

Harold Maxwell
Interview 81a
October 8, 1985, Diboll, Texas
Megan Lambert, Interviewer
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ABSTRACT: Longtime Temple employee Harold Maxwell talks with Megan Lambert about his time working for the Temple companies in Diboll and Pineland. He also discusses company history, the sales department, the unfulfilled Champion Merger, the successful acquisition by Time and eventual spin-off, plywood operations in Diboll and Pineland, company morale, community spirit, and Diboll Day.

Megan Lambert (hereafter ML): Today is October 8, 1985 and I am interviewing Mr. Harold Maxwell in Diboll. My name is Megan Lambert. Testing – testing – that ought to be ready.

Harold Maxwell (hereafter HM): All right, why don't you start with your questions and that will get me in the mood.

ML: One of the first questions I want to ask you is why do I keep hearing so much good about this place and so little bad?

HM: Well, honestly, I think probably the strong part of that deal is it's a good company and it's a good people company and I think that happened, it didn't accidentally happen, it happened on purpose. If you are a good company and the people enjoy their work, I think they become good loyal employees and we have a lot of good, loyal, longtime, long-term employees. I, personally, have been here since 1963, which is just over twenty-two years, and have worked in both Diboll and Pineland for most of that twenty-two years. It's not just in Diboll, it's in Diboll, Pineland and throughout our operations in Texas and now, of course, we are growing and have grown and added operations out of Texas. I think have tried to accomplish the same thing in the outlying plants there and the same type feeling that our employees here have for the company. If we convey that and be the kind of company that the people feel the same way whether they are located here close to home or not.

ML: It has really struck me ever since I've been involved in this project that there just really seems to be a great spirit of positive feeling here. But usually when you go to talk to the people who have worked for a company, somewhere along the way you turn up somebody who's got a grievance. This gets embarrassing – I'm gonna have to really turn over stones to find out anybody who has much of a grievance.

HM: Well, maybe they didn't put anyone on the interview list who might have a grievance but being – trying to be real objective about it and being the best you can and

as closely involved with, I'd say, a good part of the growth that this company has experienced, particularly in the last twenty years has been really exciting and again, I think when you find that you have that excitement and you've got the people involved in helping create and build and accomplish what has been accomplished, people feel more fulfilled, not just going to a job every day, but really feeling like they are a part of something and help create something and support the efforts of the leadership of the company in accomplishing it and you won't find that many people that will have grievances that feel like they have been mistreated or, maybe they weren't challenged or something. That's one thing, I think certainly, our people feel like they have been challenged. We've gone through good times and bad times because the industry we are in necessarily is a cyclical type industry, so every year is not a good year and every year is not a fifteen percent growth year.

ML: Tell me about that.

HM: Our industry varies a lot, up and down, and we've had some industries that have been record years and record results and a year or two later be just about zero, you know, where you are struggling to just break even. So, as we get into these cyclical type businesses, which we are tied to... there as any business in the country and that's the home building business and the use of our products in the home building business. Part of the thing that has happened is we find that we had to diversify in order to be able to cushion some of these cycles. I think the overall plan for doing this was set forth long before I came with the company. The company was well into the diversification mold as you look back over history and you see what happened to the other, even twenty years ago we had independent lumber companies. W. T. Carter, which was down around Woodville, the Camden-Corrigan area and Angelina County Lumber Company and other independent – Temple Lumber Company, all privately owned independent companies and they were in the lumber business and, in the case of Angelina County Lumber Company, they built a plywood plant and went into the plywood business, too, but they didn't really get into the cycle and they ended up selling out to Southland and St. Regis and now it has become Champion, going through those cycles.

ML: I wonder if it would be possible for me to get to see some of those figures over the years – where would be a good source for that?

HM: You know, that's a real good question.

ML: We are working in the business archives up in Nacogdoches and that is a very complicated piece of work. There's about 308 boxes of Temple stuff up there. Do you have anything which has been compiled, written up, about the history of the company?

