ARTHUR TEMPLE JR.
Interview 56b
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Megan Lambert, Interviewer
Dorothy Farley and B.J. Capps, Transcribers

ABSTRACT: In this second interview by Megan Lambert, Arthur Temple Jr. discusses in detail his philosophy of business management and practices. He gives early biographical details about his own life, education, and job training. He discusses labor relations and recounts milestones in Southern Pine Lumber Company's development from the 1890s to the 1980s. He also discusses the creation and establishment of the Big Thicket National Preserve, wildlife management, the establishment of hunting clubs, including Boggy Slough Club, and cattle ranching in East Texas. Persons mentioned in some detail are Dave Kenley, Arthur Temple Sr., Henry G. Temple, Latane Temple, J. J. Ray, L. D. Gilbert, and Geraldine Watson.

Megan Lambert: This is Megan Lambert recording Mr. Arthur Temple, Jr. in Lufkin, Texas. This is the second interview I am doing with Mr. Temple. My letter was about business practices, in particular, decision making and the fun of the rough and tumble Saturday sessions that you described and I said that I had made a kind of specialty myself, as an anthropologist. In looking at how groups of people made decisions and that I had a particular feeling that certain corporations and certain groups of people were destined to succeed in what they did because they discovered that secret of how people can all be drawn into the process of making decisions. This is something you seem to have done so successfully and I wonder if you would comment on whether it is something that you consciously went after, or that your family and the corporation consciously went after, or was it something that evolved at work?

Arthur Temple: Well, I can't really say how my predecessors did, but, yes, it was a conscious effort on my part. One of the hardest things to do in an organization is to sincerely encourage people to express themselves. People try to wait and see how I feel about something, and then they would usually agree. The technique that I used in those meetings was to present a problem, and I would frequently and deliberately argue the other side of the thing to encourage people to take the other viewpoint. Then we would finally get down to the point where people would really express what they thought. I really do think that we, I guess all heads of companies, feel that everybody expresses themselves but I really do feel that people weren't the least bit hesitant to take the contrary position to what I did. I hope that's true. I know it was true. We had not only freedom of expression, but we had a practice of bringing in additional people, people who wouldn't ordinarily be included in those meetings to try to get some more viewpoints. The most important thing is for, let's say a lumber stacker…he had an idea of something that would improve the operation, even if it didn't involve his particular job. He's generally afraid that he will look ridiculous if he suggests it. It wasn't just the officers of the company who attended. Frequently we would go pretty far down into the operations

in order to get fresh viewpoints. We also did a lot of things that are "old hat" now but we made a very big effort to get ideas coming up from the bottom, from people who were actually handling and stacking lumber because everybody out there secretly knew some things we could do better. The trick is to get them to feel it is important to contribute their ideas and I think we were very successful in getting that done. Then, once you get it started, that process of bringing ideas up from the bottom feeds on itself. The important thing is to take the good ideas and let them know you appreciate it and at the same time, don't flatter people who bring up bad ideas because they can see the insincerity of that. I think it just gets down to a few fundamentals, like sincerity and general interest in people, in their welfare, that sort of thing.

ML: And not having secrets?

AT: That's right. We made a big thing of saying, "We have no secrets."

ML: Where did that start, would you say?

AT: Well, you know, I don't like to talk about me all the time but I think I am the one who started it here. When I went to Diboll, I think there was a feeling that people weren't supposed to ask certain questions. I don't have anything in particular in mind but we didn't expect anyone to "stay in their place." We tried to talk up the fact that we don't have any big shots in this company and nobody has the right to hide behind his position and it worked very well for us.

ML: That is the story I hear all over. About successful brainstorming and successful business decision making groups. People managed, at least for the time of the decision making, to put everybody on a reasonably similar level so that people don't have to fear the…

AT: I know one of the things we did. When we moved into the old commissary and remodeled it for an office, which was the first time we had room for everybody to be in one building, I put in a coffee bar. Now that is standard practice nowadays, but the reason I did that was that people would come in there and have their coffee and invariably we would get little bull sessions going. Talking about our problems or our triumphs, or whatever else we had. I've always said that I hate meetings, formal meetings, because I don't think you really bring up the important things. Generally speaking, at formal meetings, everybody feels he has to make a speech. In the office bar, you would accidentally meet someone and say, "Gee, Joe, what about so-and-so?" They'd say, "I'm glad you brought that up. I've been wanting to talk to someone about that." You accomplish more with accidental meetings, in my way of doing, than you do with planned meetings. Because there is no speech making, there is no audience to make speeches to, and that's one of the axioms that I have always followed.

ML: It sounds like it is just sensible application of basic human relations.

AT: That's what it is. No pressure but, on the other hand, I have a great honor of these experts in human relations who go around flattering everybody. When Bill Jones does his job properly, they go and flatter him when he knows very well that he doesn't deserve to be flattered about doing his job like anybody else would do it. The insincerity that goes with deliberate flattery, I think, is counter-productive. But, on the other hand, when somebody does something that is far and above what he is being paid to do, or has an idea that's really something you wouldn't expect him to have, then I think you can be extravagant in your praise because there is really something there to hang your hat on.

ML: Yes, and you are likely to get more if you praise them.

