worked for the county clerk there for a little while but... and I don't know how he got interested in the lumber business. There was no history of lumber in our family. They had all been ministers and that sort of thing. And ... but he went to ... Atlanta, Texas, and established a ... no, first he went to ... I don't know which one was first. He went down to Atlanta, about twenty-five miles away and established a little sawmill. And then he went up in Arkansas... I really think I've got it backwards. He went up to Arkansas over near El Dorado or someplace and established a little sawmill which he called "Southern Pine Lumber Company." It went broke. Somehow or another he went and got the money and I think then he went to Atlanta and may have made a little money there. Not much. Then he came down. He had undoubtedly heard about this area that was largely unpopulated and lots of big timber. Came down and bought the first land at Diboll. But the mill he put in was a little old rinky-dink mill. But he was successful I guess because the times at that time may have been a little better. And of course, all the lumber was shipped up east in boxcars. And ... it really was a very small operation and ... he was ... by those days considered quite successful and he made some money. The depression just about wiped him out as I said. And my father had to take over the operation because my grandfather really by that time couldn't cope with it. He had been used to being successful and he just He just couldn't face the...the problem. But as policies, I'd say the only policies he had were to acquire land, grow the business, treat his people awfully well, and ... you've got to remember they were all isolated. Diboll was...could have just as well been two hundred miles from someplace.

ML: It was just a whistle stop.

AT: That's right. And you know they even put out their own money. You've seen that.

ML: Yes, I sure have.

AT: Now that wasn't uncommon. There wasn't any way to get money to Diboll, if you had it. I mean, you would have to send it down on a train or something. And so they issued their own money which was useable. And if somebody really had to have United States legal tender, well, they could bring it in and if they could show that they really had to have money, well they ... they probably cashed the company checks for money.

ML: Let me turn this over.

AT: But it was of course, paternalistic in the extreme. It was a family. And it was almost as if they were blood. And ... I don't guess that anybody ever got turned down for a legitimate emergency. I think they were probably pretty tough in determining what

an emergency was. But, you know, if somebody's child were sick or something, then it was tended to. Of course in those days, we had company doctors. And for seventy-five cents a month, well, that was your total medical expense. And the individual paid that. They did that when I went to Diboll in 1948. For a number of years we had company doctors. And incidentally it worked pretty damn well. We had the... it really... when I abandoned that was when number 1, it was easy to get to Lufkin. But when I abandoned that was when I realized that the problem was that most people had worked really well but there were a lot of hypochondriacs as you can imagine. And... you know, they would call the doctor out every time they had a toe ache and the doctor would get tired of it. So finally he wouldn't answer certain calls. And sure enough it was obvious that somebody was going to die with a legitimate appendectomy that he just assumed was just another gripe. So that's what is wrong with socialized medicine. We were in socialized medicine for years, and it worked awfully well in most respects. But ... we got out of that. Then we sponsored... we built a little clinic and gave it rent free to a doctor we had brought in. And encouraged them to have a private practice and in that way we got out of it. Of course in the meantime you had health and accident insurance and all of those things that took the place of our little socialized medicine scheme. But... you know when my first child was born in 1939, I had doctor J. C. Clements, who lives in Lufkin, incidentally you ought to interview him.

ML: Dr. Clement?

AT: J. C. Clements. But he was the company doctor at that time. I didn't work at Diboll. I worked in a lumber yard up here in Lufkin. And ... I never will forget the total cost of prenatal care and delivery and postnatal care was thirty-five dollars. And I wasn't even... I was a member of the family, but I wasn't a member of the socialized medical system. And Dr. Clements is still my principal doctor, although his practice is somewhat limited. He could tell you a lot of good stories. And he was there during those days. I think he must have come to Diboll about 1935, something like that.

ML: May I ask you another question?

AT: Sure.

ML: Okay. I'm interested in the evolution of the leadership role, maybe. I don't know if you regretted this characterization of it, it seemed to have moved from a company that was being build around an individual, your grandfather, to a company.. corporation in a more modern sense where...

