

Joe Denman
Interview 079a
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ABSTRACT: Longtime Temple executive Joe Denman speaks with Megan Lambert about Temple company history. Mr. Denman recalls how he came to work for Arthur Temple, Jr. after graduating from Texas A&M University with a degree in architecture. He describes his rise through the company ranks, working in the offices, in the plants, and then as an executive. He also discusses the failed merger with Champion, the successful merger and spin-off with TIME, and other companies like Exeter, Sabine investments.

Megan Lambert (hereafter ML): This is October 24, 1985 – I am Megan Lambert, I am on my way to interview Mr. Joe Denman in Diboll. Okay, the questions I have brought with me mostly pertain to the business, but I want you to know that my main interests, of course, have to be, not so much the business as the town's relation because that's the mandate they have given me.

Joe Denman (hereafter JD): Why don't I start because – I guess the first time I ever met Arthur Temple – I was playing high school football for Lufkin and, Arthur is a couple of years older than me, but he had already gone to work in Lufkin at the retail yard, Temple Lumber Company, which I had known the Temple family for a number of years because of my family, an old family name around Lufkin. My father was the Mayor of Lufkin; my great grandfather gave the land for the town site of Lufkin so I was not certainly new to the area. I was raised in Lufkin as a boy. But that's the first time, I guess, I ever met Arthur. Then to give you a little additional information, I was a Navy pilot in the war and I came home after receiving my wings in 1944, and the reason I bring this up is because Lottie and Arthur and myself had known each other for so many years. Well, being a young kid of twenty years old and, I guess, I thought I was a pretty hot pilot at the time, I asked "Who was a cute girl in town now?" They said she works down at Temple Lumber Company and her name is Lottie. So I was just brave enough to go down to the retail yard, walk in and introduce myself and ask her to go out with me. We did not have a date but I did take her home that day, so that was the first time I met Lottie. So those two people, which are probably a large part of my personal story, I have known an awful long time. I went ahead and spent time in the service and after I got out of the service, decided to marry and went back to school on the GI Bill and turned? When I became, graduated from Texas A&M I received a degree in architecture and, back in the early days the retail yards used to do a lot of architectural work, small buildings, residential and, to become a registered architect you had to do a two year period and take a board exam to become registered. Well, I had two good job offers, one in San Antonio and one in Ft. Worth and, at that time they were good job offers, because I was top in my class fortunately, at

A&M. But I wanted to come back home, I had been gone in the service for over five years, plus the time in the service and so when I was coming to Lufkin one weekend and while driving over I told Beth, who is my wife, that while I was in Lufkin I was going to go see Arthur Temple and see if, by chance, they might have an opening for someone with my particular background and degree. I went to see Arthur at his house in Lufkin at that time, and told him that, basically I was getting my degree and I wanted to come back home. After inquiring about my degree and the grades I had made, he said, "Well, I have something on my mind." And I said, "I would be very interested in coming back to Lufkin." At that time I still thought it was Temple Lumber Company; I did not know that he had been put over Southern Pine Lumber Company because of Henry Temple's passing away. He was the Vice President; I did not know that at that moment. He said he would be back in touch with me in a couple of weeks. Two weeks later I did receive a call from him; he asked me could I meet him at the hotel in College Station, or Bryan actually, and I told him certainly, I'd be there. And H.J. Shands, an old friend of Arthur's that may be in the story somewhere as you tell it, H.J. Shands, Sr. who was probably one of my father's best friends was at the hotel when I went to see him. H.J. Shands was very surprised to see me because Arthur had not told him that he was going to meet me; he was over for another purpose with some other people. He offered me a job to come to work for the company at \$300.00 a month, and he told me, at that time, that he would like for me to be prepared to do a couple of small shopping centers, one in Diboll and one at Pineland. In addition, he mentioned that the company was getting out of the housing business in these company towns and I would be involved in that, which I was very pleased to have an opportunity to come back and, particularly the idea of getting to do a couple of small shopping centers in the beginning was certainly very exciting to me. So, in turn, I reported in June of 1950 and went to work for Arthur and I did not know until that meeting in College Station that we were talking about Southern Pine Lumber Company and not Temple Lumber Company. So, in turn, I came to work for Southern Pine Lumber Company and, at that time, the engineering office was above the old commissary. The commissary was still in operation, the grocery store was downstairs, the dentist office was across the hall from where my office was in the old commissary, downstairs was the barber shop, the post office, the drugstore, a furniture store, the ice house and other things of the commissary. Just briefly, in the early days that summer was a warm summer, all we had was a ceiling fan, a drafting board and a desk and up in the attic as it was, and I guess one of the first times I kind of appreciate some of the things that happened through Arthur and our relationship through the years was, he called me one day to come over to his office and I said "Well, I'll be there as soon as I can get my clothes on." It didn't dawn on him until I walked in and he said, "What's this business about you having to put your clothes on?" I said, "Well, it's so damn hot over there every morning when I come to work I get in my shorts and I'm drafting and all so I draft in my shorts, all I've got is a ceiling fan." He said, "Well, go buy a damn air conditioning unit." So that's the way I got my first air conditioning unit.

ML: What year was that?

JD: 1950.

ML: Oh, I know it's hot over there. I was over there this July looking at those piles of records and I thought I was going to pass out.