HM: I don't. I'll tell you what we have got; some books that public information on parts of our business. This particular one here is put out by data resources on lumber and panel products through the year 2000 but they go back, for example, and talk about housing starts and they will go from a period of time, like this one, it goes from 1978 which was a six year history and then goes to doing the projection. And we go back and pick up

selling prices for some historical periods of time in order to set a base for the future projection. I'm sure we could, you know, we haven't really tried to systematize or document any of the historical information that we might have for old sales records for lumber, or whatever the product might be.

ML: That surprises me that the company hasn't wanted to do that too much.

HM: Well, you know, we've got some old records that show invoices for lumber back in the turn of the century, even in the '20's but I don't think we have had any specific product record for that period of time. It's one of those things, I guess, no one has ever sat down and done, much like you are doing right now, no one has ever sat down and taken the time to do it.

ML: Unfortunately, because I need to concentrate for this book so much on the history of Diboll, like what I am doing this year, I can certainly not do justice to the history of the company as such. There ought to be a separate history written.

HM: Yes, I think there is definitely going to be an opportunity of the history of the company to be written in, you know, in some kind of chronological order, like the history of Diboll.

ML: Let me ask you, if you would just give me some background on yourself. You said you had been with the company for over twenty-two years and in what capacities?

HM: Okay, back in 1963, as Arthur Temple and the people who were running the company at the time began to develop ideas and diversification in products, manufacturing products from the residuals of the sawmill, like the particleboard. Of course, the company was already manufacturing a fiberboard type product and was looking into, in the particular instance, particleboard and was building a plywood plant. Wasn't a very large company and had very little in the way of a sales organization and had decided in order to meet the needs of the future growth of the company, would need to implement and develop a sales and marketing organization. At that time they retained the Texas agricultural, Texas A&M experiment – let's see, can't remember the name of the group, extension service of Texas A&M to actually screen some employees and bring them, some potential employees and bring them to Diboll for interviews with a view of hiring them for a training program they were starting in the summer of 1963. They did bring and interview a few people and selected, I think, out of that group six people as the initial sales – what they called a sales training plan. I was one of the first six to come in with that initial class and they had a salesman on the road that had been an ex-teacher and an ex-football coach to bring him in as Director of Sales Training, and actually we had some classroom work and we spent time in the mill and we spent a lot of time learning the product and spent about four and a half months here with the company in the top of the old firehouse as our classroom and had class every day. Showed up for work and we would have a sales training class. At the end of that period of time they put each one of us out in an area of the state calling on architects and builders to... with product literature on what we were making at that time to try to get some recognition for the company and the

company's products amongst architects and builders and I was sent to Houston with another one of the sales trainees. We called on architects and builders for a couple of months and in February I was approached by the sales manager about the possibility of going to Pineland. The company had under construction a new particleboard in Pineland and going to start it up. So I decided to go over there and was given the opportunity to be the sales organization for that little particleboard plant. I went over there during the time of construction, studied the plant, studied the product and went through all that and had a chance to live in Pineland for approximately eighteen months while the plant was being constructed in the final stages and it started up in 1964, about May or June of '64. That was our company entrance into the particleboard, it was not a terribly successful plant but it was a small pilot type plant that gave us the knowledge and experience to build a much larger plant. And since, have constructed three large plants, one of which is ten times the size of that plant originally. And so it was a springboard into a new product group for the company and it was new to the company and it was getting into an area that was hitting the growth for the industry, the particleboard industry and that was exciting but it – what it really did, it gave the company a product that would use shavings coming from the planer mill, a lumber that was being produced instead of having to burn it and, at that time, this was coming down the road when you would no longer be able to burn shavings because of the concern of the environment...

ML: Was it very forward looking of the company to anticipate that?