AT: But those are the little things that I think worked real well. I was thinking about our previous conversation and you talked about the policies and the way it involved the people in Diboll. I guess I think the most important policy that we operated under, was the fact that a successful business has three constituencies that I think are important. The shareholders, the employees, and the customer. Now, some people put the shareholders first. Some people put the other two first. We thought, and still do, that the two constituencies that are the most important of those three are the customer and the employee. Because, if you take care of those, the third will damn well be taken care of. Successful business has to care how it is regarded by its customers or it won't be there very long, so that is a sine qua non. But the employees would participate in the success of the company. I think the customer should participate in the success of the company. I think that is what happened to General Motors. They forgot about the customer and they found they could raise prices and they did. Finally, the customer got tired of it. That's what has happened to the unions, too. They put a lot of companies just about out of business in this country, but, if you take care of both, if you share, if you can have a dollar's benefit that derives from the company, I think it ought to be shared by all three of them.

ML: That's a real good way to look at it.

AT: I don't think many companies are sharing with the customers these days. The employees will get theirs and the stockholders and the officers get theirs. But it's a three legged stool and all three legs, I think, are terribly important. I think it was pretty successful early on in selling the employees that I was their Ombudsman, that they couldn't find anybody more effective than I was to talk to the stockholders to see that they were well taken care of. We quickly became the best paying company in the business that we were in. I'm not saying we overpaid, we sure as hell didn't. The happiest day of my life was when we could pay as much as other industries in the area because we didn't back in the earlier days, because we couldn't. When we got to the place where we could look at Lufkin Foundry and the Paper Mill and other places, and say we are really paying comparable wages for the particular jobs, that was the happiest day in my life!

ML: When was that?

AT: Oh, I'm going to say it was in the early sixties.

ML: Do you think of yourself as a kind of communicator among those three legs on that stool?
AT: Oh, yes.

ML: You were the one who basically held that together a lot of times?

AT: Well, not alone. I and the people around me, but it was my job to let everybody know that was what our policy was.

ML: Would you feel like talking about factors in your own background, up-bringing and education that might have fitted you for that roll of communicator?

AT: I don't know of anything that fitted me for it except that I think the family and my own immediate family, my mother and father, were inclined to be the same way. I guess they taught me whatever I know, good or bad.

ML: It's a good thing that the attitude you got from your father about "The company is the family" is something that had been going on for a long enough time so that when you kind of took over the reins, then there was a natural transition of what you were going to do.

AT: Yes, you see the company in capital gold letters. The company is the family and the family is the company. Any success for the company was the good reflection on the family. They were so intertwined that the success of the company was a matter of honor and it still is. I mean, if something bad happens to the company in Diboll today, even though I'm not running it, the whole family would feel it was a terrible reflection on them as a family. I think most private companies are that way. Of course, we are public now but it still has our name on it.

ML: You think that most members of your family take it that seriously, as a personal thing?

AT: In varying degrees, but the generation ahead of me took it absolutely in that way. My generation takes it that way. I think the following generation feels that way. They take great pride in the accomplishments of the company.

ML: I'm thinking also about other things you might have done prior to the 1948 time period. I know you were in business and that you had experienced several businesses before that, but other things you might like educational experiences.

AT: I didn't have all that much educational experience. I attended Texarkana, Arkansas High school, and graduated. My parents tried to send me, first to Culver. I stayed there two weeks. It was a military school and they would not let freshmen walk in certain places and a bunch of silly rules. I was a fairly mature young man…I was kind of an old

man when I was young. I never was in tune with that sort of foolishness. I think I would have enjoyed Culver if it had been just a straight out going to school, learning something and coming home. Later, I wanted to go to Lawrenceville where Latane went. Latane's father went there and I wanted to go up East. I had spent a lot of my time at my Grandfather's place on Long Island, every summer. One of my friends was up in the East in school and I wanted to go there, but I would have lost a year at Lawrenceville because of the courses I'd had the last few years in high school. I decided that was a bad trade-off so I came home…I'm finished. I was a good student at Texarkana, Arkansas, which, incidentally, was a damn fine school. Then I went to the University of Texas for one semester and I made good grades. I decided I would still like to go east and I enrolled at Williams. I stayed there about a week, and then I came home and went to work. I anticipated that my father was getting pretty tired of that so I stopped. I got off the train in St. Louis and went to a hotel and I got a job promised to me as a bell hop and having that in my pocket, I went home fully prepared that if he did kick me out, I had a place to go. He didn't kick me out. He was very understanding. I think he was pretty peeved but then I went to work for a retail lumber yard in Paris, Texas, that belonged to the company. I made $70 dollars a month but it really wasn't all that bad. I stayed in a wonderful boarding house and had a beautiful room and bath and three meals a day. It cost me $30 a month. I saved part of the $70 because there wasn't really anything there to spend it on. I was yard help in Paris which means that you loaded trucks, unloaded trucks, made shipments and did hard work. Mr. C.S. Record was the manager in Paris and he took an interest in me and started me keeping books. He and I both had plenty of time to study that because they did almost no business! It was during the depression, 1937, and there was no business. I can remember very well that most months we would do about $2,000 in sales. Nobody had any money so I learned to keep books fairly well and I also learned to be a draftsman. Mr. Record taught me that too. It was customary in those days, if a customer wanted to build a house, he would come to the lumber yard. He would draw him a set of plans, provided he would buy the material from us. I'll never forget one instance. There was a farmer outside of Paris, Texas, that I heard was going to build a little house on his farm. It was a little board and batt house, vertical board. It didn't have studs, you know, it was what they called "oil field construction." I drew his plans and I went out and camped on his doorstep for almost a week to get that job. The entire lumber bill, all materials for the house only amounted to $467.

ML: What year was that?