JD: Oh, it's terribly hot. I guess it was about the following year, that fall, I believe it was in the fall of that year, the Assistant Superintendent named Wilbur Fogg was killed in an accident at the sawmill while they were rebuilding the sawmill. They had just started what they called "Project I." This was rebuilding a sawmill and I'm sure you have heard the stories when Arthur came here, everything was really done by hand practically. We did have what they call a few little jitneys around that pulls lumber on the dollyways, that's elevated platforms because there was no concrete or asphalt in those days. We just started rebuilding Project I, which was a project of where automation of the sawmill began in the South, in my opinion. When they had just rebuilt Mill #1, Wilbur Fogg, a sawyer, ex-sawyer, and he was accidentally hit with a sawmill carriage and knocked through the saw and actually bi-sected him, terrible accident. He was Assistant Superintendent to Eddie Farley, and you may not have heard this name but I want to tell you some things about this man as we go along. He was one of the old timers that really helped build the company into what it is today, but Eddie Farley was Superintendent at that time. I can't remember the time but it wasn't very long – it was a few months after that when Wilbur Fogg was killed, one day I was in Arthur's office and he said "God damn it," excuse the language but that's the way Arthur talks – "Every time I try to find you, you're out on the plant – do you want to be an architect or do you want to be a lumberman?" I said "Well, Arthur, I'm just interested, I like to see the building, I'm interested in construction and I guess I do spend a lot of time out there, but would you rather me not?" He said, "That isn't what I asked you." And I said, "Well, I enjoy both." He said, "Well, the reason I'm asking you the question is Eddie Farley, I have told him he had to get an assistant" and he said "Eddie Farley has told me that he would like to have you as his assistant." I said, "Well, I'm very pleased that Eddie would single me out" because I was a young man then and, you know, usually people in that position, they had to spend a number of years with the company to get that type of opportunity, but I said "I'd like to think about it and get back." That was on a Friday, Arthur always gave me a lot of time to think about things, but I went home and discussed it with my wife, Beth, and so I decided that's what I'd really like to do. I would like to learn the business. So I went by and talked to Eddie and before I had a chance to call Arthur, Arthur called me again and he said, "You made up your mind?" I said, "Yes, I think I'd like to do it." And I said, "But I do have a request." He said, "What is it?" I said, "I would like to go out on the plant and work and not just go out and observe. I would like to go out and learn the different jobs people are doing so I can get some experience and know some of the things that they are going through." He said, "Fine." So I went by and talked to Eddie and this guy – Eddie Farley – I keep bringing his name up but I would do – usually we would go to work at seven in the morning, we used to pull nine hours in those days, first shift, and after I'd get off I'd go by Eddie's office and, many an evening he has stayed there after six or seven o'clock and answered my questions that I might have that day or tell me things that might be helpful to me. He was certainly free with information with everything I did and he realized I was going through some of the things out in the operation by being a young man who is a "new kid on the street" type of thing. But, anyway, I hadn't been in that position, and actually I was at the dry kilns, I had already

worked in the sawmill, the sorting and stacking area and I was in the dry kilns learning how to operate the dry kilns and Eddie Farley had a heart attack. So it was pretty severe heart attack and the doctor told him he could be on limited service but he certainly could not be – am I going into too much detail?

ML: No, that's what I want to hear, I have plenty of tape, here.

JD: He said to me, found out rather that they didn't know what kind – how limited the service would be. Arthur called me over to the office, oh, I guess it must have been about three months after Eddie's heart attack and he said, "Joe, it looks like Eddie may not be able to come back on the job and we are not making you Superintendent, but I want you to assume all the duties Eddie had and I want you to have the responsibility for the next six months, but don't you feel bad in case we have to bring some man in and put him over you." So six months passed and I was still in the position and, in the meantime, Eddie came back on a very limited basis, but, again, this man was again willing to spend the time to tell me the problems that I might have and assist me in making good judgment calls. Eddie, I will always remember him. A number of people contributed to all of our success as we go through life, and certainly, he was one in the early history of this company that had some effect on my career as far as being with the company and I will always remember that. As well as a lot of other guys out there, foremen on down, people who helped me, including good old black people and all. They all helped me but – it must have been probably seven – eight months after that, one day Arthur called me and he says "As of now, I don't mean an hour from now, you are over the treating plant and I want you to go up there and run it, too.

ML: Oh boy.

JD: So, I didn't know the reason at that particular moment but the person running, the Superintendent evidently, had done, well, he had done some very – some things that should not have been done. The operation was losing money, they needed some leadership and so I was very fortunate in getting that opportunity at that time. I guess if anything, through the years that, I guess, in one respect, I was at the right spot at the right time because I did have an opportunity to go through every phase in the building of this company and with Arthur. Arthur and I – I didn't ever have a brother, I had a sister but I guess if I ever consider someone being close somehow in a brotherly way, because brothers don't always pull together and if anything, I – that's the way I always felt about Arthur. I always felt I could tell him the way I felt, in fact, Lottie used to tell us we were like Mr. Dithers and Dagwood, you know, get down on the floor and fight, she thought we were going to fight but regardless of us ever having different agreements, I think he respected my judgment – I certainly respected his and we always, when we got through, if we had a unified way to go, we did it. So we never had any – we had a difference of opinions, but we always pulled together, in my opinion, through the years.

ML: He told me a little bit about the Saturday morning sessions you used to have. He mentioned down on the floor, too. He said that he thought that that was part of the reason for the success of the business, was that everyone felt, or anyone who was involved in

those decision making sessions, felt like their opinion was valued and they better put it in rather than couch it in terms that would destroy its individuality – just go on and say what they thought and hash it out.

JD: That's exactly right and that's the way it always – that's true and that's the way it always was. Another thing that I think helped us in this area, none of us, now we shut the door today. That door is usually never shut because I don't – from a company standpoint, anybody that walks in that door and wants to see me, they can see me, I don't care who they are. That's one reason I think we never had unions. We represented our people, we always listened to our people and I know certainly was and was certainly instilled by me and that's always the way we operated and we still do operate it. I think, too, some of the things there were instilled in me, I was fortunate in playing under a high school football coach who instilled in me and many other young men in Lufkin, named Abe Martin, the stadium was named after him. Abe Martin instilled in us that we were the best. We may lose some but we still were the best, you know. I joined the Navy and they instilled the same thing in me. They said, "You're the best damn pilots in this world, you are the best, we may lose a few of you, but you are still the best." I really think a lot of that is in our company. I think our people are the best. We do have a bunch of good, keen people, and I mean they are smart people and I couldn't be more proud of the organizations that we do have in our company.

ML: Well, would you say that maybe one of the reasons for the success of the company was that it represented American values so very well?

JD: I think it does, I really do think that it does represent American values.