HM: Well, this was sort of a trend that was coming about and I think the company did a certain amount of anticipation that this product was going to be a viable product and here was a good use of by-product of lumber that we did not have a real good use for. We were going to have to, you know, sell them to chicken houses or something, and that market wasn't such that it would absorb the volume available and made a very good judgment of getting into the particleboard – it has been a very good product for the company and it has meant a lot to the company over the last twenty years so that our second plant here in Diboll was part of the growth of Diboll come on in 1970 – and didn't employ a lot of people but, here again, it used the shavings from the planer mill here in Diboll and, actually added a lot of value to the by-product. And we didn't have a sale for it. That was pretty exciting and helped because that came off about six years after they started making plywood here in Diboll. That was really the – when we peaked for total employment in Diboll was really in 1978. That was really the real start of a lot of growth over a period of about 1964 through about 1974 when a lot of this growth was taking place and, actually we had a peak employment here in 1978.

ML: That was the peak year?

HM: Yes, yes, the employment from our aspects went down, we saw the town grow from approximately 2,500 to 3,000 people the early '60's to, and this needs to be confirmed, I don't recall exactly what the size of Diboll was to the max population was in – over 5,000 and still is, but we have had a lack of a lot of other things, we saw some things that happened, like in the plywood business where this industry had a peak in 1978- '79 and then we had a number of lull years in the early '80's and the plywood plant in Diboll,

being one of the oldest southern pine plywood plants in existence, which was built in '64 which doesn't sound that old, there were a lot of new innovations and stuff done on more recent plants and it became less than being competitive with the newer plants in the industry so that it was shut down and, at that time, we had to move around and we started another shift at the fiberboard plant and did as much as we could to offer as much employment to the people that were displaced when we shut that plant down. So that was really a low point for Diboll and the company when we had to shut that plywood plant down. It was a real low point but since then I think we pretty well – of course, history will tell us that was a real good decision at the time. We had just constructed a new, more modern plant in Pineland which was, I'll say, about sixty miles from here.

ML: A new plant?

HM: In plywood in 1974, so we knew we had a real good measurement of what it took to be competitive in the plywood business and we could have spent the money to make this one competitive but, here again, the plywood industry was beginning to be over-built and it was particularly over-built in this part of the country so there – our projection was that we wouldn't be able to make a decent return on any investment we might have to spend to modernize that facility so we had to shut it down.

ML: Can I ask you something about what Ward Burke was telling me about?

HM: Sure.

ML: Something about the merger they contemplated at one time that never went through...

HM: That's correct.

ML: And he said that he thought that if it had gone through that it was possible that Diboll might have died as a town because the head of this new company might have written off the Diboll end of the operation.

HM: Well, I can remember very well the time that Arthur Temple came to our sales meeting in Austin, Texas and told us that they signed a definitive agreement to merge with U. S. Plywood at the time and, of course, this was in 19 – late '72. This was our annual sales meeting which would have been either very late '72 and – or during '72 or early, early '73. I'll have to check those dates to be sure – but we were having our annual sales meeting and we were having it in Austin, Texas, and when he came to our dinner that night and tried to tell everyone, as you would expect, that he thought it would be a good deal and a good deal for the company and the stockholders and, of course, none of the people in the sales organization felt like it was going to be a good deal for the sales group because U.S. Plywood had a very elaborate distribution system and a large, was a large company and had a large marketing organization and no one in our particular end of the business felt like it was going to be a good deal for us; it might be a good deal for the stockholders and it may be a good deal for the plant employees but there was no way we

felt in the sales organization, it was going to be a good deal. So we didn't feel real good about it. I think later on, during the, looking at their operations and their plants and really checking more closely on their philosophy, it was determined that it probably wasn't going to be a good deal for the employees and there was a possibility that a lot of the operation we had here may or may not fit into the scheme of their long term plans and it could have been, maybe, possibly detrimental to Diboll, but I think nobody knows for sure, what would happen because U.S. Plywood ended up merging with Champion and the guy that was dealing with them on the U.S. Plywood part is not with Champion, so you know, you don't ever know exactly who is going to be running what areas of business after a merger like that, so it could have had a detrimental effect on Diboll, but I don't think we know that for sure. I think we have the facilities in Diboll that would have continued to operate very well and do a good job and could then and now, I think they would have been operating – true, I don't think you could have had any close corporate support staff and maybe in people who are not that interested in the town of Diboll, however, I don't know that to be a fact but that is a risky run any time a smaller company sells out. Of course, as you know, it wasn't very long later, in 1974, when the merger or acquisition that Time made with Temple Industries came about and we welcomed that with open arms because it was a company that was acquiring us that weren't in our existing business and so that, at least, gave you the feeling that they were going to continue to need the support level of people in sales, in marketing, in production that we had because they didn't have anyone already in their company to send in. Plus, they had a papermill down the road that we had done business with for years and they complimented each other and it made a real natural merger and you know, one of the great deals. I am sure that you – have you interviewed Arthur Temple?