AT: That was in 1937 and I drew a lot of plans over a period of time and then I came down here to our new retail yard in Lufkin as bookkeeper and I had a terrible time getting organized. Lufkin was on a little bit of a boom at that time. They were building the new paper mill then, Southland Paper Mills and that was quite a project in those days. So things were much faster down here than in Paris. We took a suite of rooms in the Angelina Hotel and opened an office there because we began doing business before we ever opened the lumber yard. We had people actually seek us out and want us to help them get something built so I drew plans and I helped unload trucks. We didn't even have a lumber yard. We were building it but we were selling material out of the hotel and we were making money. Those were good experiences then. To wind up my

history…I was named assistant manager of the Lufkin yard. A marvelous guy, A.L. Banks was manager, a wonderful friend and terrific fellow, great philosopher, pretty rough old codger and he taught me a good deal. I became what they called in that day, "The Second Man." It was really the assistant manager but the assistant manager also had the privilege of keeping the books. I was doing both and I was also going out and unloading lumber. We had more business than we could take care of. One month the books wouldn't balance. I would come at six in the morning and stay until twelve or one o'clock every night and I checked every entry. I refigured every sale we had. I checked everything I knew to check. Finally, I called the Houston office and told them I just had to have some help. They sent the No. 2 over all the yards. Mr. McCollough smiled at me and said, "Oh, Arthur, don't worry. It's just some little old mistake somewhere. We'll find it." He stayed three weeks and we never did find it. Finally we just forced a balance on the books. I didn't keep books very much after that. We had a hell of a business there. We had 41 lumber yards and Lufkin was doing more business than any of them, including the ones in Houston. In 1941, FHA, which up until that time, only made individual home loans to individuals to buy or build houses, adopted what they called the "Title Six Program," which allowed an individual to get loan commitments on a number of houses. I heard they were going to build an ammunition plant up in Texarkana which was my old home town and I said, "They are going to need a lot of people and a lot of houses." I went up to Texarkana and optioned a piece of land and created a little company called TEMPLE CONSOLIDATED INDUSTRIES. Incidentally, the name irritated the hell out of the family because it sounded as if it was the mother lode. Really, it was just a little $10,000 company. We created that company and filed an application for 142 houses and we got the commitment. Actually, at that time, I went to the FHA Office in Dallas which had jurisdiction over Texarkana and they said, "We know about the program but we don't have any regulations on it yet and we don't know how to do it." So, I said, "Let's both learn together and let's get this application in." We did, and we got it and we built those houses. That was my first company. We built those houses and we were awfully proud of ourselves. The government wanted those houses to be rented and they required they be rented to the people who worked at the ammunition factory. They wouldn't let us sell them. We could have sold them at that time. A house like we built sold for about $4,000 or $4,200. Unbelievable! They were nice houses. They were two and three bedrooms and they wouldn't let us sell them. Then, I was drafted into the service and went into the Navy for a year. At that time, I had Mr. Ben Anthony, an elderly fellow who had been in the real estate business, look after and rent those houses. It made us a little money. When I came back, all of a sudden the government said we were free to sell them. In the meantime, a house that was to sell for $4,200 was worth about eight or nine or maybe ten thousand dollars. We made a ton of money for us in those days. When we wound that up, we built a project down in Baytown, Texas which was then Goose Creek. We didn't do quite as well down there because it rained and there was no place for the rain to go. It was wet and we just had a hell of a time.

ML: Oil Boomers?

AT: No! No! Exxon had a big plant down there and they were big employers and it was just a good place to go and build houses. We did all right but not quite as well as

Texarkana. In the meantime, I had gotten into a lot of little old businesses and most of them were successful. All the time, though, I was running the lumber yard. In order to keep things strictly on the up-and-up, I bought all the materials from Temple Lumber Company and I started figuring it our….they were paying me, I think, probably, at the time I am talking about, $180 per month. I told Mr. Styles, general manager of all our lumber yards, "I'm paying you thousands of dollars a month in profits on these materials that I could very well go and get myself, in order to get $180 a month. I've got a lot of family loyalty and all that stuff, but I just can't afford you." So, in January of 1948 they said, "take a leave of absence." I did, and went up to the homebuilding show in Chicago and when I got back I found that my cousin, Henry, who was running the operations in Diboll, had died and they asked me to come down and run it. I said, "You know, I've got my own business and I've already made this step. I really don't think I can afford to do that." "Well," Dad told me, "You know you've got an obligation to do it. We want you to do it." I asked, "Well, how much are you going to pay me?" He said, "We are going to pay you $10,000 a year." It is hard for you to realize, but $10,000 a year was a very respectable salary in those days. That was only in "48, you see. So I said, "Well, under the circumstances, I will perform my family duties and will go down there." I did and I think that brings us up to where we were talking before.

ML: Would you let me skip to another topic?

AT: Sure

ML: This is the topic that Latane suggested and it fits well with a bunch of topics that I was already thinking about. He said I should ask you flat out what you think the National Responsibility of executives of big companies are?

AT: The national responsibility? The responsibility to the nation?

ML: To the nation, through the political process, through all sorts of processes. Anything that occurs to you in that connection.