ML: We, you know, I have yet to hear very much at all negative about this company and about the development of the town that was connected to the company. Matter of fact, you know, a lot of people are saying to me "Well, these interviews sound so good, how are you going to tell it like it was?" You know, and I'd go searching for negative statements and I just don't find them. So it seems to me that the company had a hold of something that was like a sort of social rightness about decision-making within the company and that spread itself to the town, too. Can you think of any instances where there was internal friction that got so bad that –

JD: I'll tell you – it was maybe an internal, but I want to show – and I have to tell you this story because it happened to me personally. I was the only one not a member of the family and, basically in the top management. It came along and I can't forget the year – I'll give you a resume on me so you'll know the duties and the way I went through with the company the particular way I came into the company. But back in those days it was all family and they had a shareholders meeting and they asked me to sit in on the shareholders meeting. First one I had ever sat in on and we said – it had to be in Arthur's office over in the old commissary. I was sitting over kind of near the door; I had no idea that I was going to be nominated for a director, to be a director. I can't remember who nominated me but I was nominated as a director. At that time Mr. Carroll Allen, who is Arthur's brother-in-law, and Arthur had had some friction, conflicts and he had actually

resigned from the company. He had actually worked for me at one point in that company. We worked together for a while, but at one point he was working for me. At that time Carroll got up and nominated Arthur Temple's sister, Ann, as a director instead of me, which it shocked Arthur, it shocked Arthur's mother. His father had already passed away at that time, and other members of the family, I'm sure. So they had to adjourn and the only way they said is we would have to see what the proxies said. By proxy vote. So my office was right next door to Arthur's in the old commissary and so I felt real bad, because I sure didn't want the family to get split up in any manner, certainly not brothers and sisters or his mother. So Arthur said, "Joe, come here," and I went in and Arthur and his mother were sitting there and he said "Don't you worry about this." I said, "Look, Arthur, I certainly don't want to be a problem; I appreciate being nominated, but why don't you have the nomination withdrawn from me and let Ann go ahead." He said "Hell, no" and Arthur's mother, she said "Joe, we want you to be the director." So we were adjourned for about three hours until they counted the proxies and that's really, as far as any friction, it wasn't friction but it was a difference of opinion. Naturally, in my business career it's something I can remember very well. But Kathryn Temple was a great gal, Arthur's mother; she was for great American, which you said a while ago. She believed in exactly what we all believed in. They were very kind and good to the Temple family; they didn't take any money out of the company, hardly at all, while we were building this company in the '50's and '60's, as you probably have heard and that's true.

ML: They just left it in there.

JD: That's right and that's the way the company was built. Going back to us being a leader in this company as far as doing some of the things, back in the '50's when we did do some of the first things that was ever done in the South, chipping and debarking, using the residue of the waste materials for the paper mills instead of burning it in the burner. We were the first. Arthur and I went to Sweden back in the early '50's and found a small barker over there which we purchased and were able to enter into this type of business. I well remember one of our old friends whose son is still in the business, named Bill Harrington, who came to see Arthur; he was a friend of Arthur's, older than him. But he came and Arthur had me take him on a tour, give him a tour of what we were doing out in the operation and this is the man that you've heard, maybe the story that I took him on that tour and when we got back, I never will forget – Bill turned to me and he said "Young man, I want to tell you something, you'd better go find another job because Arthur Temple is fixing to break this company." And that's a true story.

ML: Nice to be able to tell it from a vantage point.

JD: That's right, it really is. As I said, I was very fortunate to have an opportunity to go through all the different stages from Love Wood Products with Jim Love. When Jim Love walked in his office and we were going to start Love Wood Products, Arthur had me go out with Eddie Farley and select a site where we might put Love Wood Products, Tex-Lam, which is a laminating business we went into. One of the things that I think, in our business management area, is that we never were afraid to bite the bullet if we made a bad decision. Some companies, they have a tough time doing this. But we realized, for

example, that the Texas Gypsum Company in Dallas was no longer a good deal. Arthur sent me up there and I spent about six weeks up there and I came back and I told Arthur, I said, "Arthur, there's no way we are going to be able to make it there, we really need to consolidate and put all of our efforts into the Gypsum Plant in Memphis, Tennessee." He said "Well, let's shut it down." We didn't, in those days, have to go through some of the long decision making as you become a larger company. We were able to make decisions much quicker, and maybe that's why we took on such rapid growth, we did in the early days because we could make decisions pretty quick.

ML: Are you saying you could make the decisions quicker because of the size of the company at that time?

JD: The size of the company and ownership; we weren't a public company. We were a private company and basically there was no stock except the family members. And so, Arthur basically, you know, he could talk to Temple Webber, who was in the next office and we would make a decision right there. The three of us, you know, at that time.

ML: You didn't let months go by?

JD: That's right, a big presentation for boards, we always kept our boards informed but I guess we were very fortunate that they had enough confidence in what we were doing and where we thought we were going and did go, and the performance we were turning in that they felt very comfortable with us making those type of decisions, because we did make some big decisions.

ML: Well, you know, I have never yet gotten a complete listing of all the spin-off companies that there have been, Tex-Lam and Love Wood, etc. I wonder if you could give me one or two or else just run them down if you have them in your head.

JD: I think I probably can – the types of businesses we have been in, you probably never heard the word "Creative Homes," we were in the mobile home business at one time. Creative Homes was one of our businesses. We were in the laminating business at one time. Love Wood Products – a treating business I mentioned to you before.

ML: Was that the Creosoting Plant?

JD: Yes, the Creosoting Plant, that was really, I guess, the second step, or the first step after the sawmill, we went into treating operations. We used to make molded toilet seats. I don't know if you knew...

ML: I've heard about that – Temple seats?

JD: Okay, we went to furniture parts; we made furniture parts at one time. We went into furniture manufacturing in Austin, Texas, under the name of "Woodward" at one time. I just have to kind of think about these things but I might have a list of some of the things – I have three scrapbooks, my personal scrapbooks, and it carries you pretty well through

the company, some of it is personal but I think you will see a large part of it, it started with my letter to Arthur accepting the position to join the company. And I don't know if you would like to browse those at some time.

