

HERBERT M. KIECKHEFER

and

JOSEPH A. AUCHTER

Interview Conducted

by

A. J. McCourt

on

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McCourt

Interview with Mr. Herbert Kieckhefer and Mr. Joseph Auchter at the Holiday Inn in Scottsdale, Arizona, May 9, 1975.

Kieckhefer

To start with, I'd say that the best information we had was from our old records and we looked through a lot of files. They go back to the time when the company first started. From those records we made up a report that covers the records without exposing any of the financial questions. I have made up a report from a lot of the old records. I thought you might like to read it.

McCourt

I surely would.

Kieckhefer

I have a number of copies here so that you can all have one.

McCourt

Thank you. Do you want to say just a few words so we can check the recorder.

Auchter

Unfortunately, I don't have any records of the company. They're either in storage or Herb has some. I have to talk mainly from memory.

Kieckhefer

At the time Joe entered the company, you probably don't remember this, Joe, but this letter was written by J. W. Kieckhefer to you. You may want to read it or I will turn it over to you, Art, for your records.

Auchter

That's practically the same thing as we have here, isn't it, Herb?

Kieckhefer

Yes, it's the same thing. That was some of the early information.

Auchter

Maybe you'd want to read this as we go along.

McCourt

I will read this another time. I do have some questions about the early days. I thought I'd start with Herb doing some timber cruising in Wisconsin. Was that a summer away from school job?

Kieckhefer

Timber cruising. Yes, that was my grandfather Schroeder's company, the John Schroeder Lumber Company. We cruised oak timber on Oak Island which is one of the Apostle groups in Lake Superior, North of Ashland. My cousin and I did the calibrating of the trees. We made an accurate diameter measurement of the standing oak timber on that island, with the idea of selling the trees off the island and maintaining the land. John and I worked from a compass line approximately 50 yards wide. The chalk line marks indicated the depth of the area covered. When we came to a tree that had a chalk mark on it, we knew that had been cruised before. We went back and forth, back and forth until we'd covered the whole area.

McCourt

You measured the diameter.

Kieckhefer

The diameter, the number of logs we could get out of a tree, and then we graded the tree for quality as to whether it was good, fair or poor. We had the basis for determining the volume and quality of the stand. That was my first experience in cruising.

McCourt

What sort of scale did you use, do you know or remember?

Kieckhefer

I have a recollection that it was the Doyle scale. The cruiser at that time by the name of Merkle calculated the log feet from our measurements.

McCourt

You camped out there, I suppose.

Kieckhefer

No, they had an old logging camp there to house the crew consisting of the cruiser John Merkle, a cook, a compassman, Johnny Schroeder and myself. Johnny Schroeder was my cousin and grandson of John Schroeder, president of the John Schroeder Lumber Company.

McCourt

Was the John Schroeder Lumber Company in Milwaukee?

Kieckhefer

Yes. The head office and yard were in Milwaukee. John Schroeder's father took over the management. The company did not thrive under his supervision.

McCourt

You mentioned the Enterprise Box and Lumber Company, did Kieckhefer purchase that organization?

Kieckhefer

Yes.

McCourt

Did they have a sawmill cutting up logs to make boxes?

Kieckhefer

No, they were a retail lumber dealer. They bought the finished lumber to produce wooden boxes. Then we cut up some of those boards ourselves which were cut into box shooks and then bundled with wire ties and sold directly to the box users who then assembled them on a nailing machine. They were knock-down wooden boxes. We'd bundle those with wire strapping and sell the shooks directly to the box users. They had a nailing machine and an operator to nail the boxes. They would nail the sides to the ends first and then attach the bottom. The top was put on after the box was packed. The customers set up their own boxes to save space.

Auchter

The users were such people as the breweries in Milwaukee; the canning companies in the State of Wisconsin, and soap people like Palmolive Company and so forth.

Kieckhefer

We also made crates that were used by the Johns Manville Company for asbestos parts that they used for insulating.