AT: Well, let's start talking about the responsibilities of Southern Pine Lumber Company in those days, and later. Temple Industries and later, Temple-Inland, they are big land owners. In the early days, we only had a couple of hundred thousand acres of land which was still a lot of timberland. Today, Temple-Inland has a million and six hundred thousand acres, counting half their interest in Inland Container. The first thing is that I think the stewardship of the land is very important because, in a sense, it's true we are managing and holding those lands for the true owners who are the stockholders. They also are part of the nation's wealth and they are there for everybody to use. I don't mean that the general public can go in and just take over and use it, but it should be used where the general welfare is best served, consistent with the rights of the owners. I think Latane knows, of course, that I do have a strong sense of responsibility. I think it is important how people in business behave, not only to the law, but what we conceive as the morality of good business. He has heard me when I am very critical a lot of time, frequently, of my peers, who do things that I don't think reflect well on business. I think business is an

honorable pursuit and I think a successful business has an opportunity to do a lot of good. An unsuccessful business doesn't have much opportunity to do good. We have always felt that it was our obligation to do that, and not only an obligation to do it, but to behave properly and to conduct affairs for the general good as well as your own. I've found that it comes back to you. You know, it's like bread on the water and it does **come** back to you. Our success as a company is as much due to the wonderful support we have had from our employees and from our neighbors and from the people in the state as a whole. A man can't do much by himself and any successful person or any successful company, if they are honest, knows that it was the combined efforts of friends, and people who were of good will who tried to help them.

ML: Would you like to talk a little about the Big Thicket and conservation movement, etc., how that interacted with your company's activities?

AT: Yes. The Big Thicket was conceived in the early '60's by a group of well-meaning, single purposed naturalists who wanted to put together what they conceived as a wilderness area, to preserve that area and to make it a place where naturalists could observe, in an uncivilized and uncontaminated area, and see nature in the raw. Well, I've got to tell you; nature in the raw in the Big Thicket is rough as hell. It wouldn't really attract many of those people if they had to see it in the rough. They got a great deal of public support from the population in general because the population in general didn't conceive it as a wilderness, or a harsh place full of snakes, bugs, alligators, and whatnot. They saw it as a National Park and they visualized Yosemite and The Grand Tetons, I guess. Anyway, they saw it as a pleasure place. I had a good bit of trouble with it. Frankly, in my own mind, number one, they were going to take valuable timberland we had tended for years, and they were going to take that and put it there to just sit. I really did not believe…and don't, to this day…..that many people are going to benefit from it. Actually, I've been a little bit of a naturalist myself and I would like to see some of the world kept in the natural state. I really didn't see anything too wrong with it but what happened was….the advocates had made it a big political controversy and it was getting to the point where it was really counter productive for us. I didn't feel like most of my peers felt and other companies in that same area were just dead set against it. They thought it was just terrible to take it out of private ownership and lock it up, so to speak, into a natural preserve. They were, I'd say, pretty damn unsympathetic to the whole plan. I recognized that whether we liked it or not, this was probably going to happen sometime after a great deal of blood was spilled, figuratively speaking. About that time there was Ned Fritz and the Naturalists that he led, saying a great many things that were untrue about the big companies, and, you've got to understand, big companies are not automatically popular and particularly big land owning companies. Ned Fritz was creating a big public relations problem for all these companies, including Southern Pine Lumber Company, by saying untruthfully, we were going in there and raping the land before the government could get it's hands on it for this park, wilderness area, or preserve. Well, of course, all my friends and I were very upset about this because we were not doing that. Now there were some individuals, some smaller land owners, I don't criticize them, sitting there waiting for the government to act. Either the government ought to take the land and pay them for it, or let them be free of that cloud,

you know. Well, for several years the owners had been sitting there with the land. They couldn't cut it without being criticized, couldn't manage it, couldn't do anything with it, and, at the same time, they weren't getting anything for it and they were paying big taxes on it. I got our group together and it wasn't hard to do. I don't want to sound like I did a great selling job, but I got the lumbermen together and I said, "Look, why don't we not go in and declare a moratorium on any cutting on any of our lands in that area and say to the government…we are doing this provided you will try to move as rapidly as possible and get something done about it." Well, they agreed and they did not cut it and that turned the public relations thing around. They still occasionally get criticized falsely by people who said they were cutting it, etc., but they DIDN'T cut it. They held it for the government. The government may have TRIED to move rapidly, but ten years later we still had not resolved it and we had been paying hundreds of thousands of dollars in taxes, etc., and getting nothing out of it. Finally, in 1974, it was resolved and we did work out some compromises. Charles Wilson, our congressman at that time, was a very close friend. He used to work for the company and he interceded and got the thing worked out. In the meantime, I got all the environmentalists…Charlie Wilson used to call them "Environmental Crazies," but I got all those people together and used them as an advisory committee and we took them out to our hunting lodges a couple of times a year. We explained to them what we were doing, which they didn't always agree with. We gradually got them to understand that we were not really that far apart. We were apart on details, but, generally speaking, we loved the woods as much as they did and we created a lot of friends and good public relations. All the people who had been our antagonists are today, our best supporters. It really worked. It's hard to tell it in a few sentences like I'm trying to now because there was much more to it than that. I'll never forget Mrs. Geraldine Watson was one of the environmental leaders and one of our main antagonists when they were having hearings in Washington one time when I went up to testify. Well, she met me in the vestibule in the House and she just started giving me hell. I said, "Geraldine, you know I am trying my best to do whatever is proper and right. Now what is it that is bothering you?" She said, "Well, a group of us went out in the woods the other day over on some of your land and we found the only wild Camellias, silky Camellias that we have ever found in existence. Do you know what was happening? Your people were piling up brush and they were going to burn it and it was going to kill every one of them." I said, "Well, where are they, Geraldine?" She told me and I got on the phone right then and I got hold of our people and told them what the problem was and that was really the break-through because she understood that misunderstandings were probably at the root of all the problems. We really had some serious public relation problems in those days. I'm glad to say that now, as long as we conduct ourselves the way we have been, I don't think we will have any problems in the future. You know, a lot of people don't understand that if we wanted to be selfish at Temple Industries, we would be in favor of putting the whole damn National Forest System into a park because every tree that is not cut on the National Forests land makes ours more valuable and we've already got our land. I told that to a few of them and they began to understand.