ML: I sure would. I knew you had them and I was going to ask you about them.

JD: Okay, and going again back into the community and the feeling of Diboll, I don't know if you have heard about Diboll Day from anybody or not?

ML: I do, and as a matter of fact Brenda Russell showed me the other day some notes that you had given her from the very first Diboll Day – I'm aware of that but would like to hear it from you, too.

JD: Okay, there was a fellow named John Lee who ran a furniture store in Diboll and a fellow named Ed Price who was in our sales organization and myself. We were usually down at the old Antler's Hotel, which you have probably heard of, and in the early days most of us, as I was going to work at seven, most of us got down to the hotel, usually around six in the morning, had coffee and all. Byrd Davis was running the hotel at that time, which I had known her from back when I was in high school and worked for the Light Company in the summer. She ran a little restaurant in Huntington, Texas. So I had a relationship with her as an old friend, too, and so we were talking about the only club we had at that particular time was the Lion's Club, but the time they met was not really convenient to us. We were also in the community at that time selling houses in the town, were giving people the ownership, feeling of ownership. We did not really have a play park or a park as such, for the kids, or a swimming pool. Only the playgrounds on the school grounds were available. So we thought, maybe a few times of being down there in the morning like that we all decided, said "Look, it's not convenient for us to meet in the evenings; why don't we see about getting a bunch of guys to meet for lunch and maybe form a Diboll Booster Club for Diboll, and maybe in turn, some of the things we talked about – we might can get everybody interested in and really get the program going, maybe." So we decide that we would try to get together at a place call the "Tonk." You've heard about the Tonk, next to the picture show. Little wooden building where the picture show is and this was a little restaurant adjoining it. So we all met at the Tonk that particular day and I was elected the first President of it. We decided as part of a homecoming program we would get together as many interested people and create a program and raise money for a kid's youth program. Any money raised would be for kids. We didn't have any charter, by-laws or anything, we were just doing it on a fly – well, it was amazing at the second meeting how many people showed up, that first meeting there was probably twenty people but the next meeting – there was a lot of enthusiasm, so the first Diboll Day, as I remember, we had Texas Ruby, Curley Fox as the main program that night. But we raised somewhere around \$1,300.00 over expenses which was, for that time, that was big money. They kid me about it now, about the \$1,300.00, but in those days it was big money. I think, at that time, it was recognized by the family probably, and particularly Arthur, that you know, we were willing to help build, too. And naturally they threw their support to assist us where they could, certainly that group and the next year, or two when we did have Diboll Day again, we couldn't

raise the type of money needed to build two swimming pools, we didn't build one swimming pool. At that time our schools were still segregated, although I think we could have desegregated earlier than we did.

ML: Weren't they some of the most early desegregated schools around here?

JD: Oh yes, we were the first leaders in this area, in fact, we had a black supervisor working white people in the shipping department named Amos – I can't think of Amos' last name now – but back in the early '50's when I was just beginning with the company.

ML: That was something.

JD: It really was. But he was well respected by the whites that he was working. But anyway, we built the two swimming pools, one being for white and one for the blacks at that particular time and two parks. We encouraged the blacks to be a part of Diboll Day. They, in turn, in those days had their own queen, we had...the whites had a queen. But, from the very beginning we made it, or tried to make it, a community effort. Many things we have done for the kids, you can see now in the community. Diboll Day, it's just hard for me to believe. After a few years Pineland adopted it, too, and they have done the same thing. It's amazing and I don't know if you'll be around next year when we are going through a Diboll Day in Diboll.

ML: I sure hope to be because we are going to publish this book for this one.

JD: Well, you better get your wallet ready because it will cost you. But it is fun, everybody – it is done in the right spirit, everybody does any way they can think of to raise money.

ML: I came to last year's.

JD: Oh, you did? Oh, you are familiar with some of the things that did happen. But it's a keen deal for the community.

ML: Well, you know, I live in Woodville and I'm familiar with the Dogwood Festival and I hate to say this, but it's got the Dogwood Festival beat all hog. Well, everybody participates in the Dogwood Festival but there is something special about Diboll Day and the way it has really and truly profited the community. This is a very fine thing.

JD: And you know, it has not been something a special interest group, it's a whole, I mean although some group gets beat there is never anybody upset. I mean, naturally some little girl may hate to lose, you know, and we hate for any of them because they are all, as far as we are concerned, queens, you know. But it's really a real effort on everybody's part but, again, I think it is recognized, as you said, as part of our American way, wanting to help somebody else get along pretty good.

ML: Whose idea was it in the first place?

JD: Diboll Day? The three of us, John Lee, Ed Price and myself, that's where it started.

ML: Well, I guess you are real proud of that.

JD: Well, - and it does make me feel good, you know, but it really started at the old Antler's Hotel, sitting around, three guys talking.

ML: Don't some of the best things in business and life start like that?

JD: Sure, I guess.

ML: They sure seem to. Well, let me go on to a few of the questions. I've got to make sure we have them covered. One of the things that has interested me is finding out what kind of incentives were presented for the members of the company to, well, not only to feel free to share their opinions but also to be motivated to think creatively on behalf of their business. I'm speaking in terms of things like bonuses, stock ownership and that kind of thing.

JD: Well, those things are important and I don't want to take away from them, but I think one of the opportunities that is, everybody had an opportunity to do better. Certainly, in my case, I was given the opportunity, but even today before we go outside we look quite extensively to be sure we don't have someone in the organization. We have a program that everyone in the company identifies if something happens to him tomorrow who would take his place and, as part of the program, they are expected to have that person trained to take his place.

ML: Does that program have a name?

JD: No, it's just part of our management program. Once a year I ask each of our, this goes down to the foreman level now and superintendents, and we ask them to tell us, to update their replacement list which they have. Usually there are one or two involved, in some cases maybe two, in some there is only one. But Harold Maxwell, who is Group Vice President now over Solid Wood products, he goes back through to when he was a salesman. He was recognized by Henry Holubec that if anything happened to Henry, or if he was to move up, that Harold would move up and it's amazing how it has worked out in so many cases. Johnny McClain, who runs the particleboard operation, we recognized that this young man had a lot of talent back when he was going to college, he pulled eight hour shifts with us while going to college at S.F.A. and this young man now heads our particleboard operation.

