

ARTHUR TEMPLE JR.

Interview 56b

July 11, 1985 in Lufkin, Texas

Megan Lambert, Interviewer

Dorothy Farley and B.J. Capps, Transcribers

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

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

Arthur Temple: Well, I can't really say how my predecessors did, but, yes, it was a conscious effort on my part. One of the hardest things to do in an organization is to sincerely encourage people to express themselves. They always try to wait and see how I would feel about something, the tendency was to wait and see how I felt about something and then they would usually agree and in some cases disagree. But the technique that I used in those meetings was to present a problem, or maybe someone else would present it, and I would frequently deliberately argue the other side of the thing to encourage people to take the other viewpoint. Then we would finally get down to the point where people would really express what they thought. That was at first, of course after you've worked with a lot of people and they know that you don't expect them to agree with you then you don't have that problem. I really do think that we, I guess all heads of companies feel that everybody expresses himself to him but I really do feel that people weren't the least bit hesitant to take a contrary position to what I did. I hope that's true. I think it was true. I know it is true. We had not only a freedom of expression, but we had a practice of bringing in additional people, people who wouldn't ordinarily be included in those visits or those meetings to try to get some more viewpoints. It wasn't just the officers of the company who attended, it was frequently, we would go pretty far down

into the operations in order to get fresh view points. We also did a lot of things that are old hat now, but we made a very big effort. The most important thing is for, let's say a lumber stacker...he had an idea of something that would improve the operation, even if it didn't involve his particular job. He's generally afraid that he will look ridiculous if he suggests it. It wasn't just the officers of the company who attended. Frequently we would go pretty far down into the operations in order to get fresh viewpoints. We also did a lot of things that are "old hat" now but we made a very big effort to get ideas coming up from the bottom, from people who were actually handling and stacking lumber because everybody out there secretly knew some things we could do better. The trick is to get them to feel it is important to contribute their ideas and I think we were very successful in getting that done. Then once you get it started, that process of bringing ideas up from the bottom feeds on itself and then it flows. The most important thing is, let's just say, a lumber stacker if he has an idea something that would improve the operation even if it didn't involved his particular job he is generally speaking afraid that he will look ridiculous if he suggested or be ridiculed and the important thing is to take the good ideas and let them know you appreciate it and at the same time not to go flatter people who bring up bad ideas because they can see the insincerity of that. I think it just gets down to a few fundamentals and they are all the things you know about like sincerity and genuine interest in people, interest in their welfare, that sort of thing.

ML: And not having secrets?

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

ML: Where did that start, would you say?

AT: Well, you know, I don't like to talk about me all the time but I think I...

ML: Yes, talk about you.

AT: ...I think I am the one that did that because in the organization, and I think in most organizations, but in our organizations when I went down there I think there was a feeling that people weren't supposed to ask certain things and certain questions. I don't have anything in particular in mind but we didn't expect anyone to "stay in their place." We tried to talk up the fact that we don't have any big shots in this company and nobody has the right to hide behind his position and it worked very well for us.

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

AT: I know one of the things we did. When we moved into the old commissary and remodeled it for an office, which was the first time we had room for everybody to be in one building in office, I put in a coffee bar. Now that is standard practice nowadays, but the reason I did that was that people would come in there and have their coffee and

invariably we would get little bull sessions going, talking about our problems or our triumphs, or whatever else we had. I've always said that I hate meetings, formal meetings, because I don't think you really bring up the important things generally speaking, at formal meetings. And everybody feels that he has to make a speech at a formal meeting. In the coffee bar you would accidentally meet someone and say, "Gee, Joe, what about so-and-so?" They'd say, "I'm glad you brought that up, I've been wanting to talk to someone about that." You accomplish more with accidental meetings, in my way of doing, than you do with planned meetings. Because there is no speech making, there is no audience to make speeches to, and that's one of the little axioms or rules that I have always followed.

ML: Well, it sounds like just sensible application of basic human relations.

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

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

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

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

AT: I don't think many companies are sharing with the customers now days.

ML: You sure don't get that feeling.

AT: No, the employees damn well get theirs and the stockholders and the officers get theirs. But it's a three legged stool and all three legs, I think, are terribly important.

ML: It's a network kind of.

AT: I think I was pretty successful early on in selling the employees that I was their Ombudsman, that they didn't need anybody and couldn't find anybody more effective than I was to talk to the stockholders to see that they were well taken care of. We quickly became the best paying company in the business we were in. I'm not saying we overpaid, we sure as hell didn't. The happiest day of my life was when we could pay as much as other industries in the area because we didn't way back in the earlier days, because we couldn't. When we got to the place where we could look at Lufkin Foundry and the Paper Mill and other places, and say we are really paying comparable wages for the particular jobs, that was the happiest day in my life!

ML: When was that?

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

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

AT: Oh, yes.

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

AT: Well, not alone.

ML: No, not alone.

AT: I and the people around me, sure but it was my job to let everybody know that was what our policy was.

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

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

ML: It's a good thing that the attitude you got from your father about "the company is the family" is something that had been going on for a long enough time so that when you

were kind of taking over the reins then there was a natural transition to what you were going to do.

AT: Yes, you see the company in capital gold letters, the company is the family and the family is the company and any success of the company was a good reflection on the family. And they were so intertwined that the success of the company was a matter of honor and it still is.

ML: Ah, that is very important!