Auchter

You sold some to the Campbell Soup Company and shipped them east didn't you?

Kieckhefer

No, Campbell's Soup used wooden boxes at that time which were purchased in the East. When we decided to build a plant in the East, we, of course, were making solid fiber containers and were interested in selling those rather than wooden boxes. We were getting out of the wooden box business. We could see the advantage of solid fiber in that it could be shipped knocked down, easy to handle, easy to seal, and close. There were a lot of advantages. The only trouble with the fiber box was people didn't know how to make them. They ran the grain of the board horizontally around the box. The horizontal scores were readily cut by the metal cans in the box. If the box was dropped, the edge chime of a metal can would cut the score and cause the contents to spill. It was like the edge of an ax and would cut through and the contents would spill. My brother John got the idea that if we ran the grain across that horizontal score it would be much stronger. This was easily tested by taking a piece of the board and tearing it. He designed the box so that the grain was vertical. By manufacturing the containers with the grain vertical and forming a score like that, the metal can had difficulty cutting through. It made the boxes twice as strong with the grain running vertically and across the horizontal scores.

McCourt

Was that a corrugated box?

Kieckhefer

No, that was a solid fiber box. We started with solid fiber for canned goods. In running the grain vertically, we got a stronger container. The corrugated was a weak box. It was used primarily for shipping lightweight goods, usually cushioned in some fashion. When we made a box in which you could ship dynamite or anything requiring a lot of strength because of weight, it was always solid fiber. I think I indicated on the back of that last sheet how many new products we have developed. Corrugated containers were improved with the use of solid kraft foudrinier liners where the fibers were crossed with the shake of the foudrinier machine.

McCourt

Yes, vertical grain construction, right. How did you get into the solid fiber and corrugated fiber business? Did you have a mill to make them?

Kieckhefer

No, we had to buy all our raw material which consisted of chip board and linerboard. The linerboard was made on a cylinder assembly machine and usually used one or two, sometimes three, cylinders of kraft pulp, that was purchased in Europe. The

Scandinavian countries Finland, Sweden and Norway, manufactured most of the pulp that we bought.

McCourt

Did the ships come in the St. Lawrence Seaway to Milwaukee?

Kieckhefer

No, this was when we were in the East and had a mill at Delair, New Jersey. These ships would come into Philadelphia Harbor. We would save in unloading charges by having them drop the bales of pulp over the sides of the ship onto lighters. We'd move those lighters right up to our own dock and unload the pulp from those lighters onto the dock. We stored pulp there and transported it to the mill as they needed it.

McCourt

Was that your first entry into the fiber business at Delair?

Kieckhefer

After we built the Plymouth Mill we shipped pulp in bales with cable slings measuring 6"x6"x4' on our own barge to Delair. A large crane transported these bales to the dock. That was made out of board with the furnish being wastepaper of various types. We didn't make any of that board in Milwaukee because we did not have machines there. Our first board mill was located at Delair, New Jersey and later in Plymouth, North Carolina. We did make our own board when the Eddy Paper Company was acquired.

McCourt

So what did you do in Milwaukee? Did you buy board and score and cut it?

Kieckhefer

We bought the board in rolls and put it on our combiners and combined them into solid board in thicknesses of .060, .080, .100, and .120. It would take two liners, one for each side of the board and chip board filler was nothing but wastepaper furnish. In other words, it contained no pulp. The linerboard was usually covered with a skin of kraft on the outside of the board. We combined that on solid fiber combiners. We also made corrugated board there, but that was primarily for shipment of lightweight articles.

McCourt

Who were the first users of your solid fiberboard boxes in Milwaukee?

Kieckhefer

Small consumers of shipping containers wherever we could replace wood. There were quite a few meat packers and other manufacturers. Some canned goods were being shipped in our boxes, but the box was not entirely satisfactory because it wasn't made right.