ML: Well, I'm going to talk to Harold Maxwell on Monday and I'm going to ask him about that story - that sounds like a very important part of -

JD: That's right, young Jack Sweeny was a salesman, now he is over, Production Manager of the lumber operation, plywood and particleboard and Joe Sample came up through marketing area but we have others to come up through engineering. The young

man [David Kellam] who is going up to run our new Gypsum Plant in Oklahoma, he came up through engineering. So stocks and bonuses and those type of things are certainly important, but I do think there is an element there where people have a chance to better themselves. Most people, well, not most, some people don't want it, I might add, they don't want the additional responsibility but most people like to have added responsibility.

ML: Yeah, well, there's also –

JD: Certainly holidays and vacations in early days, the company was not one of the items, I might add because we had two hours for Thanksgiving, and usually one day for Christmas. We didn't have any vacations. I think for the first ten years I was with the company we had one week vacation, and usually, I had a hard time taking that, you know. But we had, I think there is another element for getting compensation from a bonus and all that. But, generally, we have a good time. We work hard and play hard. I think our Hunting Club, most of the guys you find around here are pretty good sportsmen. They play by the rules, by that I mean they are not the outlaw hunters, they are good hunters. They are interested in conservation and our world that we are living in today. We do have a number of hunting clubs, as you probably know for our employees. We have a number of hunting clubs for people who live in the twenty-two counties where we own land. Bonuses, I guess one of the early things that we recognized and when we have done opinion surveys through the years the one thing that comes across is the benefit that probably shows up with the highest rating, I know it did a number of years, and recently, I don't know, because we haven't done one for about five years. We need to do another one. But in the bonus program we do have, we paid a 4% to all employees, hourly employees, every year but one, that I now of. We paid a 2% one year and one year we didn't pay any at all, but the rest of the time, back in the early '50's and the reason it comes across, talking to the psychologists who see these opinion surveys, is that evidently the paying of that in December, just before Christmas, it comes at a time when most people could use the extra money. 4% is approximately two weeks compensation for an individual.

ML: It's just like an extra paycheck.

JD: That's right, it is an extra paycheck and I guess it has gotten to where it is taken for granted but still, I don't know, every time we pay one I get several letters, people say sure glad to see that Christmas bonus this year.

ML: So it still comes as something of a surprise as well as, not a surprise but an extra thing.

JD: And I know in the early days of the company that Arthur and myself, I know, personally myself, and Arthur because nearly everybody knew him and he knew most of them, but I knew everybody in the plant and I knew a little about them. In those days they even put who was in the hospital and usually at night when I went to bed I always read that and if it was somebody who worked for us out on the plant, because I made complete

rounds of the plant, at least once a day, and usually twice a day in the early days of the company and usually I could always remember to say something to them. So I think it was a personal interest on the management's part of the company that played a part in the early days, too.

ML: I'm sure it must have been, recognition of someone...individualism is like, you know, a shot in the arm.

JD: Sure, I was known as – Arthur, Mr. Arthur known as Mr. Arthur, I was known as “Mr. Joe” usually or “Joe” by certainly a large part of the employees but there was always still a respect that if they were in the right crowd they would call Arthur, “Mr. Temple” and me, “Mr. Denman.” But you know, they did have a relationship with their people out there.

ML: One of the things in connection with, oh, this idea of incentive, some one mentioned to me a so-called “merit system,” is that the same thing you are talking about or was it something else?

JD: No, no, this was a merit system we adopted, as evaluation, as a job evaluation system, is what it was in merit system. This we did use for several years, it was discontinued after a while, it was one of those tools that effected – now we use a range system where everyone does get a personal review, everyone gets a personal evaluation by their supervisor and the individual is gone over with him so we do use an evaluation system still. Every person is reviewed at least once a year in relation to their compensation. Now if they do not receive an increase on that basis, they are reviewed again six months later. We do a pretty good job. You know, when you are dealing with compensation, it is probably one of the more important things that a lot of us do in the management area to see that our people are properly compensated. We make a lot of effort to be sure that our people are paid equal to, or better, than our competitors.

ML: And hasn't that been true for a long time in this company?

JD: Yes, that's been our policy for many years.

ML: Well, that is certainly the impression I get in talking to employees; they do not feel that any advantages have ever been taken of them. I have yet to meet any who does.

JD: We have always, when we have bit the bullet on some operation, we have always tried to be, you know, it is very difficult to be 100%. But I would think that any company I know of that we went the extra mile to see that the people were treated fair. Seniority means an awful lot to us because these are the people usually that help us build this company, so seniority does mean an awful lot to us.

ML: Well, let's talk a little bit about the basic philosophy of the company and I'm going to ask you a question which may lead nowhere but it's something that has been kind of tinkering around in the back of my mind for a while, ever since I spoke to Latane

Temple. He told me that he felt that the Christian Science background of his grandfather was a very important part of the founding, not only as a company, but as a town that resulted. Have you ever had the feeling that that Christian Science background was important?

JD: No, I have to say I haven't.

ML: Okay, that's important for me to know. It may be extremely important to Latane Temple personally.

JD: And again, I'm not a Christian Scientist – I'm not, I'm a Methodist. But, if anything, I think the fairness that has always been in this company, has had a tremendous effect, you know, I guess all of us feel that sometimes it is hard, sometimes you have to be tough but one of the things I hope I always am, is fair and I think Arthur feels, I'm sure, the same way. He – Arthur is tough, don't think he's not but he is always fair.

ML: Well, in connection with that sort of policy of fairness, a lot of statements that I have heard about, particularly during the time of Depression, have to do with company philanthropy to people in the town. And not just philanthropy as a giving of largesse but an encouragement to individuals and families to develop themselves. Of course, there was the big transition that took place when Arthur came in that changed it basically from a feudal company town to a modern independent town with a corporation in it's midst that was helping.

JD: That's right, one of the top five hundred in our country.