AT: I mean, if something bad happens to the company in Diboll today, even though I'm not running it, it would still...the whole family would feel it was a terrible reflection on them as a people or as a family. I think most private companies are that way. Of course, we are public now but it still has our name on it.

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

AT: Yes, in varying degrees, but the generation ahead of me took it absolutely in that way. My generation takes it that way. I can't say how much the following generation feels that way but I think they still feel that way. They take great pride in the accomplishments of the company.

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

AT: I didn't have all that much educational experience. I attended Texarkana, Arkansas High school, and graduated. My parents tried to send me first to Culver. I stayed there two weeks. It was a military school and they would not let freshmen walk in certain places and a bunch of silly rules. I was a fairly mature young man. I was kind of an old man really when I was young and I just...I never was in tune with that sort of foolishness. I think I would have enjoyed Culver if it had been just a straight out matter of going to school and learning something and coming home. Later, I wanted to go to Lawrenceville, where Latané went. Latané's father went there and I wanted to go up East. I had spent a lot of my time up in the East at my grandfather's place on Long Island, every summer. One of my friends was up in the East in school and I wanted to go there, but I would have lost a year because of the courses I'd had. I would have lost a year if I had spent the last two years of high school at Lawrenceville. And I decided that was a bad trade-off, so I came home from there and I finished. I was a good student at that Texarkana, Arkansas High School, which incidentally was a damn fine school. I don't think I was salutatorian but I was a good student. Then I went to the University of Texas for one semester and I made good grades and then I decided I probably would like to go East and I enrolled at Williams. And I went up to Williams and I stayed there about a week, and I came on home and went to work. I anticipated that my father was getting

pretty tired of that so I stopped, I got off the train in St. Louis and went down to a hotel and I got a job promised to me as a bell hop and having that in my pocket I went on home fully prepared that if dad kicked me out, I had a place to go. (laughter) But he didn't kick me out. He was very understanding. I think he was pretty peeved but then I went to work for a retail lumber yard in Paris, Texas, that belonged to the company. I made \$70 dollars a month but that really wasn't all that bad because I stayed in a wonderful boarding house and had a beautiful room and bath and three meals a day cost me \$30 a month. And, it really wasn't bad. I saved part of the \$70 because there wasn't really anything there to spend it on. Then when they built a lumber yard in Lufkin, I had always wanted to be down here, which was the center of the family businesses, when they built the lumber yard in Lufkin they were nice enough to give me a job as bookkeeper. I had learned...I was yard help up in Paris which meant that you loaded trucks, unloaded trucks and made shipments and did hard work. But in the meantime, Mr. C.S. Record was the manager and he took an interest in me and started teaching me to keep books. He and I both had plenty of time to study that because they did almost no business! That was during the Depression, that was in 1937 and there was no business. I can remember very well that most months we would do about \$2,000 worth of business. Well, you ought to do that much in thirty minutes in the morning, you know, and there wasn't any business. Nobody had any money, so I learned to keep books fairly well and I also learned to be a draftsman. Mr. Record taught me that too. It was customary in those days, if a customer wanted to build a house, he would come to the lumber yard, we would draw him a set of plans, provided he would buy the material from us. I'll never forget one instance. There was a farmer outside of Paris, Texas, that I heard was going to build a little house out on his farm. It was a little old board and batten house, the vertical boards; it didn't have studs in other words. It was what they called "oil field construction." And I drew his plans and I went out and camped on his doorstep for almost a week to get that job and the entire lumber bill, all materials for the house only amounted to \$467.

ML: Oh my goodness! What year was that?

AT: That was in 1937.

ML: In '37.

AT: And I drew a lot of plans over a period of time and then I came down here to Lufkin as bookkeeper and I had a terrible time because there was such a need for a lumber yard in Lufkin. Lufkin was on a little bit of a boom at that time. They were building the new paper mill then, Southland Paper Mills and that was quite a project in those days. So things were much faster down here than up there and we took a suite of rooms in the Angelina Hotel and opened an office there because we started doing business before we ever opened the lumber yard. We had people actually seek us out and want us to help them get something built so I drew plans and I helped unload trucks. We didn't even have a lumber yard at that time. We were building it but we were selling material out of that place and we were making money while we were still operating out of the fifth floor of the Angelina Hotel. But, those were good experiences. Then to wind up my history, about 19...I worked up, I was assistant manager. A marvelous guy was the manager,