ML: Okay, there are a lot of things I would like to ask, but one thing I want to make sure I ask is to get you to tell about Dave Kenley and the timber purchases in the beginning. One reason why I want to ask this is that one of my graduate students from Rice is

helping me with the Archives at Nacogdoches and he is going through those 308 boxes. Two days a week he is up there and he said, "Megan, I just can't tell you how much these archives are seemingly dominated by correspondence to or from Dave Kenley. Now, who was this man? I told him what I knew of Dave Kenley, but I would like to hear from you who he was. I spoke to his wife, too.

AT: Well, she can give you all the background of where he came from and all that. Dave Kenley, at some point in the early days, became our land man. He had the job of acquiring land for the company, Land and Timber. Of course, the objective was to get the timber but we also wanted the land. Dave would go out either in a buggy or usually on horseback for a week at a time, just riding around and looking for timber. Dave was a stingy person. I don't mean, well, he was tight. That's all there was to it. There's no way to make anything else out of it. I've heard all the old timers tell about it….I wasn't there then…but on these trips, he would take a few cans of sardines and a bar of soap and, I guess, a towel, I don't know about that. He was an unusual guy. He would stop and bathe in a creek. If a motel room was available, he would not have stayed in it. You talk about a low budget operation…he was it. He would start out on horseback and would always arrange it where he would stop at some pioneer's house out in the forests. You can't imagine how remote that was in those days. There were no roads. He would always arrange to spend the night, they tell me, and he would always be well fed. Didn't cost him anything. They would tell him about a place they thought he could buy, or maybe he bought from the people he visited, but many of our deeds in those early days were written by hand by Dave Kenley on the back of a paper sack. Some of those are in our files now up in Nacogdoches.

ML: We have come across some of those things and they are pretty amazing things.

AT: They are amazing documents. Dave went around and bought up what piled up to be quite a little bit of land. I guess there were 190,000 acres when I went to Diboll in Southern Pine Lumber Company and I expect Dave bought most of that. Now Dave was criticized a lot because he accumulated a lot of land himself and a lot of people thought maybe he kept the land and we bought the timber. That is not exactly true. The critics would say that we paid for the whole thing but I don't think that is true. But anyway, we got a good deal and Dave did a super job. He was a smart guy, wonderful trader, and he was a good buyer. Dave, on one occasion, once told me….I have forgotten what I was buying, but I was trying to buy some land or something…we were discussing how much it was worth and he said, "Arthur, now even if they agree to sell it for the price you and I have agreed is a good deal, Don't accept it right that minute. They'll go back home and they will think they have sold it to you too cheap. Tell them you'll let them know and then get hold of them the next day." You know, that psychology does work, it really does. Dave was a good guy. I used to come down to the mill as a kid with my father when he would make his Safaris around the mill, go and talk to everybody, and when I would get to Diboll, usually Dad would turn me over to Dave Kenley because he had two boys, David and Edd. They had horses so we would ride horses all the time, and have a great time in Diboll. Diboll was part of our early history in that way, also. Is that enough about Dave?

ML: Unless there is something else you want to tell? We have also noticed that there was some cattle business that he was involved in.

AT: Oh yes, I've got to tell you that. In the early days, there were a lot of title problems because of squatters. It was impossible. There were no roads, as I said, there were no airplanes. We owned land clear to Palestine, Texas. Well, it presented quite a job to just keep up with what was going on. People would come in uninvited and cut the timber. We would go and try to find out who it was, etc. The laws in those days allowed a man to squat on your land, or settle on your land. If they HELD IT ADVERSELY, that is, against any claims,….that is, if they stayed there for a very few years….if you didn't get them off or if you didn't make them sign a lease, then they would cloud your title and probably take the land away from you by limitation. You understand? In those days, I don't think they had to stay here…this probably isn't right…but something like three years. Well, a person could be back in that forest and nobody would know how long he was there unless somebody told us. So, in order to protect title, a company like Temple, even though they have the deed to it, have to hold it adversely against any other claimants. In order to do that, one of the evidences of holding it adversely is to fence, or to otherwise occupy it, by running cattle on it or some other use. Cattle is a good way to hold land adversely. It is much better if you fence it, so that's what they did. Dave was successful in selling my forebears on the idea that if they would let him use the lands for grazing for nothing, and if we would furnish the fencing materials, he would set about to operate on it so that would help us strengthen our titles. Dave wound up with free leases on a hell of a lot of land, all the fencing materials, and he usually wound up, I think, using our labor to do the fences although he was supposed to do it. I'm not accusing him of anything. I use to say, "Dave, we're just operating your ranch for you." In order to do that over an area like I've described, he had to have partners so he went out and created partnerships with various people and they owned cattle together. Usually the partner would look after the cattle and do all the work. Dave would help purchase the cattle and he had lots of cattle, just lots of cattle because he had the best grazing situation you could ask for. Then Dave realized that East Texas is not a very good place to finish off cattle and, as the years went by, it became necessary to have a little better grade of cattle. I'm sure that the first ones were pretty rough, about the equivalent of a long horn, although they weren't long horns. So Dave went down to South Texas and bought a ranch. He followed the practice of keeping the mother cows up here. When the calves got to a certain size, or the steers, he'd ship them down there, get them in better shape and then later he made deals up in Kansas. He would ship them up there in cattle cars and the people in Kansas would finish them off in the wheat fields. Dave told me all about it. He said, "It's the best thing I ever did." The deal was that he would ship the calves up there and he would get the gain in the quality which was a good bit, so many cents per pound, and the owner of the wheat fields would get the gain in pounds. So Dave had a wonderful deal going. He would breed the cows here; ship the scrawny cows down to South Texas where they would get some minerals in that grass…we had none here…ship them to Kansas to be finished. It was just great; Dave became a very wealthy man. Dave was a good man, a great friend of mine. The hardest thing I ever did was when I told him our foresters told me we needed to get the cattle off the land.