ML: Would you like to talk a little bit about the transition? It was a big social transition.

JD: Well, I think – and I think the Depression, which, I was a Depression kid, too. I had a secondhand bicycle where my kids always had a new one, you know, and I went through that, too, and worked when I was twelve years old, paper routes and all the other things. But has anybody told you about the sawmill fire that we had?

ML: I think you had better tell me about it.

JD: We had a sawmill fire, now this dates back, I think it was '69, I'll have to refresh but it will be in my books when you go through them, if you want to. But the company was growing, everything going pretty well. We were, we were rolling pretty well and on a Sunday afternoon, right after lunch, we heard the sawmill whistle blowing, which is a fire whistle. And I jumped up from my lunch, we had been to church that morning, and – but anyway, went over and when I got to the sawmill, the fire was already to the magnitude in a 20 degree weather and wind blowing like hell and immediately I recognized that we had a very serious problem, possibly losing the whole operation. So I went directly down to the City hall and asked them to call Lufkin and Corrigan to send equipment to help us. But that particular fire, everyone in the community that, I don't know, kids, everybody was out there helping fight that fire. We liked to have lost the whole operation that day.

Fortunately all we lost that day was the sawmill but I know that evening, before we met, I was out at the sawmill and an old black man came up and he said, "Mr. Joe, do I still have a job?" I said, "You be at work in the morning." And so – he worked at the sawmill. But we met that night and I asked Paul Durham if he would go down and be sure the radio got the message to tell everybody to report to work the next morning. Everybody that worked in the sawmill started to work to help clean up. Kelsie Roach and I were with the engineers; we got on the phone that night, people we had working had worked in California. We asked them to get on an airplane and head for Diboll. Tuesday morning they showed up. So we started and we did a lot of things that next day and in the next twenty-four hours, we reshuffled our people, some of them had to ride to Pineland which was a good hour and a half each direction each day to pull a shift. We put an extra shift on at Pineland, Texas to keep some of our people working. We put people in the fiberboard plant, an additional shift to be sure our people kept working and making at least forty hours a week.

ML: Did anybody lose their job at that time?

JD: Not a person, not a one and it could have been bad. Nolan Atchley, and I'll have to tell you this story because it shows the kind of friends Nolan Atchley and I were, and we had been friends since the early '50's – Nolan has a little sawmill down at Livingston, Texas. Pretty good little mill, and Monday morning I had a call from Nolan and he said, "Joe, I know your problem and look, you can furnish the logs, I'll start my sawmill up another shift for you. You take all the rough green lumber and maybe it will help take care of some of your customers so you can get started." An engineering company, they said they would take approximately fifteen to eighteen months to rebuild the sawmill. We said – that's not good enough – we said we are going to work on this around the clock. We put it back in operation in nine months from the date of the fire. So, you know, there is a spirit there, and, you know, everybody, I never heard one person bitch about what they had to do. They were all willing to make a contribution to this company to see that we got rolling again.

ML: What a good story.

JD: It is a good story. And a lot of people remember that story, but it was bad. Well, anyway I've always felt close, particularly to our people, the ones who were involved in that fire, a lot of them are retired unfortunately, now. In fact, when I joined the company, it was a very small group of us, only ones left in the office group from that time, is myself, Dennis Maynard and Bill Nichols, the three of us still active in the company.

ML: Well, I went and saw Dennis Maynard this morning.

JD: Who?

ML: Dennis Maynard – he got out some maps for me and some of the old deeds. He sure is funny.

JD: I'm probably rambling stories but anyway...

ML: There are stories and there is "the story", you know, and it is amazing the number of times that when I go to talk to people around here they use the phrase "to tell the story," like they know there is a story here. You know, everyone is aware of the fact that there is a story and that everybody's perspective is a part of it. So this has been a real fun project to work on. I regret that sometimes it is not – that I am not writing right now, a history of the company because that is just so fascinating. I've got to concentrate on the fact that I have been hired to write the history of the town and maybe somebody can write a history of the company sometime.

JD: Well, I won't go into details of in the '50's, we had hogs in the streets, cows, no paved streets really. We had one main street, loop paved, you know. But it was a big deal when we got paved streets –

ML: I was talking to somebody last night about the time when animals were finally fenced in. This was Dewitt Wilkerson.

JD: Yes, the stock law.

ML: Yes, and he was relating it to arrival of the highway because he said so many of the stock got killed on the highway when traffic started going through.

JD: Well, you know, we had this same 59 as single – two lanes when I first moved to Diboll. I lived in the Farley Addition down here, in fact, Beth and I lived – they had just opened the Farley addition and we decided to build a little house in Diboll in the early '50's. And we were the first house that was not either red or white in town. Beth liked turquoise and with a background of architecture on a little 1,000-foot house you could do so much. So people referred to that little funny painted house down in the Farley Addition, you know. But Beth and I had a garden out beside our house. We paid \$500.00 for the lot, you know. And it was not certainly a big house at that time – we added on about seven times but, as our family grew. But we had a garden out beside our house and I remember one night Beth waked me and there was a hog in our garden. And so, you know, cows and stock did run free, even then when the highway was coming through town in the early '50's. The stock law, I think, went in somewhere in '58 or something like that. And that was for the state and that's when they stopped running cattle and stuff in the town.

ML: So it wasn't at the time of the incorporation of the town?

JD: No, no, it was not, it was before that.

ML: Okay, well, would you like to talk a little bit about something that Ward Burke was talking to me yesterday about? He was talking about company history and mergers and, at one point, he said, there was a near merger with another lumber company that he said might have destroyed Diboll. I wonder if you agree with that?

JD: I very much agree and I'll tell you the story. The company was, at that particular time, Champion, or U.S. Plywood, Champion it is now known, which Camden is another company they acquired and they did away with the town, at Camden. You've probably heard of Camden.

ML: It's a ghost town now. Pretty church but that's all.