wonderful friend and terrific fellow, great philosopher, pretty rough old codger named A. L. Banks was the manager and he taught me a good deal. I became what they called in those days the second man. It was really the assistant manager but the assistant manager also had the privilege of keeping the books so I was doing both and I was also going out and unloading lumber. We had more business than we could take care of. So, one month the books wouldn't balance. I would come at six in the morning and stay until twelve or one o'clock every night and I checked every entry. I refigured every sale we had. I checked everything I knew to check. Finally, I called the Houston office and told them I just had to have some help. They sent the No. 2 man over all the yards, a Mr. McCullough up there and he walked in and he smiled and he says, "Oh, Arthur, don't worry, it's just some little old mistake somewhere, we'll find it." He stayed there three weeks and we never did find it. (laughter) So, finally we just forced a balance on the books and went on and then from there on I didn't keep books very much after that. We had a hell of a business there. We had 41 lumber yards and we were doing more business than any of them, including the ones in Houston. Then in 1941, FHA, which up until that time, only made individual home loans to individuals to buy or build houses. The war was coming on and FHA adopted what they called the "Title Six Program," which allowed an individual who could otherwise convince them he was capable, to go in and get commitments on a number of houses. That was the first time you could do a FHA project of houses. So, I heard they were going to put an ammunition manufacturing plant up in Texarkana, which was my old home town, and I said, "They are going to need a lot of people, they are going to need a lot of houses." And I went up to Texarkana and optioned a piece of land and created a little company called TEMPLE CONSOLIDATED INDUSTRIES. Incidentally, that name irritated the hell out of the family because it sounded as if it was the mother lode and really, it was just a little \$10,000 company. We created that company and filed an application for 141 houses, 142 houses, and we got the commitment. Actually, at that time, I went to the FHA office in Dallas which had jurisdiction over Texarkana and they said, "We know about the program but we don't have any regulations on it yet and we don't know how to do it." So, I said, "Well let's both learn together and let's get this application in." So, we did, and we got it and we built those houses. That was my first company. I had had some little partnership ventures of various types. And we built those houses and we were awfully proud of ourselves. The government wanted those houses to be rented and they required that they be rented to the people who worked out at the ammunition factory. They wouldn't let us sell them. We could have sold them, at that time a house like that only sold for about \$4,000 or \$4,200. Unbelievable! These were nice houses. They were two bedroom, three bedroom houses and they wouldn't let us sell them. So, shortly after that, a couple of years, we rented them for a couple of years then, I was drafted into the service and went into the Navy for a year. All that time I had Mr. Ben Anthony, who was an elderly fellow who had been in the real estate business and he was...I called him Uncle Ben but he really wasn't my uncle, he was a distant relative. But he looked after them and rented those houses and made us a little money. When I came back, all of a sudden the government said we were free to sell those houses. Well, in the meantime, a house that was to sell for \$4,200 was worth about eight thousand or nine or maybe even ten, so we made a ton of money for us in those days. We wound that up and then we built a project down in...we decided well we have got the knowhow and we've done this, we built a project down in

Baytown, Texas which was then known as Goose Creek. We didn't do quite as well down there because it rained and there was no place for the rain to go and it was wet and we just had a hell of a time.

ML: Was this oil boomers?

AT: No! No! That was just...well Exxon had its big plant down there and they were big employers and it was just a good place to go to build houses. So, we didn't do quite as well, we did all right down there but not quite as well. In the meantime, I had gotten into a lot of little old businesses, most of them were successful, some of them weren't, and all the time though I was running the lumber yard. So, in order to keep things strictly on the up-and-up well, I bought all the materials from Temple Lumber Company and I started figuring it out, they were paying me, I think, probably, at the time I am talking about...

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"I'm paying you thousands of dollars a month in profits on these materials that I could very well go and get myself, in order to get \$180 a month and I've got a lot of family loyalty and all that kind of stuff, but I just can't afford you." So, I want to retire or take a leave of absence at least. So, I did in January of 1948 and they said, "well just take a leave of absence." So I did, and went up to the homebuilders show in Chicago and when I got back I found that my cousin, Henry, who was running the operations at Diboll, had died and then they asked me to come down there and run it. I said, "You know, I've got my own business and I've already made this step, I really don't think I can afford to do that." Well, Dad told me says, "Well, you know you have the obligation to do it and we want you to do it." So, I said, "Well, how much are you going to pay me?" He said, "We are going to pay you \$10,000 a year." Well, it is hard for you to realize, but \$10,000 a year was a very respectable salary in those days. That was only in '48, you see. So I said, "Well, under the circumstances, I will perform my family duties and I will go down there." So I did and I think that brings us up to where we were talking before.

ML: Yes, would you let me skip to another topic?

AT: Sure.

ML: Okay, this is a topic that Latané suggested and it fits in real well with a bunch of topics that I was already thinking about. He said I should just ask you flat out what you think the national responsibility of executives of big companies are?

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

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

AT: Well, let's start talking about the responsibilities of Southern Pine Lumber Company in those days, and later Temple Industries and later, Temple-Inland.

ML: Even better.

AT: They are big land owners. In the early days, we only had a couple of hundred thousand acres of land which was still a lot of land, timberland. Today, Temple-Inland has a million and six hundred thousand acres, counting half their interest in Inland Container. The first thing is that I think the stewardship of the land is very important because, in a sense, it's true we are managing and holding those lands for the true owners who are the stockholders but they also are part of the nation's wealth and they are there for everybody to use as befits their position. By that I mean that I don't mean that the general public can go in and just take over and use it, but it should be used where the general welfare is best served, consistent with the rights of the owners. I think Latane knows, of course, that I do have a strong sense of responsibility. I think it is important how people in business behave with respect to not only the law, but what we conceive as the morality of good business. He has heard me when I am very critical a lot of time, frequently, of my peers, who do things that I don't think reflect well on business. I think business is an honorable pursuit and I think a successful business has an opportunity to do an awful lot of good. And an unsuccessful business doesn't have much opportunity to do good and we have always felt that it was our obligation to do that, and not only an obligation to do it, but to behave properly and to conduct your affairs for the general good as well as your own. I've found that it comes back to you. You know, it's like bread on the water and it does come back to you. Our success as a company is as much due to the wonderful support we have had from our employees and from our neighbors and from the people in the state as a whole. A man can't do much by himself and any successful person or any successful company, if they are honest, knows that it was the combined efforts of a lot of friends and people who were of good will who tried to help you.

ML: Would you like to talk a little about the Big Thicket and conservation movement and so forth? How that interacted with your company's activities?