ML: Yes, I've talked to him several times.

HM: Okay, well, you've probably got his perspective on that and it is probably very good. From an employee's perspective I feel we felt very good when the U.S. Plywood deal fell through and we felt very good about the Time deal because I think realistically everyone realized that the company was in a position of having to go that route and we much preferred going with Time than with someone in our business, like Champion, Weyerhaeuser, Boise-Cascade or whoever might have looked at us in the past. And so, to us, it worked out really well. Of course, I think that was exciting and good and it gave the company an opportunity to get involved in the paper business and to become larger in the realm of business by putting Eastex in with Temple and, then of course, I think it enabled us – that Time was very good and a good employee conscious company to work for, very much people-conscious and I think that philosophy fit right in with the philosophy that Temple had and so it worked out very well. And then I think, probably, the next most exciting thing that happened was when we were spun off to the stockholders in '83, early '84 to be operated as a separate company. That was again exciting because the people, as you work for a company you like to feel you are going to be able to grow and do some things. We had just come through some real tough times and Time was having a lot of competition for their capital dollars and we needed to continue to spend capital dollars and do a little growing and it was very tough to compete with some of those other businesses even though I think that our – we were willing to compete on a heads-up basis

but, you know, you're not really talking about competing just from dollars and cents basis, but you are talking about competing with what really fits in with their over-all plan and when they decide that, you know, that hey, we don't want to continue to go in this direction, then I think they did a great thing for their stockholders and a great thing for us when they decided we needed to be spun off. I think it's good because it got the support from the Time board and Mr. Temple and management and it worked out very well for us.

ML: We pretty well know, then, of no one opposing it?

HM: Not to my knowledge. All of our people, our employees thought it was an exciting thing to do. We had the opportunity to be closer to the top, if you will, and to be again, stand alone as a forest products company so that, within itself, was pretty exciting. It's not a real small company, it's not a great big company but it's small and you can get back into the growth mode again and companies need to try to grow for the health of the company and the health of the employees where they can.

ML: Can you maybe relate some of these developments that happened?

HM: Well, maybe within the industry, I think we saw the event of the early '60's, mid '60's and late '60's where there was a lot of focusing on within the forest product industry of the only resource in the south in which certainly, the company had acquired a lot of resources down here and had taken a very, very much of a stewardship approach to the resource and also trying to convert it to a better high value which was the event of Southern Pine Plywood and that was, in itself, quadrupled the size of the plywood industry in a very short period of time, it was just an unprecedented amount of growth and that was exciting to be a part of a new product like Southern Pine Plywood or Southern Pine Studs that had not been accepted in the market place, had not been used for that application in the market place and to not only be able to say to your customers, or builders' customers, that "Hey, we got a product, we developed the technology to make an acceptable product, you know, here in the south, and we can serve our own markets here and we don't have to buy it off the west coast," or wherever any more and that was very exciting to go in there and say – "Hey, you know, if it doesn't perform we'll pick it up and replace it and give you your money back." You know, a Sears Roebuck type guarantee on the product and we had to pick up very little product because our people did a good job in making a product that would perform and it became the accepted thing; it really snow-balled, and of course, the 1960's was very much of a growth type situation anyhow, we had a lot of growth, very low interest rates throughout the '60's and it was laying a good foundation for housing boom in the '70's.