JD: That's right, there is nothing there. Well, at that time it was U.S. Plywood and then they merged with Champion but U.S. Plywood, and the fellows name was Gene Brewer, and we had done a joint venture with him in building the first plywood plant here and that's our relation. I knew Gene and Arthur did, very well, but through the Southern Forest Products and the National Forest Products Associations this relationship and they were friends. Well, they made an offer to us to acquire Southern Pine, at that time, or Temple Industries, I believe it was, I'm not sure what our name was at that particular time. I think it was Temple Industries. Of all the companies, because this was kind of new to us, we thought this might be an attractive company for us to be with because they were a big company, you know. And the attorneys offered to be a stock deal. Although some of us, I don't say we didn't like the idea, we had a real concern with the idea because we didn't know where this was going to lead us. So Arthur asked us as part of the – not the financial numbers or anything in this area, but he asked Kenneth and myself to go to California and take a look at their operations out there. See what they were doing in their operations and make an evaluation and to come back. Kenneth Nelson, who is now retired, you may have talked to Kenneth or you may want to. Kenneth and I went out there. In turn, there was a fellow named Stub Stewart who had another lumber company out there who was a friend of Arthur's and mine and he lent us his helicopter for us to have an opportunity to go look at U.S. Plywood's land. And that evaluation, it was really kind of – the lands in some cases adjoined Weyerhaeuser land, where they had harvested and where U.S. Plywood – you could very well see, from that observation of us looking at their lands after – we looked at them several days. This was not just a brush, we looked at a lot of land that U.S. Plywood was not putting back into their operation or their land of what Weyerhaeuser was doing for example. And knowing what we were doing, in our particular land, we always put back to the land. And going through their plants and operations, they were not maintained like ours. They were milking them, just running them, you know. The plants were all union. Anyway, what we saw I wasn't pleased at all, and Kenneth wasn't pleased. So when we got back Temple Webber was there, I can't remember who else, if anybody, I know Temple Webber was there. Arthur was there and Kenneth and I, we went in when we got back from that trip, and reported and told them what we saw. Arthur turned to Temple and said "I don't think we ought to do this deal, do you?" And it was called off.

ML: And it was pretty far along, to the point to call it off?

JD: Yes, it was, that's correct, it was pretty far along. Now, let's talk about the merger with Time, if you don't care.

ML: That's my next question.

JD: The merger with Time was different because our forestry group probably knew as much about Eastex land who – Eastex was the company in Evadale, a separate subsidiary of Time. And due to the fact that we dealt with Time for many years and many ways particularly, we had bought their saw timber from them. In turn, we had sold them chips for their papermill. We had chip exchange agreements with them which I had worked close with the management group in our arrangements there. Arthur was a good friend of Mike Buckley and so we knew an awful lot about this company so it made a really, a lot more sense to put these two companies together. And I couldn't have been more pleased when that happened. And I think a large part of our people were very pleased to see that happen. I think the period of time that we were with Time, we all enjoyed it. I think it was good, I think it brought certain discipline that maybe we didn't have of being a part of Time. It certainly broadened us in many areas. I think the fact that Clifford Grum, who was our financial guy went up and spent the time with Time was a great opportunity, particularly when he came back and took over the holding company of Temple-Inland and became President of Temple-Inland. I think that was a real plus for us. I really couldn't be more pleased the way this turned out. I'm just really thrilled that we are now back our own companies, so to speak. But, again, I can only say that I did enjoy the period of time that we were with Time, Inc. They are good people; they were very good to us. It was just to the point where we were competing for capital, and really we needed to be separated again. At that particular time it made all the sense in the world because they really didn't need capital for us. So that one was – that was the best one I ever heard of, but it was a good one and I couldn't be more pleased, however, that we are back on our own.

ML: Yes, well, it was good while it was going on and it was good to be out of it.

JD: It sure was –

ML: Success story, heck – well, the next thing I want to ask you about is – has to do, not with the past but with the future. Most of the people we have talked to have been telling us about the past and not that many people feel comfortable speculating about the future but I'd like to ask you if you would – the future of the company and the future of the town?

JD: Oh, I think there will be a lot of opportunities for our company, I think in the forest products area, we had some tough years but, you know, there are only so many places in this world that you can grow fiber like we can grow fiber. And particularly someone who has been steward of keeping the land in the condition we have. It wasn't a few years ago when we were a part of Time that I spent considerable time.

ML: The other day, they felt that – well, Megan, he's got to make a cut off point at some point.

JD: Yes, right – but you know, Arthur and all of us in the company, to some extent, the Lord takes care of a lot of mistakes that we may make in this forest. And, I think, personally, that we are going to be taken care of in the future. If we make any mistakes – those trees are still growing and that land is still there.

ML: You can't stop them. Well, I know that you might not want to speculate about the future of any individual, parts of the company or what any individuals are going to do but people have been saying things like "Well, Buddy Temple is not going to run again – he's going to come back to Diboll." Would you be willing to say anything about that?

JD: Buddy is not in the county, I don't think he will come back to Diboll. I think Buddy is in Austin, he is going to probably stay involved. I think Buddy is, to some extent, like his dad, now he was not particularly interested. In fact at one point when Buddy did work for us I told Arthur that I sure would like the opportunity to take Buddy and help train him like I was, to learn the business. But Buddy decided he did not want to stay in the company; I don't know for what reason. He never did tell me the reason but he wanted to do his own thing. Arthur, like my son, I wish he had been in the business. But, my son, I've taught him to think on his own and he wanted to go a different direction and that's the same thing with Buddy. I think Buddy enjoys doing things similar to what Exeter is doing. He likes that – putting deals together.

ML: Tell me a little bit about Exeter and also about Sabine Investment Company.