AT: That was during my time.

ML: More during your time.

AT: What happened was.... You're right, it was built around my grandfather. My father's role... he took over at the death of my ... well, before the death of my grandfather, when the depression was so oppressive. And Dad... Dad's entire role was to

pay off that debt. And then when I came to Diboll, I was full of beans. I was just twenty-eight years old. And I had been working for the company in one of the lumber yards, and I had had a pretty good experience and I had been fairly successful individually and established a few little companies. And I was getting along all right. But when my cousin, Henry Temple, who was a wonderful guy, and lived in ... he built and lived in the house where I live in Diboll now. And he died probably at the age of sixty-three in 1948 and I had just the month before resigned as manager of the lumber yard in Lufkin because I figured I ... it was just costing me too much to sit down there at \$320 a month and run that lumber yard when I had my own businesses I was running on my spare time. So I resigned, but then Henry Temple died. And Dad came down to see me and he said, "We've talked it over and we want you to go to Diboll." And I said, "Dad, there is no way I can afford to go to Diboll. I don't know anything about it, except what I have just picked up." And he said, "Well, we think that every member of the family has the obligation to do that sort of thing. And we think that you have the obligation." And I said, "How much are you going to pay me." He said, "Well, we'll start you out at ten thousand dollars a year." And that sounded like so much money to me at that particular time that I said, "Well." And of course, what he said was true. We've always had the feeling that the company was more important than the individuals in the family. The company is the family. And so anyway, I did it. And I went down there and sought out all the old timers and there were a lot of them. And they all pitched in and helped me. And taught me everything they knew. And ... then I immediately wanted to build the company into something bigger. And Dad was quite shocked. He said, "Why do you want to do that? You're getting along all right. We don't need anything else." And I said, "Because I want to provide opportunity for the people. I want to have a enthusiasm and I want everybody to be interested and you cannot sit still. You can't sit still with this ramshackle old mill down here." So I immediately went out and we sent people over to A&M and we hired engineers. I got Harry Boveau in Houston, he was one of the outstanding engineers in the country, to come in and do a study. I didn't see why you couldn't build a sawmill that... instead of just patching it constantly wouldn't... couldn't be built to modern standards, you know. A mill that you could run several shifts a day without shutting it down to repair it. And ... I didn't see why we couldn't put a lot of automation into it. We were beginning to think in those terms. And ... some of it was looking back was... by today's standards was fairly primitive, but it was quite remarkable in those days what those engineers came up with. And they invented some things.

ML: I bet they had to.

AT: We very quickly got a reputation for being at the forefront, the cutting edge for modernization. Everybody in the industry said, "Young Arthur is going to break that company. He is spending all that money on that operation down there." Sure enough, as soon as we were operating, it was obvious that what we were doing was right. And then mills all over the country started modernizing. But we brought in engineers, we brought in people who were accomplished technically. And in a lot of ways... we... every facet, we tried to do what would still be considered, I think, modern management. We brought in experts from A&M to train our foremen. We've put in a sophisticated personnel

department, we called them in those days. Today it's called human... something. Anyway, we tried to ... we adopted the... the motto "Do it right, but do it right now!" and it still works.

ML: I can see that!

AT: We just told people to quit telling us things. Put it in writing. We... as much as we could, and as fast as we could, we raised wages. And demanded that people do good jobs. We ... we let them know that we thought that dealing together as a team was better than dealing through a union. And we fought pretty hard not to have a union. Not because we were worried about pay or any of those things, because it wouldn't be any fun. We were having a lot of fun in those days. It was just fun. Every day we could see accomplishments. And we were buying timber land and getting some good buys and we were growing and we were looking at new developments. I guess the first one was fiberboard. I wanted something besides a damn sawmill. I wanted something that would look modern and would flow. And pulp will flow. And we couldn't build a paper mill, so we decided we would put in that fiberboard plant. And it was immensely successful. Really good. And... probably the best one that has ever been built. And it... but gee, there is just so much of it, I just feel helpless when trying to tell the story.