McCourt

You couldn't patent that or anything, could you?

Kieckhefer

Not very well.

McCourt

What a shame. I suppose others were quick to follow your lead?

Kieckhefer

Well, they did, but we had a head start, and special fabricating machinery, some of which was designed and built in our own machine shop. A lot of them weren't manufacturing solid fiber containers. They were manufacturing corrugated boxes. The corrugated didn't work too well because the corrugations ran around and when you scored, the scoring would not break evenly so that you might be a little tight on the ends and a little loose on the depth and height and it seemed to be affected that way.

McCourt

Your engineering studies must have been a great help to you in this.

Kieckhefer

They were, they were.

McCourt

I notice here that the Kieckhefer Container Company was originally known as the Kaukauna Pulp Company?

Kieckhefer

Kaukauna Pulp Company, yes.

McCourt

Was that in Kaukauna, Wisconsin?

Kieckhefer

Menasha, Wisconsin. J. W. went up there. He had an opportunity to buy this mill. He got hold of a bank in Milwaukee and said, "I need X number of dollars." I don't know what the amount was now, to buy this mill. He wanted to bid it in and get it all together by all means. So he bought the Kaukauna Pulp Company and I don't know why they changed the names of the companies around, except that I know my brother was anxious to get out of Wisconsin because of taxes there. There may be some information in here but I doubt it. I don't think it was ever exposed in any of our reports as to why we did certain things except that it was for financial gain.

Auchter

The Kaukauna Pulp Company was a sulphite pulp mill.

McCourt

Were you at the bank then, Joe?

Auchter

Yes, I was at the bank at that time.

McCourt

Did you have anything to do with that transaction?

Auchter

No. That transaction was really from a competing bank, I was at a savings bank.

Kieckhefer

I was really surprised when J.W. arrived at the bank in Kaukauna and found the money was there for him so he could buy this company.

McCourt

And so this was a source of raw material or furnish for your...

Kieckhefer

Not necessarily, because we didn't make any board ourselves. We used to sell that pulp and I know we got a very good price for it, paid for the mill in short order and increased the capacity. We had a fellow named Ray Bell working for us, he was sent up there as manager for a while. He added another digester. We had two digesters to start with, then we put a third in and increased our capacity 50%.

McCourt

So that was just really trading stock, or stock for sale to your competitors in a way.

Auchter

I could add an interesting personal line on this. I traveled the state of Wisconsin just before the Kieckhefers bought Kaukauna Pulp Company and called on every possible industry. I found a good many of the bigger manufacturers were security buyers, and did a nice business. I saw the Kaukauna Pulp Company as I drove down a road along side the canal. The Kaukauna Company had a canal along side of it, and I was looking for the entrance to the place. I saw I was getting near the end of the road and I stopped my little Ford coupe and looked up and there were some men sticking their heads out the window and I asked "Where's the office?" and they said, "Down on the other side." It was a narrow road and I had to turn around. I was backing up against the canal and these fellows shouted "Stop!" I might have gone in the canal. I'd never been around there before.

Kieckhefer

I remember that road going down along side the canal. Very dangerous.

McCourt

Did you eventually sell that pulp mill?

Kieckhefer

Yes, it was sold and the money we got from it went into building our mill at Delair.

McCourt

You then built the mill at Delair?

Kieckhefer

That's right. The Delair mill was the outgrowth of the container plant that we had in Camden, New Jersey. We built that plant first. That's when I went East to run that Container Plant. We manufactured solid fiber containers for Campbell's Soup Company. John Dorance, the president, was the 100% owner of Campbell's Soup Company. He never sold a share of his stock. He was sold on the idea that the solid fiber board being smooth, he could get a much better printing job than he could get on a wooden box. J.W. realized that he favored advertising and J.W. stressed the beautiful printing we could do on solid fiber containers. He wanted to sell the solid fiber containers so he shipped canned goods to the purchasing agent, marked with a pencil to see whether they were damaged. There was less damage after shipping solid fiber vs. wooden boxes. He shipped ten of each. The purchasing agent didn't see the difference so J.W. personally requested Dr. Dorance to inspect the goods. Dorance approved of the solid fiber containers. It was quite an advantage to us when he sold Campbell's Soup Company as that was one of the biggest container accounts in the United States. It gave us a good start. I had just returned from France after the war and wanted to go back to school. I had one more year of football. I had played two years of varsity, and a year in freshman, and I wanted to get that last year of varsity football. John said to me, "Herb, I've got a job for you