ML: Did they?

AT: Yes, they did. What happened is, it was always thought it didn't hurt anything because cows don't eat pine trees, except they do a certain amount of physical damage. I mean, they step on little seedlings. Well, what happens is that there would be a little tiny clearing in the woods and the foresters brought me a bunch of aerial photographs to show me this…..this was about '52 or '55, and what happened was the cattle would come to these little grassy plots, maybe not much larger than this room, where fire or bugs or something had cleared out a little area. These little pockets were all over our forests. When they got through eating, they would bed down and these open areas became little centers where they could congregate. Just the fact that they laid down…they rubbed against trees etc., gradually killed trees and the areas got larger and larger and you could actually look at the maps or photographs. You could see that all these holes in the forests became larger and larger. The net effect of which was....a good bit of your forest, if you added it up, over 200,000 or 500,000 or a million acres….a great deal of that forest was not productive for your purpose. I always suspected there were a great many more meadows in our timber land than was absolutely necessary for the growing of timber. Frequently Dave would tell me. I'd say "Dave, why isn't this field here planted in pine? That's the business we are in." He'd say, "Arthur, that field won't grow pine. It's low and we've tried to but you notice there are no pines there." Well, I knew why there weren't any pines there. He was mowing it. Anyway, I could show you out at Boggy Slough, this big area and they were all in open fields, and I'd try to get him to plant them. One day I said, "Dave, they may not grow pines but we are going to plant them." We planted them and it is some of the best pine growing land we've got. Anyway, Dave made a bloody fortune and he was a good man and worked for us right up almost until the time he died. Let me add this about Dave to round it out. Dave came to work for us as a young man, a surveyor. I don't think he was ever an engineer but he was a licensed surveyor. A good many of the people who wound up in our Land and Timber Department came from that source….as surveyors, that is. Dave was a magnificent woodsman. He could survive under any circumstances. He was very frugal as I said. He saved his money and was very successful. He was very controversial because he was tough. I got to tell you, I'm pretty sure in those days out in those woods, if you went out and thought about how hard it was to get to these various places, I'm pretty sure you would have to be a tough guy if you wanted to exist. You know, those people out in those woods were tough, too, and they would take advantage of you. He had to be willing to stand up to them.

ML: Did you have any other entrepreneurial managers, people who, within the structure of the company, sort of had their own thing going, but yet did a good job for the company at the same time?

AT: No, he is the only one I can think of. Judge Minton, our attorney, our general council, practiced law in Lufkin and he was paid a salary by us, but he had his own law firm. Finally the volume of business grew to the point that I had to have an in-house

lawyer so I made a deal with him to come to Diboll and be a full time lawyer for the company. After him, Ward Burke took over. He just retired.

ML: How about the area of game propagation and protection?
AT: I guess one of the things that our company is best regarded for is the fact that in the '20s, maybe even a few years earlier than that, they undertook to protect wildlife. Most people don't realize it, but during the earlier days when things were pretty primitive out in the forests, before the roads and all that sort of things, people who settled those areas, and there weren't many of them, lived miles apart. They usually lived in log cabins. They really subsisted off the land but not by agriculture. They usually had little gardens, but they killed deer for meat. They killed wild hogs or birds for meat. They were all good hunters and because they were meat hunters, they really decimated the wildlife. Very much like it is in Mexico today. There are not many deer in Mexico and the reason is those people got hungry and they ate them. It had come to pass that there were very few deer in East Texas. In fact, Gene Shotwell, who is now dead but was one of my early woodsman friends…a great hunter…told me that when he was a boy they used to hunt deer. They would go out with dogs to run them because there weren't enough to hunt any other way. They would have to have the dogs to find the deer. Back in the '20s, there really wasn't but one old buck and maybe two doe over in the area that we now know as Boggy Slough in Trinity County where most of our hunting is. Dave Kenley, along with Captain J.J. Ray, protected those few deer against all invasions by the "Nesters." That's what we called them. They protected those deer at great personal cost. I mean, they had shootings and everything else and near shootings. They protected those deer from poachers and nesters and they demonstrated that with a little bit of protection, the deer would actually explode in population. Today there are more deer in East Texas than there were in the days of the Indians, and that's true all over Texas, and all over the Untied States as a matter of fact. Dave really protected those deer and started the first deer herd which later propagated all of East Texas with white tail deer.

ML: They didn't do with high fences or anything like that?

AT: No, no fences.

ML: How did they protect them?

AT: By stopping people from coming in there. The deer soon learned that they had a refuge. The next thing they did, some years after that, I'd say about 1935, there were enough deer that hunting became a very interesting pastime. There was a good bit of demand from people to lease land from us for hunting rights, which we let them have for nothing. For many, many years, we never charged them a cent and we usually had a 5,000 acre area we would lease to a group of people. We would insist that they had rules that they went by which created good sportsmanship as well as protected the game against slaughter.

ML: So it wasn't state law or anything like that?