ML: I can imagine. I feel helpless when trying to ask the questions about the story. But I wonder if you would mind if I came back as the project goes on and maybe ask some more questions?

AT: Sure, but I'll tell you the thing that was really keen. You ask a question a minute ago. The thing that was keen was that I didn't know too much at age twenty-eight. Now I knew about doing business and I had been involved in a lot of business. But I didn't know a damn thing about the lumber manufacturing business. And ... I did have a lot of old timers. But I also brought in all these young guys. See Joe Denman was one of that class. That first class. And Stubby wasn't far... Horace Stubblefield wasn't far behind him and John Booker was one of them. But we brought in these young engineers and they were full of beans and they didn't know that you couldn't do certain things, so we just did them, you know. And we had more excitement and more fun and we just... and every Saturday... you know we worked on Saturdays in those days and on Saturdays we would have the equivalent of a big staff meeting. And it was just a big bull session. A brainstorming session was what it was. But that was when we really worked out the things that we wanted to go into and to do.

ML: Did you ever hold any of those meetings at Boggy Slough?

AT: Oh, we had a lot of meetings at Boggy Slough, but we usually had them in our office at Diboll. And we had some of the damnedest arguments. We would... everybody always of course said what they thought. And... you know... we would practically We used to joke. It was almost as if we would get down on the floor and fight. But when we got through it ... everybody worked together, you know. And as a result, of course we knew everybody on the plant and all their families and so forth, and we all... when we had a victory of sorts, well everybody felt that it was their victory. We made a point

never to have any secrets. We didn't have a head office that was separate from the people. Anybody in that plant could walk in and find out any damn thing they wanted to about what I was thinking, what Joe Denman was thinking or anything else. And... of course, over the years a lot of abuses had grown up that we found that we had to stop. Some people were taking advantage of the situation. But we gradually got the thing just damn clean. And it was an exciting time. That I'll bet you Joe Denman would like to be able to do now.

ML: Yes.

AT: I know he would.

ML: Can I ask you about the ... the sense the managers had of being involved partly through these brainstorming sessions and so forth, but partly through their part ownership of the company?

AT: They didn't own much of the company.

ML: They didn't own too much.

AT: No, very little. No, as I said, my grandfather gave some of his key people a little bit of stock, which you know was usually something like fifty to hundred shares of stock. But now since I have been there, that stock has been split something like three hundred for one. So as a result, it is of some consequence in many cases. And some of those families still have it. But... what my grandfather did was very small in a sense but it was practically unheard of in those days. Who ever heard of giving somebody stock in the company, you know. ... But the main thing was that the old timers got over their reticence to participate with the young people. And the young people would really try to learn from the old guys. Mrs. Purdy is one of the old timers. Have you interviewed her?

ML: I haven't personally, but she has been interviewed.

AT: Well, Mrs. Purdy's husband, Walter Purdy, was the planer foreman and supposed to be the greatest in the world, and he was in many respects. But I never will forget, he was one of the ones that would not cooperate with me.

ML: Really?

AT: And he was getting so old, he... hell, he was past normal retirement age at that time. And so finally, I called him... this was typical. Finally I called him in and said, "Walter, you know I hate to talk about it, but you are getting old. And you are the greatest planer foreman in the world and everybody knows that. But you will not train anybody. And you have simply... you've got so much knowledge in that head of yours. You've just got to help me and train somebody." And after about the third visit like that, and you know... we would put somebody out there and he wouldn't teach them a damn thing. And after about the third visit like that, he said, "Arthur" and tears came in his

eyes... and he said, "Arthur, it's just not fair. It has taken me all my life to learn what I know and you want me to just give it to some young fellow." And says, "I just can't do it."

ML: Oh, my goodness.

AT: But after that he did do it.

ML: He got it off his chest.