to do. It's not playing football. It's running our first branch plant. We're building our first branch plant in Camden, New Jersey to supply containers for Campbell's Soup Company. I want you to go down there and run that plant." So that was my first important job.

McCourt

I'm sure Madison missed you. Now for the Camden plant. Were you buying material from the outside again to make the solid board?

Kieckhefer

We were buying board on the outside at the Camden plant. We had no mill. We decided we couldn't buy the board and get enough. Our business grew so rapidly there wasn't enough board available in the area. We couldn't get the other suppliers to increase their capacity; so the only alternative was for us to build our own mill and that's what we did. We built a mill at Delair, New Jersey. It was just up the river a little ways from the initial container plant, the container plant that we built originally. It was on the river and we had a water supply and water transportation. We didn't have pollution at that time. We could dispose of our dirty water into the river at that time and let it go down into the ocean without any complaints. That was the first board mill. From there, of course, we moved into the South and the superintendent Louie Meunier and I went all through the southern states from New Orleans east and progressed until we came to Plymouth, North Carolina. I said to Louie, "My Gosh, look at all

these Pine trees." It is beautiful. They have as much timber here as they have further south and our business is north, so we ought to pick a location like this," which we did. We built the Plymouth mill.

McCourt

Now, the Delair mill, where did it get its raw material? Was it waste paper primarily that was used?

Kieckhefer

In the Delair container plant, we used rolls of paperboard, purchased on the market, the same as we did in Milwaukee. A little later we bought Eddy, and Eddy supplied board for various container plants until we enlarged Plymouth to a size where they could manufacture all the Kraft linerboard and nine point required for both companies, both Eddy and Kieckhefer. I guess we still bought some from International Paper Company.

McCourt

So originally you used board produced by others to run over the Delair machine.

Kieckhefer

That's right. Of course it wouldn't be fabricated.

McCourt

No. And then later it was turned into using waste paper?

Kieckhefer

That was about the same time we built the board mill and container plant in Delair. We had the plants hooked up with the warehouse. As the board came off the machine we'd pick it right up, put it in the warehouse, and have it ready to go into the container plant to be made into boxes.

McCourt

Were you in charge of construction of the Delair plant?

Kieckhefer

Well, no, I wasn't in charge of construction. I was in charge of operation, the running of the plant and we used to contract our building; we had outside contractors come in. We handled some of the smaller jobs, additions and so forth, ourselves. Louie Meunier was our superintendent and was more or less in charge of construction.

McCourt

I visited that mill once and I remember the beautiful red spoke wheels. I think it had gold paint outlining the spokes. It was a great mill. How long an interval was it between Delair starting up and your going down to Plymouth?

Kieckhefer

Delair started up the first machine in 1921. We soon followed with the second machine at Delair. I don't remember the exact time I went down to Plymouth. Do you Joe?

Auchter

I think, Herb, it was around 1930. I recall J. W. saying one time to me that he was alarmed at the actions of Hitler and was buying 300,000 tons of Scandinavian pulp at that time. He thought Hitler would start a war and his pulp supply would be cut off. He thought as insurance he should have an American pulp supply and built the North Carolina mill. This would have been around 1930 or 1932.

Kieckhefer

I think that's about right.

Auchter

He was smart enough to see what Hitler was going to do.

McCourt

Amazing. That was a very sizable investment, both the Delair mill and following that North Carolina Pulp.