AT: The state law wasn't enforced. It was impossible to enforce it. We conceived the idea of having 5,000 or 6,000 acre hunting clubs all around Boggy Slough which was the cradle of all those deer. We did one thing that I think was really smart. In each area, we selected leaders in that community and sometimes some from other communities and later we refined, because they were there. We would have a motto to be a good neighbor and try to do the neighborly thing. We started letting these people, always people of influence in their little communities, and that created a certain amount of public support for what we were trying to do, which was to grow game and take care of the forest and cut out forest fires. These people would take on the obligation to protect the deer and other game, to help prevent forest fires, to report any vandalism, or pilferage or stealing of timber, which was a big thing then. As a result, we had hundreds of people helping us. This gradually expanded until we had, oh, I don't know how many hunting clubs we have now, but it must be 380 or so. Each one is operated by those individuals who are members. They do have a responsibility to us. We look over their shoulders from time to time and if we think they are not operating properly, we have the right to cancel the lease any time. In most cases, about the time I left, we didn't charge for those leases, feeling that the public relations effect was more valuable. Today, I think they probably get both. They get the money but they also get the public relations because they don't charge them full market price. It has been very successful. It has rebuilt the deer herds in East Texas.

ML: Do you hunt yourself?

AT: Oh yes, sure. You couldn't be in the forest business without hunting.

ML: I didn't think so, but that leads to my next question. Do you want to tell me about Boggy Slough and the meetings you used to have out there and the barbecues and all that?

AT: Yes, but Boggy Slough, when we first started protecting deer, that is where it was, and as a result, they built up a pretty good small herd of deer out there. Well, no sooner that that happened that the people liked to go out there, and you could get there because there was a road on Highway 94. People liked to go out there, not only to hunt in season, but also to see the game, because they were still fairly scarce. Then we started having requests so we entertained some of our customers out there. In 1941 or '42, I wasn't working in Diboll but I got Henry Temple….who didn't want to fool with game or hunting, to let me take over the supervision of Boggy because I really liked to hunt and all my friends did. Then I persuaded the company to build a clubhouse and it was a dandy. We started having organized parties. We used it in season for hunting parties. People would come in for three days, wine, dine, and drink and play cards and go hunting, that sort of thing. Then we started using it between hunting season the rest of the year, as a sort of place to have community functions. If the Boy Scouts wanted to have a dinner, we would send our crews out there. It got to be a big operation. One year we served 5,000 meals out there. Then it caught fire. I think it was an electric fire probably, and it burned down. We decided not to rebuild it because it had gotten to be such a burden. Then we decided we would keep Boggy Slough itself as a place for the

top people in the company to hunt. Next we organized another club at Diboll for all employees. We had a clubhouse west of Diboll that was turned over to the people who worked in the mills. We had another east of Diboll that we turned over to the foremen. We had more foremen later so we had another one called Faglea, we took back from one of the groups and it was turned over to other foremen. Each group had its own club and they ran their own club, conforming to general principals laid down. Boggy Slough, to go back, had got that name back in the early days when Captain Ray lived out there and his job was to manage a ranch. My grandfather thought it would be good to take some of this land which had been harvested from timber and fence it and raise cattle. At one time I think they had several thousand head of cattle on that area and there was a big cleared area they called "Rayville," after Captain Ray. Captain Ray was very principled and tough as leather. He was just what you would imagine a Texas Ranger would be. He looked after the ranch and protected it. He also protected the game. It was named Boggy Slough after the slough that ran through the land. It has been a tremendous asset to us from a public relations standpoint, from our customer's standpoint, and from a morale standpoint, because we have had a lot of company functions out there. It has just been a marvelous thing. It is known all over the state because so many people have heard of it, been out there, and hunted there.

ML: Okay, I'm jumping a little bit now but I hope you won't mind my asking a question about the archives in Nacogdoches. We are finding, at least from the boxes that we have looked at so far, there seems to be many, many more correspondence from people other than Temple family members. Are we looking in the wrong place or is there a separate place we ought to be looking for Temple family correspondence or is that something else?

AT: I don't know how to answer your question directly. There should be a lot of correspondence from Henry Temple. The records from the Texarkana office should be there but I don't know where they are. All of our family members except Henry Temple lived in Texarkana.

ML: We don't see too much about Temple Industries.

AT: Well, the truth is, they didn't come down that often. This was sort of like going to India for the British, you know.

ML: Where are those papers? Are they in Texarkana?

AT: I haven't the foggiest idea. I saved everything I could get my hands on.

ML: Was there ever a fire or any disaster or anything like that?

AT: No, but I'll tell you what did happen; now it wouldn't have affected the papers in Texarkana. I don't know what happened to the papers in Texarkana unless some over zealous auditor decided he shouldn't be keeping all this stuff. At Diboll, a few years ago, they did toss out a lot of things that I sent people over to the dump to get back and there

wasn't much that we got back. I don't think they really got into the things you would be interested in. I don't know where the correspondence from Texarkana is.

ML: That surely would be interesting.
AT: Oh yes, it would because there were so many letters and so much correspondence between Henry Temple down at the mill pleading with my grandfather and my father to find them some more money so they could help the people. I told you about the flour deal. You know, there was just case after case like that. They really had a rough time.

ML: Well, if you get an idea where it is

AT: Have you talked with Clyde Thompson?

ML: I talked to him but I didn't ask him that specifically.

AT: I don't think he would know where the papers went from Texarkana. None of the Texarkana people are living. Bob Waite is dead. There may be some files at the old office building. You know where the old Commissary was? Why don't you get Joe Denman to send someone with you to see if there is anything up there? I'll bet there is something on the second floor. We had dead storage up there and I don't know what has happened to it.

(Turned machine off to get in touch with Joe Denman)

ML: All right, now I would like to ask you what you think about taking the history of the company and the history of the town as a whole. What were the most important events in the history of the company in terms of their effect on the town and how it grew? You don't necessarily have to tell these in order but just the ones you think of.