AT: Yes, back in the forties, well no I was really about to talk about Rayburn Lake. The Big Thicket, the Big Thicket was conceived, and I can't remember the date, but it was conceived and I'm going to say the early sixties by a group of well-meaning, single purposed naturalists who wanted to put together what they conceived roughly as a wilderness area, to preserve that area and to make it a place where naturalists could come in an uncivilized and uncontaminated area see nature in the raw. Well, I've got to tell you; nature in the raw in the Big Thicket is rough as hell. It wouldn't really attract many of those people if they had to see it in the raw. They got a great deal of public support from the population in general because the population in general didn't conceive it as a wilderness, or a harsh place full of snakes, bugs, alligators, and whatnot. They saw it as a National Park and they visualized Yosemite and the Grand Tetons, I guess. Anyway, they saw it as a pleasure place. I had a good bit of trouble with it frankly, in my own mind. Number one, they were going to take valuable timberlands that we had tended for years, and they were going to take that and put it there to just sit. I really did not believe...and don't incidentally to this day believe that many people are going to benefit

from it. Nevertheless the philosophy was alright as far as I'm concerned. I've always been a little bit of a naturalist myself and I would like to see some of the world kept in a natural state. I didn't really see anything too wrong with it but what happened was...the advocates... it become a big political controversy and it was getting to the point where it was really counter productive for us. And frankly I didn't feel like most of my peers felt and other companies in that same area they were just dead set against it. They thought it was just terrible to take it out of private ownership and lock it up, so to speak, into a natural preserve. They were, I'd say, generally pretty damn unsympathetic to the whole plan. I recognized that whether we liked it or not, this was probably going to happen sometime after a great deal of blood was spilled, figuratively speaking. About that time there was Ned Fritz and his Naturalists, that he led, were saying a great many things that were untrue about the big companies, and, you've got to understand, big companies are not automatically popular and particularly big land owning companies. Ned Fritz was creating a big public relations problem for all these companies, including Southern Pine Lumber Company, by saying untruly, that we were going in there and raping the land before the government could get its hands on it for this park, this wilderness area, or preserve. Well, of course, all of my friends and I were very upset about this because we were not doing that. Now there were some individuals, some smaller land owners, and I don't criticize them, they were sitting there waiting for the government. Either the government ought to take the land or it ought to pay them for it, or let them be free of that cloud, you know. Well, for several years they had been sitting there with the land. They couldn't cut it without being criticized, they couldn't manage it, they couldn't do anything with it, and, at the same time, they weren't getting anything for it and they were paying big taxes on it and all that sort of thing.

ML: Sure.

AT: So, I got our group together and it wasn't hard to do. I don't want to sound like I did a great selling job, but I got the lumbermen together and I said, "look, why don't we now go in and declare a moratorium on any cutting on any of our lands in that area and say to the government we are doing this provided you will try to move as rapidly as possible and get something done about it." Well, they agreed to and they did not cut it and that turned the public relations thing around because they went on record. They still occasionally got criticized falsely by people saying they were cutting it and so forth, but they didn't cut it. They held it for the government and the government may have tried to move rapidly, but ten years later we still had all of that and we had been paying hundreds of thousands of dollars in taxes and so forth and getting nothing out of it. But finally, it was resolved and we did work out some compromises. Charles Wilson, our congressman at that time, was a very close friend and he used to work for the company and he interceded and got the thing worked out. In the meantime, I got all the environmentalists...Charlie Wilson used to call them "Environmental Crazies," but I got all those people together and used them as an advisory committee and we took them out to our hunting lodges a couple of times a year and we explained to them what we were doing, which they didn't always agree upon, and on our own lands, not just the Big Thicket. We gradually got them to understand that we were not that far apart. We were apart on details, but, generally speaking, we loved the woods as much as they did and we

created a lot of good friends and we created a lot of good public relations. All the people who had been our antagonists are today our best supporters. I will just tell you that.

ML: That is a really wonderful story!

AT: It really worked. It's hard to tell it in a few sentences like I'm trying to now because there was much more to it than that. I'll never forget Mrs. Watson. What was her first name? Any, Mrs. Watson was one of the leaders and one of our main antagonists and they were having hearings in Washington and I went up to testify. Well, she met me in the vestibule there and she just started giving me hell. [Betty, what was Mrs. Watson's first name, down at Buna or someplace down there, Beaumont?]

Betty Burkhalter: Geraldine.

AT: Geraldine.

ML: Thank you.

AT: I said, "Geraldine, you know I am trying my best to do whatever is proper and right. Now what is it that is bothering you?" She said, "Well, a group of us went out in the woods the other day over on some of your land and we found the only wild camellias, silky camellias that we have ever found in existence." And said "Do you know what was happening? Your people were piling up brush and they were going to burn it and it was going to kill every one of them." I said, "Well, where are they, Geraldine?" And she told me and I got on the phone right then and I got hold of our people and told them what the problem was and that was really the break-through because she understood that misunderstandings were probably at the root of all the problems. We really had some serious public relation problems in those days. I'm glad to say that now, as long as we conduct ourselves the way we have been, I don't think we will have any problems. You know, a lot of people don't understand that if we wanted to be selfish in Temple Industries, we would be in favor of putting the whole forest into a park because every tree that is not cut on the National park makes ours more valuable and we've already got our land. I told that to a few of them and they began to understand.