Kieckhefer

Kaukauna Pulp Company supplied some of the money and we also borrowed quite a sum at that time.

McCourt

When you started building the mill at Plymouth, did you have some timberland already acquired or did you start acquiring that subsequent to the construction of the mill?

Kieckhefer

You mean when we started to build at Plymouth?

McCourt

Yes.

Kieckhefer

Well, we bought some timberland during the construction period, even before. We had a goal in mind as to what we should have, I believe it was 500,000 acres.

Auchter

In the early days, much of the land bought was coverland and had to be reforested. We also bought vacant peanut, tobacco, and cotton farms. That's how the reforestation started down there. A good deal of timber bought was mature and could be harvested.

McCourt

Did Ken Trowbridge start with you immediately down there or did he come later in the forties?

Auchter

Ken Trowbridge came later. A Canadian forester by the name of Ted Earl was employed by the company. He was the fellow who set up the first purchase of land, acquiring and buying pulpwood.

McCourt

Those were substantial investments, weren't they?

Kieckhefer

There's a lot of information, I think, in the file I have here. It covers minutes of meetings and a report from J. W. which gives you dates. I think it will be helpful. You may get it out of these reports.

McCourt

This is very good. I notice shell containers are made of containerboard.

Kieckhefer

Well, there again it was a war budget. We were very anxious to do our part in the war. I went overseas to Finland, Sweden, and Norway, but I couldn't do anything much over there. Before I left, they came to us and wanted to know whether we could manufacture shell containers. A 75 mm shell was packaged in a tin can and had a cover with a tear strip on it so they could remove the cover and slide the shell out of the tin can and fire it. There were a lot of the cans, you see, piled up at these gun implacements. They wanted a substitute to replace the tin can because tin was being put to the bottom of the sea. The Germans had torpedoed many of these ships and the tin all came from Europe and South America. There was very little tin mined in this

country, so it had to come from abroad. It was necessary to have a tin can to keep it moisture and vapor proof, so that the moisture wouldn't get into the shell and prevent it from exploding properly. They submitted their problem to us. I was going to Madison at that time and I went to the chemistry professor at the University of Wisconsin, and said, "I want to get a waterproof adhesive to glue this paperboard and then I want to impregnate this board to keep it moisture and vaporproof and watertight." He gave me a lot of ideas to work on. We finally decided to use casein as an adhesive to combine the board. Casein is a product of milk. I set up a little pilot plant in Milwaukee and we bought a winder to wind the tubes. These were straight wound tubes; they weren't the spiral wound type. We used a portion of the spiral type inside of the tube where the projectile rested, so it wouldn't push the cap off the end. The shell was larger in diameter than the projectile. The projectile was smaller and there was a ledge there; this held it in place so it couldn't go through the end of the shell container. We set up this pilot plant and the first problem we had was to wind these tubes and have the tubes stay wound. The board was stiff and it wanted to unravel. It was a hell of a job. I then tried different weights of board and I got down to paper and had no trouble at all. We'd wind it up and it would stay wound. I started thinking, "My, we can't use paper, it's too expensive. We'll have to get something that will glue that edge down." I tried all kinds of glue and that didn't work, so I decided to skive the edge of the board; in other words, run

a sheet of board through a skiving machine which consisted of a wheel like an emery wheel only it had sandpaper wound around a wooden spool. We just ran that paper through and put down a tapered edge. By gosh, it did the trick, so that solved our problem.

McCourt

It rolled right then?

Kieckhefer

Yes, then these winders - we set up a plant in Milwaukee and rolled and produced millions of these containers. We had a hell of a time getting rid of them and we had a hell of a time getting the government to pay for the ones they bought. (laughter) We did a poor job there. We had to find a market for the containers. The solution for waterproofing the board was furnished by Johns Manville. We put the tubes in racks and then dipped the whole thing into the solution. It was brought out, left in the racks, and then it went into an oven and was baked until the outside of the tubes were thoroughly impregnated. The outside was a dull black and sticky. This presented a problem because you didn't want them sticking together. We solved that problem by using a grade of paper that absorbed the waterproofing agent and did quite a good job for the government.