ML: Well, can I ask you next to talk from your own perspective where you are located in the company now – about management policies and maybe going back to the original question that I asked you, about morale and company spirit, etc. How have the policies of management of this company supported that spirit?

HM: Well, I think the thing you want to do has basically been said, that you really want to treat people the way you want to be treated and that, you know, that will go a long way. I think being able to communicate with the employees and trying to get down and make sure that whatever level, in a position you may occupy, is to be involved, to see the employees, to acknowledge the employees, acknowledge the work they do and their contribution toward the success of the company and, I think that is one thing this company has done over the years, has made a strong concerted effort to make sure that the employees did get the recognition and were acknowledged as contributing to the success of the company, regardless of level, whether they were actually, manually out there working in the deal, first line supervisor or a manager or even an officer of the company, and as you go through, I think that goes a long way toward the employee feeling good about them, feeling good about what they are doing and feeling like they are not only out there but that they are contributing and making good contributions and are earning their keep. And I think people feel good about that, they feel good when they feel like they earn what they get, and I think the company has been very dedicated to the employees so that there always seems to have been a vehicle at helping employees that got down on their luck, house burn whatever, even today there's a fund out of the coke machines, it's a welfare fund type, some people have some real tough times, maybe they're a retired employee that needs – gets down and needs some medicine or something. There's always funds available to pay to help take care of them but I think –

ML: Is it called a welfare fund?

HM: Well, that's not a big fund there, that gets the money right now through the personnel department and a committee set up over there, it's called a welfare fund committee.

ML: Do people make application for it?

HM: Well, they may, or someone just call in, a pretty informal type situation. As companies change and times change and structures over the years have necessarily become more formal, because we had to formalize our management system we use and formalize the disciplines we use in running our business, we still try to keep the human factor, to treat people as people and not as a number type deal and that takes a lot of effort.

ML: A lot of effort but it has sure paid off.

HM: And so, we try to keep those things going as best as we can, we are no different – our industry is no different, there have been a lot of changes, the technology of manufacturing lumber has changed more, probably in the last five years, than it changed in the previous fifty years but even in doing that, what you are really doing, you're coming up with better equipment or better decision making tools – we've still got basically, the same...a lot of the same people working in the mills and, if anything, you make your job – I don't think necessarily easier, but it makes it – give more tools so a person may be able to make better decisions in a decision making job and, of course, with

the advent of the computer and all that kind of stuff, we use a lot of computers through our operations program controllers, more or less, to do that, and we've seen that – open up for some opportunities but we've had to be responsive to make sure that our cost structure was such that we could be competitive so we can preserve the jobs we have now and we've seen industries that haven't maintained that competitive edge, competitive balance within a company and, consequently, lose their whole market share and that's something we certainly feel very much obligated to try to protect for, not only our stockholders, but for our employees so the whole structure and, that's not to say every decision made and every plant built is successful and every decision made is a good decision but I think the good decisions far outweigh the other decisions so that we've been able to maintain it. As well as you could.

ML: Does the company follow a policy of “management by objectives,” this new sort of decision-making and management which includes people at all levels?

HM: We, you know, we got certain things to do, we set goals, we set objectives and I guess you can say when you manage by objectives in that respect, but in the true sense of what the policy is, of management by objective is writing about, we really don't do that, I think we make a very strong effort to make sure that we run our businesses to accomplish certain goals, certain objectives and try to be, oh, good competitive in whatever industry we operate. In the particleboard, you know, we are going to be – you know, we are considered in the particleboard industry, a good low cost producer and – our management objective, you know, the best thing you can do, you know, is be involved in your businesses and if you – we have one buy who likes to say “Well, you know, we manage by walking around, if you walk around and just look and see what is going on and be involved in what is going on you'll know what kind of condition your plants, or whatever, are in and we try to make sure that our people are sure of what is going on and, also to give them an opportunity to tell us what they need to better run this business. And we do have our business plans and we operate toward accomplishing our business plans and have some company policies that we use and try to operate our business in a very good, human way. We don't watch people in the usual sense of the word –

ML: How do you mean?