ML: Okay, that is the over arching truth that people have got to have a hold of. Well, okay there are a lot of things I would like to ask, but one thing I want to make sure I ask is to get you to tell about Dave Kenley and the timber purchases in the beginning. One reason I want to ask this is that my graduate student from Rice is helping me with the archives up at Nacogdoches and he is going through those 308 boxes. Two days a week he is up there and he says, "Megan, I just can't tell you how much these archives are seemingly dominated by correspondence to or from Dave Kenley, now, who was this man?" I told him what I knew of Dave Kenley, but I would like to hear from you who he was. I spoke to his wife, too.

AT: Did you?

ML: Yes, had a wonderful interview with her.

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

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

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

have a great time in Diboll. Diboll was part of our early history in that way, also. Is that enough about Dave?

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

AT: Oh yes, I've got to tell you that.

ML: Yes, I want to hear that story.

AT: Well, in the early days, there were a lot of title problems because squatters, it was impossible, there were no roads, as I said, there were no airplanes. We owned land up nearly to Palestine, Texas. Well, it represented quite a job to just keep up with what was going on. People would come in uninvited and cut the timber. We would go and try to find out who it was and so forth. The laws in those days allowed a man to squat on your land, or settle on your land. If they "held it adversely" that is, against any claims, if they stayed there for a very few years, there are varied degrees of title, but if they stayed there for a number of years and you didn't get them off or if you didn't make them sign a lease, then they could cloud your title and probably take the land away from you by limitation. You understand?

ML: Yes.

AT: Well, in those days, I don't believe they had to stay there, this probably isn't right but something like three years. Well, a person could be back in that forest for three years and nobody would know he was there unless somebody told us. So, in order to perfect title, a company like Temple, even though they have the deed to it, have to hold it adversely against any other claimants. In order to do that, one of the evidences of holding it adversely is to fence, or to otherwise occupy the land. You occupy it by running cattle on it or some other thing, but cattle is a good way to hold land adversely.

ML: Okay.

AT: It is much better if you fence it, but even if you just operate...so what they did, Dave was successful in selling my forebears on the idea that if they would let him use the land for grazing for nothing, and if we would furnish the fencing materials, he would set about to operate on it in such a way that it would help us strengthen our titles.

ML: I see.

AT: Well, of course Dave wound up with free leases on a hell of a lot of land, all the fencing materials, and he usually wound up, I think, using our labor to do the fences although he was supposed to do it. I'm not real sure we didn't go round up his cattle for him. I use to kid him about it. I'm not accusing him of anything. (laughter) I used to say, "Dave, we're just operating your ranch for you." Then in order to do that over an area like I've described, he had to have some partners so he went out and created partnerships

with various people and they owned cattle together. Usually the partner would look after the cattle and do all the work. Dave would help purchase the cattle and he had lots of cattle, just lots of cattle because he had the best grazing situation you could have. But then Dave realized that East Texas is not a very good place to finish off cattle, and as the years went by, it became necessary to have a little better grade of cattle. I'm sure that the first ones were pretty rough, about the equivalent of a longhorn, although they weren't longhorns. So Dave went down to South Texas and bought a ranch. He followed the practice of keeping the mother cows up here and when the calves got to a certain size, or the steers, he'd ship them down there, get them in better shape and then later he made deals up in Kansas. He would ship them up there in box cars, or cattle cars, and the people up there would finish them off in the wheat fields. Dave told me all about it. He said, "It's the best thing I ever did." He said "those people up there with these wheat fields." The deal was that he would ship the calves up there and he would get the gain in the quality which was a good bit, so many cents per pound, and the owner of the wheat fields would get the gain in pounds. So Dave had a wonderful deal going. He would breed the cows here; ship the scrawny calves down to South Texas where they would get some minerals in that grass...we have none here...ship them to Kansas to be finished. It was just great; Dave became a very wealthy man. Dave was a good man, a great friend of mine. The hardest thing I ever did was when our foresters told me we needed to get the cattle off the land.

ML: Did they?

AT: Yes, they did because what happened is it was always thought it didn't hurt anything because they don't eat pine trees, except they have a certain amount of mechanical damage. I mean, they step on little seedlings and so forth. Well, what happens is that there would be a little tiny clearing in the woods and the foresters brought me a bunch of aerial photographs to show me this, this was about I'm going to say '52 or '55, and what happened was the cattle would come to these little grassy plots, maybe not much bigger than this room, which were all through our forest of course, where fire or bugs or something had cleared out a little area. When they got through eating, they would bed down and they became little centers where they would congregate. Just the fact that they laid down, they rubbed up against the trees and so forth and gradually they killed trees and the areas got larger and larger and you could actually look at the maps, the aerial photographs and you could see that all these holes in the forests became larger and larger. The net effect of which was that a good bit of your forest, if you added it up, over 200,000 or 500,000 or a million acres....a great deal of your forest was not productive for your purpose. So, I always suspected there were a great many more meadows in our timberland than was absolutely necessary for the growing of timber and frequently Dave would tell me. I'd say "Dave, why isn't this field here planted in pines? That's the business we are in." He'd say, "Arthur, that field won't grow pines. It's low and we've tried to but you notice there are no pines there." Well, I knew why there weren't any pines there. He was mowing it. Anyway, I could show you out at Boggy Slough, two big areas and they were all in open fields, and I'd try to get him to plant them. So finally one day I said, "Dave, they may not grow pines but we are going to plant them." We planted them and it is some of the best pine growing land we've got.