AT: I guess I could approach it in order. I imagine somebody else could add a lot to anything I'll tell you on that. It seems to me, starting with the founding, my grandfather came down and bought some acreage of timberland and established a small sawmill…that is number one. Number two, I guess you would say was the period of substantial growth that occurred in the '20s. During those days, of course, it was all lumber, both hardwood and pine. They shipped totally by rail, mainly to the east, metropolitan areas up there. They did a big wholesale type business. They would sell a hundred cars of one item to somebody and then they would ship it out over a long period of time. That was a prosperous period, probably with some ups and downs during the '20s, but that was all accompanied by a big push to buy timberland and, also, to go into the retail lumber business, and probably some other things I can't think of. It was an expansion period. That was during my grandfather's administration. I associate that with the name of L.D. Gilbert who was vice president and chief operating officer. He is the one who spent so much money that when the Depression hit, in '29, and reached the bottom in'32, he left my father with the job of paying back a lot of money that I told you about. The next important event was the Depression, followed by a period of stagnation which lasted until the Second World War. Business was really lousy until '41, until the

war effort. We weren't in the war at that time but we were supplying our allies and we were building up our forces and so forth in this country. Until the government started spending money on the war, this country was stagnant and it was tough. The next thing that happened was the prosperity of the war years which were really not that prosperous because of all the controls that were in effect then. It was a period of high demand for lumber for the war and everything else. They used a lot of lumber for army camps and other things like that. That was a period of great productive activity but not really that profitable. Then, the next thing that happened was when I went to Diboll and we decided to rebuild and modernize, mechanize, and automate. That took place about '48. Really, from '50 to '55. The next important thing was the decision to go into things other than lumber and lumber by-products. First, the Fiberboard Plant. That was a milestone in the sense that our directors had to decide whether it was right to just tend to the things we knew about, which was an argument put forward frequently. "We don't know anything about fiberboard; it is a pulping process; we are not in those businesses." That was the viewpoint of the older members of the family and the Board of Directors. The younger members pushed ahead and finally, they agreed to what was then a major, major step for us. We built the Fiberboard Plant and it has been a tremendous success. From then on, we didn't have to go through that rain dance every time we wanted something. We went into gypsum board and we went into manufacture of all sorts of products, most of which we still produce. Some of them we've gotten out of. I'd say the next important date was, I'm speaking of the company now, but I guess you would pick some other dates for the town, but the really first important thing that happened to the town was about the time we started modernizing the mills because we had our eye on a whole new set of goals then. That was about '50. That was about the time, in '48 and '50, when we decided to let people own property. That's when we tore down all the fences. That's when we paved all the roads and that's when we organized the city. It was not an incorporated city. That is when the company tried to get out of the lives of the people who worked there. The first big date for the town, I guess the Depression was a land mark period. I would say that '50 was the turning point for the town.

ML: Weren't there two dates for the incorporation? What happened there?

AT: I don't know what you are referring to. There was a Southern Pine Lumber Company that was started by my grandfather up in Arkansas which went broke. I don't think they took bankruptcy. I don't know what happened but it disappeared. Later he came down here and started this company and named it Southern Pine Lumber Company. Maybe that's what you are talking about.

ML: Maybe it is.

AT: I took you up through '56 when we built the Fiberboard Plant. The next step was in'51 that we merged Temple Lumber Company which was headquartered in Pineland, Texas. It was a similar company, had land and timber and manufacturing facilities. I merged the two companies so that it would all be administered here in Diboll. That was, I guess, an important date. The next important date was the Fiberboard Plant. The next important date, a distinct date, would be the time we merged with Time Inc. That was

in'73. There was a period of good prosperity and growth between those two periods, up to '73. We had gotten to be a pretty damn good company then, a real company. We had some national presence and in '73, we merged with Time Inc. That was a big date. I guess the next important date would be the acquisition of Time by Inland Container Corporation, only because it later became part of Temple-Inland. I guess the construction of the office building in 1979, in Diboll, although a building doesn't make that much difference, it sort of did, because we moved across the tracks and detached the office from the sawmill. Psychologically, that was an important date. The next date, I guess, was '83 when we spun out Temple-Inland as a separate corporation from Time. I would say those are the landmarks. There were a lot of little ones in between that we thought were awfully important at the time.

ML: I would like to show you a little thing that comes out of Bob Bullock's office. I'm sure you see this constantly and that a lot of figures come from your company that helped generate this kind of thing. One of the things I feel that I need you to talk about in order to do a responsible job of this book is the kind of organized business records that allow you to say specific things about timber production in these counties. I talked to Allen Miller about that and it was really not clear how I was going to generate the kind of business figures we need.

AT: Are you talking about the business figures for the company, or are you talking about things like this where it shows how much forest products or timber that is produced in these counties? Now this comes from the Texas Forest Service.

ML: Well, I'm talking about the things from the company. Factual information from the company that would allow me to make statements about production in certain parts of East Texas in certain years.

AT: Roy Spradley can get every bit of that for you.

ML: He's the one, huh?

AT: Yes, it will be some trouble to go back very far but he can do it.

ML: Is he in the office building?

AT: Yes.

ML: What is his position?

AT: He is internal auditor. He is head of the Internal Audit Department.

ML: Is there anyone else over there that I should talk to about related topics?

AT: Sure, Joe Denman and Joe is marvelous at finding things.

ML: Is he? That's why you thought of him first.

AT: Well, Joe understands. This leaflet only goes back to '55.

TAPE STOPPED
END OF TAPE TWO, SIDE TWO
END OF INTERVIEW