HM: That's right, that's part of our responsibility, to make sure we stay abreast of what is going on. Our employees are able to talk with us: we operate with an open door policy and, certainly, in a lot of cases, we try to have employees from different levels throughout the plant involved with meetings with plant management in order to make sure they feel like and do have an input in what they see as their perspective because the expert in any given area is the person who works in that specific area. If they've got problems you don't have a way, or vehicle, or they don't feel like they can go tell you what their problem is you are going to live with that problem. So from that standpoint we try to have a little bit more structure organization to get that – give them a vehicle to get that problem on the table. We always say we operate with an open door policy where, if any one of the employees want to come in and visit with me, or Jack, or Joe Denman, certainly they are welcome to do that. We would hope they would go through if they've

got a problem with their supervisor, that they would go to the next level up, or go to the personnel department and try to get it resolved before they come directly up all the way up to see one of us but, by the same token, if they don't feel like they – then they know and feel they are welcome to come in and see us because we do. And if they want to talk in confidence, or if they want to talk about what you are doing out there, I think that goes back to your original question, why people feel good about the company and what the company does.

ML: Do you live in Diboll, or somewhere like Lufkin?

HM: I live here. Yes, when we moved back here in November of '65 and we've lived in Diboll ever since then and in our third house location here in Diboll but we been there since 1969 on one particular street down here. You sort of get attached to, not only Diboll, but a given area of Diboll, and both of my sons have spent all their school years here and both are in high school now and, needless to say, we like Diboll very much. We think Diboll has a lot to offer and the quality of life is good, the school system is good and...

ML: Are your sons both close to graduation?

HM: No, one is a senior and one is a sophomore.

ML: What kind of aspirations do they have for after graduation?

HM: Oh, I think the oldest is planning to go to A&M, Texas A&M, in September, and may go there this summer, and the other one at this point in his high school days feels like he is going there, too. But they might change their mind on that, but I think the oldest one pretty well feels like he is going to go give it a whirl over there.

ML: Is either one interested in forestry studies?

HM: I don't think they have specific interests in the forest industry per se, you know, I'm talking about majoring in, you know, just business in general and, you know, when a person goes to college they don't really know what they are going to do. They go in and say "Well, I'm going in this area" and then they get over there and they may not like some of the things about it and start getting into areas that they like better. Neither one of them have talked about planning to major in forestry or anything like that, but you know, we've got very few foresters that work for the company, most people who work for the company are not foresters, so I think that is one of the things about – life here in East Texas, we have to – a lot of our growth is out of the Diboll area certainly, and out of East Texas. Diboll, itself, is unique, I think, in that there are a few things that happened here that really create a pride and a cohesiveness in the community that you don't always find, one being that every other year, we have a Diboll Day and, within the Diboll Day I guess you have heard about the competition that goes on and we have a different queen candidate sponsored by different groups of either merchants, or maybe merchants and some of the plant groups. Everyone that is connected with Diboll support a given group

and goes out and does a lot of different things to support that queen candidate and which ever queen candidate raises the most money is queen for the next two year period. I think that is good and creates a cohesiveness and excitement in the community and a lot of hard work, but I think it gives us an opportunity to take pride in what we do. The other thing I think is that in spending the monies raised at Diboll Day gets involved – that’s the other aspect of it in what type programs we are going to be able to support and do things that – as a Diboll Booster Club that – you know, regardless of what you do, or whatever, in the community, you can become a part of the Diboll Booster Club and have a say in what is going on.

ML: Tell me about the Booster Club.

HM: Well, we don’t have formal membership, if you work in Diboll and support raising of the money, you are part of the Diboll Booster Club and you have a say in how it is spent. Basically we have an organization and we have committees that get together and evaluate the projects and suggestions and a lot of the things we enjoy today in Diboll, the monies raised the previous Diboll Day, have helped support. We have a very large and active softball and baseball program for both boys and girls and it is primarily funded from Diboll Booster Club money. When the Diboll golf course was built a number of years ago, and it is one of the few public golf courses in this part of the country and probably the best one, part of the operating money is to help fund the deficit for the golf course, was supplied from the Diboll Booster Club. We made a pledge for so many thousand dollars a year for several years to help support that, as you have been in the library and a lot of the Diboll Booster Club money is – over the years has gone to support the library as well as the day care center and the baseball programs, but also the baseball parks. We’ve got a very nice park.