ML: Came right on up.

AT: Yes, but anyway, Dave made a bloody fortune and he was a good man and worked for us right up almost until the time he died.

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

AT: No, he is the only one I can think of. Perhaps it may be...no I think he is the only one. Judge Minton, our general attorney or general counsel practiced law in Lufkin and he was paid a salary by us but he worked and had his own law firm in Lufkin and finally the volume of business we were doing grew to the point I had to have an in-house lawyer so I made a deal with him to come to Diboll and be a full time employer for the company. Then after him Ward Burke, who just retired...

END OF TAPE ONE SIDE TWO

AT: Let me add this about Dave to round it out. Dave came to work for us as a young man, as a surveyor. I don't think he was ever an engineer but he was a licensed surveyor. A good many of the people who wound up in our Land and Timber Department came from that source...as surveyors, that is. Dave was a magnificent woodsman. He could survive under any circumstances. He was very frugal as I said. He saved his money and was very successful. He was very controversial because he was tough. I got to tell you, I'm pretty sure in those days out in those woods, if you went out and thought about how hard it was to get to these various places, I'm pretty sure you had to be a pretty tough guy if you wanted to exist.

ML: Oh my gosh, yes, oh yes.

AT: Because you know, the people out in those woods were tough, too, and they would take advantage of you. He had to be willing to stand up to them.

ML: Well even today getting through those woods you have to be pretty tough.

AT: Oh, it's nothing like it was then. There is a whole...from Dave you could go to the whole area of game propagation and protection.

ML: You want to talk about that?

AT: Yes.

AT: I guess one of the things that our company is best regarded for is the fact that in the '20s, maybe even a few years earlier than that, they undertook to protect the wildlife and most people don't realize it, but during the earlier days when things were pretty primitive

out in the forests, before the roads and all that sort of thing, people who settled those areas, and there weren't many of them but there were few and they lived miles apart. They usually lived in log cabins. They really subsisted off the land, not agriculture of the land but they usually had little gardens, but they killed deer for meat or they killed wild hogs for meat or birds. They were all good hunters and because they were meat hunters, they really decimated the wildlife; very much like is true in Mexico today. There are not many deer in Mexico and the reason is those people down there are hungry and they eat them. So, there really had gotten to be very few...it had come to pass that there were very few deer in east Texas. In fact, Gene Shotwell, who is now dead but was one of my early woodsman friends, a great hunter, but he told me that when he was a boy they used to hunt deer and they would go out with dogs to run them because there weren't enough to hunt any other way. They would have to have the dogs to find the deer and there really wasn't but one old buck and maybe two doe over in the area that we now know as Boggy Slough which is where most of our hunting is. Dave Kenley, along with Captain J.J. Ray, protected those few deer against all invasions by the nesters. That's what we called them.

ML: You called them nesters.

AT: Nesters. They protected those deer at great personal cost. I mean, they had shootings and everything else and near shootings. They protected those deer from poachers and nesters and they demonstrated that with a little bit of protection, the deer would absolutely explode. Until today there are more deer in East Texas than there were in the days of the Indians, and that's true all over Texas, all over the United States as a matter of fact. But we really, they really protected those deer and started the first deer herd which later propagated all of East Texas with white tail deer.

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

AT: No, no fences.

ML: How did they protect them?

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

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

AT: The state law wasn't enforced so don't worry about that.

ML: Don't worry about that. (laughter)

AT: Yes, there was a state law but that wasn't enforced. It was impossible to enforce it. They conceived the idea of having these 5,000 or 6,000 acre hunting clubs all around Boggy Slough which was the cradle of all these deer. We did one thing that I think was really smart. In each area, we selected leaders in that community and sometimes some from other communities, later we refined that to where only the people in that area because they are there. We have a motto to be a good neighbor and we try to do that as a neighborly thing. So, we started letting these people, but there always people of influence in their little communities, and that created a certain amount of public support for what we were trying to do, which was to grow game and take care of the forest and cut out forest fires, wildfires. These people would take on the obligation to protect the deer and other game, to help prevent forest fires, to report any vandalism, or pilferage or stealing of timber, which was a big thing then and as a result, we had hundreds of people helping us. This gradually expanded until we had, oh, I don't know how many hunting clubs we have now, but it must be 80 or 90 and each one is operated by those individuals who are members. They do have a responsibility to us. We look over their shoulders a little bit and if we think they are not operating it right we have the right to cancel the lease any time. But in most cases, about the time I left, we didn't charge for those leases, feeling that the public relations effect was more valuable. Today, I think they probably get both. They get some money but they also get the public relations because they don't charge them full market price. It has been very successful. It has rebuilt the deer herds in East Texas.

ML: Do you hunt yourself?

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

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

AT: Yes, but Boggy Slough, when we first started protecting deer, that is where it was, and as a result, they built up a pretty good small herd of deer out there. Well, no sooner than that happened people liked to go out there, and you could get there because there was a road on Highway 94, you could get there and people liked to go out there, not only to hunt in season, but also to see the game, you know, because they were still fairly scarce. Then we started having requests so we entertained some of our customers out there. Then in...it was done in a pretty hap-hazard way and in 1941 or '42, right in there, I wasn't working in Diboll but I got Henry Temple, who didn't want to fool with game or hunting, or anything like that, and I got him to let me take over the supervision of that because I really liked to hunt and all my friends did. Then I persuaded them to build a nice clubhouse, and it was a dandy. We built that and we started having organized parties. We used it in season for hunting parties. People would come in for three days, wine, dine, and drink and play cards and go hunting and that sort of thing. Then we started using it between hunting season the rest of the year as sort of a place to have community functions. If the Boy Scouts wanted to have a dinner, we would send our

crews out there. It just got to be such a big operation. One year we served 5,000 people out there and I said...and then it caught fire. I think it was an electrical fire probably. We had electricity at that time and it burned down.