AT: Yes, Yes. I guess that was it. But he was an absolutely marvelous person, and I would hope that my telling that story wouldn't offend Mrs. Purdy, 'cause she was a marvelous person too. But you know, we have had hundreds of people like Mrs. Purdy. Lord knows the good things she's done in the community. Another thing that probably would be worth talking about sometime is the... when we started Diboll Day.

ML: Yes.

AT: Now we started Diboll Day because when I first went to Diboll, because of the paternalism that existed in the past and its isolation, if anybody had a problem, personal or otherwise, it came to my office. I have granted lots of divorces.

ML: Wow.

AT: I wouldn't want to put this in any of the typing...*[at the interviewee's request, this portion was omitted from the transcript in 1985.]*

AT: Well, it was so paternalistic that it really wasn't ... at that stage, it wasn't good. The average rent on a company house was four dollars a month. At one time, prior to that, electricity was free, such as it was. And you know, people wouldn't think for themselves. They wouldn't do anything for themselves. And as a result, they didn't have the initiative to do the things I wanted them to do in the mill because I wanted them to develop into really great people which they were basically. But they had been so used to being treated as children. So we put on a program and sold everybody the houses that wanted them. The ones that didn't, we sold them to somebody else. They thought at first that we were trying to take advantage of them. The story got out that we were going to shut down the mill and we were trying to get rid of the houses. And you know... we sold a perfectly good house for a thousand dollars. And finance it fully. To get them to own their own homes and understand the problems. Because these people that were paying four dollars a month for rent would come in and want me to spend five hundred dollars to add another room because his daughter came back... she had got a divorce, you know. And ... there was just no independent thinking at all and it carried over into their jobs. So I hit on with Latane, I'd say, I don't know whether he thought of it or I did, but we decided we were going to start having Diboll Day. And we decided we were going to quit giving everything which we've a little bit gone back to, since we have the foundation. But we decided, we're going to bootstrap this thing. And everybody is going to participate. So we started working on that angle. And Diboll Day created such

a wonderful feeling. It didn't raise much money at first. But it created such a wonderful feeling. Everybody worked together and had fun doing it. And it was sort of contagious and I give Diboll Day credit for a lot of what you first asked me when you came in here. Everybody working, including us. We had a motto, "There are no big shots in this company. There is no royalty. Anybody can come in my office and ask me anything they want to ask."

ML: That is something people concentrated on, over and over in these interviews. Why anybody can walk in...

AT: That's right. And I'll be honest with you. I don't like that damn fancy office across the highway now either. It's a lovely office and it's necessary. That's one of the things about being bigger. You know, I liked it when we had our stinky old offices over by the plant because people would come in. They would walk off the job and walk in there and ask you what they wanted, you know and that was great. It was just terrific. And it also kept me up-to-date on everything that went on, you know. Everybody would come in and talk. You learn more accidentally than you do on purpose. I hate meetings. The greatest meetings are the ones where somebody sees me in the hall and he says, "Boy we've got a hell of a problem over here." And you know, you stand out there and talk about it. You accomplish more accidentally than you ever will in those meetings that we have incessantly now.

ML: Well, you know we are getting pretty close to the end of this first hour of tape and that was all that I had planned to do today. I have another tape but I kind of think maybe it would be better if I were to ask your permission to come back another time.

AT: Sure I would love to, but I've got about fifty hours of this stuff.

ML: I bet you do.

AT: And a lot of it isn't any good, but ... you know, there is a whole story about timber lands and Dave Kenley, who looked after the timber lands and Boggy Slough and the part that it played in the evolution of it and There is a whole.... Sometime I've got to tell you the story of how the Temple Foundation was created. It's related to the first part we talked about, about the feeling in the family. Have we got enough for me to tell you that briefly now?

ML: Sure, I think we do.