ML: How about day care, is that just for company families?

HM: No, it’s for community of Diboll and I think that’s one thing, if a mother wants to put her child in there and goes to work in Lufkin, or wherever, that doesn’t come into play – it is supported by the community, of course, we have a lot of people who are involved in the Diboll activities and may work in another community, but live here.

ML: How about company sponsorship of Diboll Day?

HM: Oh, yes, and I think the first Diboll Day – our Diboll Booster Club President was probably Joe Denman – Paul Durham would be able to fill you in on that, in quite a bit of detail. The company does let our key employees, all of our employees involved in it, but I think a lot of support and leadership comes from our key employees so that everyone knows that they are going to spend a certain amount of time, maybe company time, working on Diboll Day, and you know, from per dollar and cents standpoint it may be – costing the company money but you are getting something on the other hand that you can’t buy for money. So I think that is a real benefit of something like Diboll Day and that is one of the things unique to this town.

ML: And Pineland?

HM: Pineland has followed suit and we have Pineland Day, so every other year you've got – alternate years you are going to have Pineland Day and then Diboll Day.

ML: Seems like an excellent idea.

HM: It has been very successful, a good idea and I think you get a lot of people involved in helping raise this money and then they feel free to get involved in helping spend it. We spend it for usually basically, for the good of the community and the good of the youth of the community as much as anything. One big project we've got on the boards now that we are hoping, of course, for some support from other people, is building a Town Hall type deal, or if you will, a Civic Center type facility, so we will have a large meeting place in Diboll.

ML: Where is that going to be?

HM: The location will be across the highway, this is FM 1818 and across the creek from the school, there's a part of the park, the upper end of the park is the location that has been chosen for that...it's the upper part of the park and, of course, there is a pecan orchard runs down through the park and this – what they are trying to do is locate the building on the site to save as many pecan trees as possible. The first preliminary look-see on that was given last week so, as the plans are further developed, it'll be real interesting to see because it is a beautiful setting back there and it will be a good addition.

ML: What's the projected date of completion?

HM: Well, it won't be completed by this coming Diboll Day which will be approximately a year from early October or late September, but I'd say certainly it should be well under construction by then. If we are successful in raising money and I feel like we will be, it should well be under construction by then.

ML: What are the advantages of a one-company town?

HM: You know, it's very difficult when you – everyone considers Diboll a one company town but that's not really true because you have a certain amount of facilities such as Borden Chemical Company and we've got a couple of trucking companies and we've got those type deals, we've got another large particleboard customer that's rented part of our old plywood warehouse over here that's going to put in a laminating operation. I think we'll see, we spent a lot of money modernizing our sawmills over here last year and I think we have an opportunity to see possibly some more support type operations but most of your gross sector in the country lately has been not in the manufacturing area but either in a process that will add value to a given product or in the service section, you know, providing services and we have three or four truck-lines here in town that have located terminals here and whatever that provide services by hauling products and that's where the real growth continues to be in these areas so –

ML: Can you tell us about some of these investment companies? I don't know whether to call them – whether they are subsidiaries of this company –

HM: Okay, Sabine is a wholly owned subsidiary of Temple Eastex and is operated as such and, at one time, their mission was to take lands that were basically too valuable and develop for sub-divisions or for commercial sites for shopping or whatever and then still basically that is their primary – and their primary project right now is Crown Colony but they've got projects on the lakes when we lost a lot of lands in Toledo Bend or Rayburn, that left us with a certain amount – the company had a certain amount of lake frontage, that was developed and they were responsible for getting that developed. So that's sort of a real estate type business that was set up over there to do that, that was their mission, that's the reason they were created at that time. Exeter is owned by the Temple family, it is a private company and doesn't have anything to do with the company – with Temple Eastex. At one time they were Diboll Development Company and they were located in Diboll but when it got to be a large enough company where they had management run it and needed larger facilities they built in Crown Colony and that's where – that's where they are located now and operate out of there, but don't have anything at all to do with the company. Have you talked with Stubby, Horace Stubblefield?