ML: Was this a log structure?

AT: No, but it was a rough...I don't know if I have a picture of that or not. I have one in my scrapbooks. It burned down and we decided not to rebuild it because it had just gotten to be such a burden. We decided that we would keep Boggy Slough itself as a place for the top people in the company to hunt. And then we had another club at Diboll.

ML: There is a rabbit right there.

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

ML: Was that the original name of it, Boggy Slough?

AT: Yes, they always called it Boggy Slough. The original, it's going pretty far to call it a clubhouse but the original shack that the first group used out there was right on Boggy Slough because there was a spring right there and they had water. Of course they didn't have electricity, they didn't have anything.

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

AT: I don't know to answer your question directly. There should be a lot of correspondence from Henry Temple.

ML: That we are finding, yes.

AT: The records from the Texarkana office should be there but I don't know where they are. See all of our family members except Henry Temple lived in Texarkana.

ML: We don't see too much about Texarkana.

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

ML: Yes. Well where are those papers are they in Texarkana?

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

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

AT: No, but I'll tell you what did happen; now it wouldn't have affected the papers in Texarkana. I don't know what happened to the papers in Texarkana unless some over zealous auditor decided you shouldn't be keeping all this stuff. That is what usually happens.

ML: Yes, tossed them out.

AT: At Diboll, a few years ago, they did toss out a lot of things that I sent people over to the dump to get back and there wasn't much that we got back. I don't think they really got into the things you would be interested in but they might have. I don't know where the correspondence is from the Texarkana office.

ML: That sure would be interesting to know.

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

ML: Well, if you get an idea where that might be.

AT: Have you talked with Clyde Thompson?

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

AT: I don't think he would know where the papers went from Texarkana. None of them [Texarkana] are living. Bob Waite is dead. They may be in some files at the old office building. You know where the old Commissary was?

ML: Yes.

AT: Why don't you get Joe Denman to send somebody up there with you to see if there is anything up there? I'll bet there is some stuff up on the second floor. We had dead storage up there and I don't know what has happened to them.

ML: That is just what I will do and I'll ask him.

AT: Let me call him. Are you through with this now?

ML: Yes, we can stop on this note.

AT: I don't mind going on if you want to go on about something. I want to catch Joe Denman. Turn it off a minute.

ML: Okay, why don't you catch him and then we can...

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

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

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

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

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

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

ML: Maybe that is it, yes.

AT: I took you up through '56 when we built the...about...I don't have the date but then the next step was that we merged Temple Lumber Company which was headquartered in Pineland, Texas. It was a similar company, had land and timber and manufacturing facilities. We merged it into...wait a minute that was in '51 because it was shortly after

my father died and I merged the two companies so that it would all be administered here in Diboll, that was, I guess, an important date. The next important date was the Fiberboard Plant. The next important date, a distinct date would be the time we merged with Time Incorporated which was in '73. There was a period of good prosperity and growth between those two periods, up to '73. We had gotten to be a pretty damn good company then, a real company. We had some national presence and in '73, we merged with Time Inc. That was a big date. I guess the construction of the office building in Diboll although a building doesn't make that much difference, it sort of did because we moved across the tracks and detached the office from the sawmill and physiologically that was an important date. That was probably in '76 or '77, I've forgotten. I guess the next important date would be the acquisition by Time of Inland Container Corporation, only because it later became part of Temple-Inland. The next date, I guess, was '83 when we spun out Temple-Inland as a separate corporation from Time. I would say those are the landmarks. There were a lot of little ones in between that we thought were awfully important at the time.

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

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

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

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

ML: He's the one, huh?

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

ML: Is he in the new office building?

AT: Yes.

ML: What is his position?

AT: He is internal auditor.

ML: Internal Auditor.

AT: He is head of the Internal Audit Department.

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

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

ML: Is he?

AT: Yes.

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

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

END OF TAPE TWO, SIDE ONE

AT: Although the growth didn't always occur at the same time of the profits, profits usually followed.

ML: Followed the growth. Okay, now here is a big topic you may or may not want to talk about. You want to talk about politics?

AT: Sure.

ML: Okay, how to begin! This goes back to my question about the responsibility of corporate leadership on a national level. (Thank you, thank you Mrs. Burkhalter.) And, the kinds of influence, the kinds of good things that companies can get done mostly and partly working through the political process and I just wondered if you would like to talk about that. If there were pet projects that you were involved in or if there were ways you saw U. S. politics going that you either liked or didn't like. You may not want to get into it. It's a bit of a hairy topic.

AT: Well, I don't mind getting into it. It's kind of an unwieldy subject.

ML: Unwieldy...I agree. For instance, you want to talk about highways maybe in this part of the state or you want to talk about Rayburn or local projects that maybe you were active on a state level in Austin and so forth.

AT: Well, I don't really think this is what you are asking me, but we have always been active politically. Now that doesn't mean we run for office. What it means is that we have always been involved in politics. I'm less involved today than I've ever been. When I was young I was an active Republican and I really didn't like the people I found myself associated with. They were stuffy as hell and they were, in those days, the type people

you would often see caricatured as a Republican. And even though I'm quite conservative fiscally I'm fairly liberal on human rights and therefore I found a happier home later with the Democrats.