AT: Well, Aunt Georgie had two... she lived in Texarkana. She was my father's sister. And she owned of course, a good part of the company. And ... She had two mongoloid children which was a real tragedy. Her husband had died. She probably did not spend, and this was in I'm going to say the late fifties, she probably didn't spend three hundred dollars a month, although she was a very wealthy woman. And in fact, she had always kept chickens and because she had chickens she had eggs and she also sold the eggs to her neighbors. Now she didn't go out with a pushcart or anything like that. But

she wanted to dispose of the eggs to her neighbors, so she sold them to them. And ... she always drove an old car, until my father finally made her get a Cadillac. She was a

marvelous person, just tight as Dick's hat band with herself and her family, but generous as she could be. So one day we were riding down to Diboll from Texarkana, I don't know why, but Temple Webber and I and Aunt Georgie were riding down there and she was getting pretty old. And I said, "Aunt Georgie, what are you going to do with your money when you pass on?" And she says, "Well." She didn't like to talk about money. She says, "Well, Arthur, I thought everything I have came from the company. I thought I would just give it to the company." I said, "Well, Aunt Georgie, I think I understand what you mean, but you don't want to give.... Nobody gives money to a company. You know what I would like to see and what I think you mean, is I'd like to see ... you are a very rich women. I know you don't like to talk about it, and you don't need much for your family. You have already taken care of the girls with trusts. But the rest of it, I would like to see you establish Give it to the Temple Foundation." Which was a little bitty foundation my dad had established. I said, "I'd like to see you give the money to the Foundation to be used first, to help our employees. Second, to create a better life in the towns in which we are involved, where we are an important part. And beyond that if there is something to help the people in the thirty... at that time twenty something counties in which we have very large land holdings. In which we have an effect on. She said, "Yea, that's what I would like to do. That's wonderful... that's just what I would like to do." So we drew up... got our wills drawn up and everything and sure enough she left it to them. And that's worth about a hundred and fifty million dollars now. And every bit of that money, with very tiny exceptions goes into this thirty county area and into the places where we now have operations, like some goes to Austin where we have a presence and a little goes to Houston. Well some goes to the hospitals and to the Anderson Foundation because our people go down there is the logic. But everything has some reason. Going back to our neighbors, our employees, but principally our employees and then the towns to make a better life. And you know.... It really has been a wonderful thing because there aren't many... this is a poor area. Even though Lufkin is a relatively wealthy town. East Texas is really pretty poor and there aren't many foundations to help. And we have... we have that thing that she created just that way. And yeah... and you know, she wouldn't She wouldn't spend any money on herself. She wore the oldest clothes you ever saw. She was a lady. I mean she was an elegant person, but she just thought it was sinful to spend money on yourself.

ML: You know, you hear stories like that about Texans.

AT: Well, I can tell you that it was true of her. But her sisters were the same way. I guess that is the thing I am the proudest of the family. They have all been like that.

ML: Well, I can see that you enjoy having been a part of this family.

AT: Oh, Lord.

ML: Enjoyed the time.

AT: Oh, it's been fun. It really has been fun. You know you know every plant we built, every hunting club we everything that we did was fun. And it was mainly fun because we had this great combination of wise old country people that were just real ... really good saw millers Counterbalanced by these young tigers we had hired out of A. & M. and Texas and places that were trying to make a mark, you know. And they could see what the potential was. And the arguments back and forth. You had the old guys pulling back, not wanting to step out. And you had the young guys pushing ahead and it's a marvelous combination.

ML: Sure can tell... well gosh, I have just enjoyed the heck out of this. And I hope I get to come back.

AT: Well, I apologize for the fact that I can't keep from being sentimental about it.

ML: It's wonderful. It's real refreshing. Well, I'll come back and talk to you about Boggy Slough and a bunch of other things.

AT: Okay.

ML: Are you going to be away this summer a lot?

AT: No, not till August. I'm going away in August.

ML: Maybe in June or July, we could get together.

AT: Any time that I'm here. Betty can arrange.

ML: Okay. Good. Would you like to wait to see the transcript to

END OF TAPE

END OF INTERVIEW