McCourt

That's a heavy shell to contain in paper.

Kieckhefer

They also had these powder charges which were used so that the spent shells were reusable. They were the 9.2s and different size powder shells. The only container we made for these completed shells was a 75mm. You recall there was a French 75 that was popular in France at that time.

McCourt

I guess I shouldn't get into the V2s. I imagine that's World War II, isn't it?

Kieckhefer

Yes, that's World War II. That container is a highly waterproof board. The board was combined with a waterproof adhesive. It was waterproof, moisture and vaporproof. We combined this board and made it into shipping containers for all types of supplies going into the South Pacific. The box was strong enough then and could resist water sufficiently. They could throw them overboard in shallow waters and then go in under cover of darkness, and pick them up, and carry them to safety. They were also used in shipments of other ammunition, small arms ammunition; also, for their rifles and guns that were unassembled. They were packed in these cases to keep the moisture and vapor from rusting them.

McCourt

Did you do all the research on this too?

Kieckhefer

I did all the research on it.

McCourt

Was that made available to other box manufacturers too?

Kieckhefer

That's right. We called them into the plant and showed them how to combine this board, what the different formulas were, and opened up our shop to them so they could see. We couldn't make enough of them. It was a "hell or high water" project. Everything was packaged in that V2S box.

McCourt

I saw an awful lot of them stacked up in the islands. They held up very well. That must have been quite a rush job and a very difficult job.

Kieckhefer

There were hundreds of those new shell cylinder containers that they wouldn't take when the war was over. They didn't need them. We had to sell some of them to get rid of them. We found an outlet in the form of coils for crystal and radio sets. They'd wind those and make their own coils.

McCourt

Oh, yes, condensers were they?

Kieckhefer

No, they were the regular coil, the shells were about three feet long.

McCourt

Like the rheostat?

Kieckhefer

They cut them about three feet long and then wound the wire around there and you could make your own crystal set.

McCourt

Who were you selling those to? Was it Atwater-Kent?

Kieckhefer

Oh, I don't know. Some secondhand dealer, I think. I don't think the regular radio people used them. I think they had some other product. These were cheap cylinders for winding these coils.

McCourt

Seems to me that I remember something similar to a brown plastic that they used in radio and electrical work in those days, sort of amber brown tubes that they wound.

Kieckhefer

Some of those were in fact a plastic tube, sort of translucent; but this is a different product. It was cheap and that's one reason we were able to sell them.

McCourt

Did the government ask you to try and develop a box like the V2S or did you sort of do it on your own, knowing there'd be a market for it? Were there customers for it?

Kieckhefer

The government came in with a problem. They wanted something that was waterproof. I think the Navy is the one that started us on the V2S box. The War Department was testing many types of containers and set standards which the suppliers had to meet.

McCourt

You must have produced an awful lot of them during the war.

Kieckhefer

We did.

McCourt

Probably at all your shipping container plants?

Kieckhefer

Yes, most of them. Only the larger ones put in the equipment. I don't remember just how many plants were involved in manufacturing the V2S but I think that most of them were.

McCourt

Now, Camden was your first venture outside the Milwaukee area. You had a primary customer there, Campbell's Soup. Were there other customers in the area that you shipped to?

Kieckhefer

Oh yes, of course. Campbell's only had one product and that was soup. There were shoe people, writing paper people, and all the different companies. The V2S box worked very well on writing paper because in shipping paper if moisture gets into the paper it will expand and contract. This moisture proof box would prevent that.

Auchter

Johnson & Johnson, Mark and Company, Philco Company, and Atwater-Kent are a few of the principal names of people who were shipping things to the market and wanted to have packaging for them. They were all on the list of the company's customers.