JD: Well, Exeter, and this was back in the early '50's when none of us had any stock in the company, Arthur decided to start this little company called Exeter. I'll tell you the story of how you bought stock. Arthur offered you an opportunity, he had sold 10% of the company, I'm not sure – I know of one other person but I'm not sure that there might have been two others, but one or two of us were offered to buy 2% of the stock, the others were offered to buy 1% of the stock. I was offered to buy 2% of Exeter, which I did do. I think I paid a thousand dollars for 2% of it. And I'm not going to tell you what it is worth today, but it's half a million, so that gives you an idea of what happened. Anyway, each of us were given an opportunity to buy the stock but the condition of the stock, Arthur told me "I'll let you have 2% but I don't want you to ever ask me a question about it, I'm going to run the company the way I want to, I am going to use the money and if I lose it all, it's gone, but I don't ever want to be asked a question." It is just the last several years since I have been on the board that I have even asked a question. So that's what Exeter was. But Exeter was done – Arthur put this company together basically to make deals, as a deal company, the shopping centers have been quite successful. Land development, you know, that type of program. Buy stock, bought stock, sold stock, so it's basically it is a little private company that – and he runs it and Buddy was involved but Buddy got the Railroad Commissioner job and went to Austin, as you know.

ML: What about Sabine Investment Company?

JD: Sabine is part of Temple Eastex, we created that to take parts of our land. We realized that parts of our land was certainly much more valuable as real estate value than timber growing so we took our lake property, properties in town, highway frontage that certainly has a high value than timber growing land and those were put into Sabine and that is a part of Temple Eastex, wholly owned by Temple Eastex and Horace Stubblefield is President of that company. Stubby came with the company back in the '50's, he came after I came with the company. Oh, I'd say maybe five years. We ran a furniture company at one time: he ran a box plant at one time, he has done a number of different things but for the last, probably twenty years Stubby has run Sabine Investment. Good man, good man.

ML: Are there any more companies like that?

JD: Yes, there are.

ML: Could you just mention the names of them?

JD: Most larger companies do have a land development group and that's what ours is, looks after our real estate. Champion has one, most of the bigger companies do.

ML: Well, could I ask you a very open ended question about what do you think are the most important points to be made in any book about the history of Diboll and, remember, we are going back to 1893.

JD: Well, no question, probably one of the earlier points was the decision not to just clear cut our land, to manage the lands and to be stewards of the land. That was certainly one. I think there was something instilled, not only in community, but probably everyone involved at that time, from the stories that I hear in the Depression years. I think, in the early '50's, I think that the excitement of creating something. You know, artists get excited, sculptors get excited, architects get excited, but I think the excitement of everyone realizing that there is something new being created. I think the enthusiasm that we are going to be the best. I know that's my enthusiasm, but I always felt we were the best and I still do, you know. And we were recognized, you know. I think the fact that recognition and people do recognize us. Our friends, and growing up in Lufkin, my friends every day, say "You know, it's just amazing what you people do in Diboll. You get it together some way."

ML: You know, that spirit has seemed to just permeate every aspect of this town. When I came to start this job all my previous experience had led me to believe that the biggest part of my job was going to be cracking the whip over the members of the Diboll Historical Society – it turns out they are off and running and I'm trying to keep up with them. It's amazing.

JD: That's great, that's good to hear.

ML: A couple of little minor questions here, I need to know when the Texarkana office was closed.

JD: I think I've got that in my book. You want me to get it now or you want to take my book? I think you are going to be surprised at the number of things you're going to find in that.

ML: I'd sure like to take it, or sometime come here and just read it for a day or two.

JD: Yes, why don't you do that, Billy knows where they are. She keeps them up for me. Now you'll see, certainly there are personal things but things in events that have happened to the company, you'll see them taking place in the book as you go. Mine are not to the extent of Arthur's by any means. The Texarkana office, I'm pretty sure I remember that because when they were moving into the office building Temple Webber had a big old desk, bigger than this one and the only way we could get it up stairs, we had to build a runway and trolley to wench it up and take out the windows upstairs. I think there is a picture in there of that. I'm not sure. I think that is in there.

ML: Okay, one last question before you go and get that. Some of the people have emphasized to me that there was a point at which the company stopped being able to rely so much on local people and had to get highly trained people from elsewhere.

JD: You bet.

ML: When was that and has there been a policy instituted at any time about preferring local people or preferring educated people from outside or what kind of attitude has there been about that?

JD: Let me first speak to the point of training people. We place great emphasis on keeping our people abreast and updated. By that, we do send a number of our people to special schools, we do give them the opportunity to further their education by working for us and the opportunity where we pay if they want to go to get additional training we do encourage our particular managers-supervisors level to go to these short seminars, like at A&M or Lamar or wherever the school might be, which may be for a week for broadening out. But going back to your initial question – back in, it must have been in the '60's when the fiberboard plant was expanded and we needed the additional workforce, the workforce was not available in Lufkin. There was a lot of growth going on in Angelina County at that time. To some extent the younger people wanted to go to the city, the bright lights of Houston – we were that close to Houston, a hundred miles away. A lot of them are coming back now but, at that time, they wanted to go to the city, so we did lose a lot of the younger workforce. We looked around and through working with the state, we found out that down in the McAllen area, and we did have a few families already who were Mexican-Americans that lived in the community, the Miranda family is one that I remember well. So we decided to go down to the valley and put on actual schools and we made slide presentations of the community. The housing and the things we had in the community and took them down with us, along with the recruiting. Now we

did not bring individuals, we brought families, family units and, in turn, many of those families, golly, I don't know how many of them are still here today. We have a large, probably a third of our workforce now are Mexican-American from that particular thrust that we made at that time. I'm not sure of the relations, you know, you don't keep these records any more. The relation to white and black which is a gut feeling on what you think. But I expect a third of the work force is from that group. So that was the program but it was a program, and I don't want to use the word "force" but it was a program where we needed a workforce. It was available in the valley and they were brought in under a training program, and they are good employees, very good.

ML: Well, now that answers most of my main questions.

JD: Well, look, if I can be of – cause I'm naturally Diboll – in fact, I don't have my button, I usually wear my button – have you seen my "love Diboll?"

ML: I don't think I have seen that.

JD: Oh, they are around.

ML: Can I put that on my scarf?

JD: Oh sure, sure. I stick them usually anywhere I go everybody kids me about it. Anyway, naturally I do love Diboll and I'm very interested in what you are doing and if I can help in any manner. Billy knows where my scrapbooks are and you are certainly welcome to them. If you need any copy of any of it, you know, for any purpose, she will be glad to make it.

END OF INTERVIEW