ML: When did you make the switch?

AT: About '48...no 'about '50, somewhere along there.

ML: Right around the time you were getting things started here.

AT: Right about the time I came to Diboll. At one time I was very active as a local Republican. I was county chairman, but that doesn't mean anything because there weren't any Republicans to speak of. But, I went to the state Republican convention and when I came back from that and I tell you when that was, that was when and I don't know the date but it was when Taft was running for the nomination and I went to a convention in Mineral Wells and when I came back, I was on the state finance committee for the Republicans and when I came back I decided that just wasn't where I belonged. A Republican party is totally different today than it was then. I wouldn't be as ill at ease there, but I became active in Democratic politics and I worked hard in Lyndon Johnson's campaign. I voted for Kennedy but only at the last minute. I was really...I really wrote a few letters and things supporting Nixon but at the last minute I decided, well you know you're kidding yourself Arthur, he is not really what you want and I supported Kennedy. Later...never was an eminent friend of his by any means but I had been with him a few times. I testified before Congress before a committee he was on and he chaired the committee at that time. He wasn't the regular chairman but he chaired the committee and I was pretty impressed with him when he first went to Congress and I later came to admire Kennedy very much. Then I supported Lyndon Johnson and knew him quite well. I wasn't a member of his kitchen cabinet or anything but I did know him well. I watched the election returns with him when he was elected the first time. I went to the national convention as a Democratic delegate. I was active in local politics behind the scenes – I don't like that expression, but I never was an office holder, but I was always a delegate and active in the negotiations to get everybody pulling together and that sort of thing, feeling that the Democratic party was the party of Texas and no question if you wanted to be involved in what was happening down here you had to be a Democrat in those days. I consider myself today an independent because I think that is the best place to be from a selfish standpoint. I support some Republican candidates and some Democrats. My son is a Democratic office holder in the state of Texas. He is chairman of the Railroad Commission and as such I can't embarrass him by being anything but a Democrat. Most of my good friends are Republicans. But we have...one thing you may be asking about, early on we had so many problems of properly, you know, our employees lived in what at one time were log camp houses and they were just shacks and having come from the housing industry I undertook to go to work and survey the town, created the first lots that were ever created in town. Hired engineers, surveyed the town, paved the streets, encouraged people to build, arranged financing for them, not through the company but just got them lined up where they could get FHA loans and building home loans, which they didn't know about, assisted in organization of Lumberman's Investment Corporation

which is now a big company and we own it now. At that time we didn't. I went with a bunch of lumbermen to create a vehicle for getting FHA loans in small towns. At that time you couldn't do it. They would make them in Houston and Dallas and Austin, but they wouldn't make them in Diboll of all places or Lufkin even really, a few in Lufkin. But I brought financing in that way too and got people involved in buying their homes, if they were good enough to buy. The shacks we tore down or moved and sold to be moved. We re-platted the land into larger lots, built some speculative housing to get people started thinking about it and developed several subdivisions to encourage them to...so that we could do it with the proper restrictions and all the things that you just have most places but in a town like that you didn't have anything, nothing, rebuild all the waterworks, sewer works and all that sort of thing. As a matter of fact Diboll didn't have a sewer in 1950; we put the sewer plant in. And in doing all those things we got a lot of assistance from the government through FHA or through public housing. We built a, we had to tear down a very large area of nothing in the world but old logging camp shacks. In order to have a place for our people to live and to get them to own homes we built a number of projects of nice little houses and some of those we financed through a Savings and Loan, some of them we got through public housing programs and so forth and I was really criticized as a damn socialist by people in Lufkin and around this area and Nacogdoches because they thought you shouldn't ask the government to give anything. Well, everybody else was asking them to help so I didn't see any reason not to. And, they did and we have a wonderful elderly housing project in Diboll that is a model for the nation.

ML: I've been there on a number of occasions and I was going to ask you about it.

AT: It is a dandy! And, we had a...we built a housing project for the working people with low cost rents and we did that through public housing. A great many of those have been sold now and through a little foundation we established to sort of provide a little bridge money we approached it that way one time. But one way or another we were able to house our people very well, or relatively well. And we got a lot of guff about that from people in Lufkin. The people in Lufkin and Nacogdoches are the first one at the trough when the government has got a program and we don't do anything. I think they ought to be doing more. Lottie has always been active politically and she was an important cog in Lyndon's campaign. I guess we were more active in Lyndon's campaign than anything. I don't know what else you want to know. I can't think of anything to touch on. Except to say this, that when you own a million one hundred thousand acres and manage it in a thirty county area in Texas, number one, Texans are active in politics more than almost any place I know of, everybody, heads of companies, working people, everybody, so Texas doesn't have many passive people on the political scene. Number two, if you own that much land, as I started to say, whether you like it or not you are in politics because you are dealing with political jurisdictions everywhere, all the time. You are extremely sensitive and should be to what all the people who live around you think of you and therefore you have to be in a broader sense involved in politics and we are running for office every day because we do care what people think about us. So, we are active and we encourage all of our people to be active not only in politics but in all community affairs and we think a lot more of them when it's time to look at promotions if they have been

active in their community and in their state and so forth. That is about all I know about politics.

ML: Okay, well...

END OF INTERVIEW