ML: No, I haven't.

HM: Horace Stubblefield, yeah, I think so, in my opinion and you've talked with Joe Denman? Okay, Stubby came maybe a year or two prior to Joe coming and when we came in, a lot of the activities were already under way and we sort of got involved in the real growth of the company but if you go back when Stubby came, they were here when they were formulating a lot of the ideas of what they were going to do, to help, actually, take an idea from an idea to a project and he came even – he came somewhat before Joe and was involved in certain aspects of it that maybe Joe wasn't, you know? Knew about it and I think Stubby would be a very good one to talk to because he goes back, let's see, Joe came in what – 1950? And Stubby a little prior to that and was involved when we had an ammunition box plant here, involved in making ammunition boxes.

ML: Sounds like we'd better talk to him.

HM: Yeah, he can give you – he was also involved in the furniture deal, when we had a furniture plant and so he can give you some insight into that part of it and also lived here in Diboll a few years ago, he lived here, I suspect, thirty years or more so he can probably give you some going back to the '50's where I take it, and, of course, there are other people you can talk to, too, but Stubby, he was involved in and he was one that Mr. Temple hired to come in and work on projects just like Joe.

ML: He'll probably be a good person to ask about the business history.

HM: I think he probably will.

ML: May I also ask you about the relationship of Temple Industries to the outfits with which it eventually merged?

HM: Okay, Temple-Inland and Temple-Eastex. Well, Temple-Inland, that's the parent company, okay, going back to Temple Industries, was acquired in 1974 by Time and then merged with Eastex, or maybe acquired in '73 and merged with Eastex later, forming instead of Temple Industries – Temple-Eastex. Eastex was a pulp/paper company owned by Time and we were forest at Evadale. All right, that's your Temple Eastex. In 1979 Time acquired another company called Inland Container Company. In 1984, or later in '83 when – ten years later, after we were acquired, Time spun this company off called Temple Inland. Temple Inland is a holding company and under Temple Inland there are three legs for Temple Inland and they are solely a subsidiary – Temple Eastex which is located here, Inland container which is located in Indianapolis, Indiana and then our financial services group which is located in Austin. Those are the three operating legs of Temple Inland. Temple Inland is the holding company, parent company and we've got three operating divisions.

ML: How about Lumbermen's investments?

HM: Well, no – on the organizational charts it shows up as financial services group. Technically it's a wholly owned subsidiary of Temple Eastex. The company that is sort of – it started with over there was called Lumberman's Investment Company which is called LIC.

ML: The famous LIC?

HM: That's the famous LIC and, from a legal standpoint, LIC is a wholly owned subsidiary of Temple Eastex but rather than go through the restructuring of all that, they have become known as a financial services group of Temple Inland so that's the famous LIC, it is headquartered in Austin.

ML: Does Temple have a building in Austin?

HM: Austin, no, it's located at a bank building just off of 8th Street. You know, it's on West 8th and, oh, about three or four blocks over west of Congress on 8th.

ML: Near the Capitol Building?

HM: Yeah, sort of.

ML: Well, wasn't there some kind of office building right near the capitol that was used by the Temples?

HM: Well, there was a – that was the Westgate Building and Westgate was a sort of highrise office building, I mean, I guess they had apartments, no, it was an office building at one time and I think it has been sold and the last I heard it was going to be converted,

or has been converted, into apartments, I don't know. That is another part of the company that Horace Stubblefield could tell you about and, of course, Arthur was instrumental in getting that started and I'm sure can give you the real scoop on how he got that formed and structure set up. But it is a major portion of the company now.

END OF INTERVIEW