Kieckhefer

There were different designs and different uses. A lot of ingenuity went into the construction of these boxes. They wanted something special, wanted it to do a certain job, and wanted us to design something that would do the job.

McCourt

The bursting strength was a little above ordinary, I imagine. Tell me, how did the interest in Eddy Paper Company come about? Was it because they had a board mill?

Kieckhefer

I think that was one of the reasons. I don't think Eddy Paper Corporation ever made a cent of profit, never paid a cent of dividend I should say - that's a better way of expressing it. I'm told they made their first dividend when we took over the mill.

McCourt

Didn't they also have some box plants?

Kieckhefer

No, they were primarily a board mill. We started putting in box plants.

McCourt

Where did the board mill in Michigan get their raw material?

Kieckhefer

They got it from all over the area, but mainly from Chicago. It was mostly bailed wastepaper and some pulp that they shipped in there. A little later we made all the linerboard for them so they were producing boxboard and some fine point corrugating material. I think we made a lot of the kraft linerboard in Plymouth. In fact, they bought an interest in the Plymouth mill didn't they?

Auchter

The Eddy Paper Company loaned money to Kieckhefer. They never had a stock interest in the North Carolina Pulp Company, but they advanced money and for that they got a certain percentage of the production of the mill. At the time of the organization of the North Carolina Pulp Company, Robert Garret Paper Box Company was a partner in the mill. Then Robert Garret couldn't put up the money for expansion and they wanted to sell out. That's the biggest mistake Robert Garret ever made when they sold out their interest in our North Carolina Pulp Company. Kieckhefer went along and Eddy put up some money to get a certain percentage of the production of the linerboard.

McCourt

Did Kieckhefer Container Company lend a portion of that money to buy the interest in North Carolina Pulp Company?

Auchter

No. Kieckhefer had 100 percent interest in North Carolina. Eddy Paper Company, who was controlled by Kieckhefer, loaned money to the North Carolina Pulp Company for the purpose of obtaining a certain percentage of the production of that liner-board.

Kieckhefer

I have a file here that covers a lot of that information and I don't see any reason why you shouldn't have it.

McCourt

Thank you, I would like to have it.

Kieckhefer

It will give you a lot of the information that we're discussing right now.

Auchter

Herb, this is a memoranda of May 1945 which John wrote to me giving me the history of the company - I just glanced through it and it has a good deal of the information and dates.

McCourt

Good. I really don't need to be very precise about dates now, I can always go back and check the dates. About what time did you

get in the milk carton business? It must have been in the 1930s
sometime?

Kieckhefer

That was when we took over Cherry River Paper Company.

Auchter

That's right.

Kieckhefer

We took over the Cherry River Paper Company. The manager of
that mill, Clark Morian, came up to see me, and was kind of
anxious to hook up with some company that made board. He was
not in the milk carton business. He was a supplier of milk
carton board.

McCourt

Bleachboard?

Kieckhefer

Yes, bleachboard.

Auchter

He had two truckload accounts - Dixie Vortex Cup Company, which
was his big account, and one more.

Kieckhefer

The other big account that Cherry River had was the Lily Tulip Cup Company. Dixie Vortex and Lily Tulip were the two manufacturers of drinking cups, ice cream cartons, and sanitary food containers.

McCourt

The old ice cream carton that folded up and had the wire handle on it?

Auchter

Yes.

McCourt

The dixie cups in the pullman cars and coaches.

Kieckhefer

Well, you're pretty familiar with that because you were right in with the folding carton business.

Auchter

Yes, I took over when Clark retired.

Kieckhefer

When we bought the mill, we junked it and sold the machine they had. When they started taking it down it came apart.

McCourt

Cherry River was in North Carolina, wasn't it?

Kieckhefer

No, West Virginia.

McCourt

Did you move that machine to North Carolina?

Kieckhefer

We moved one machine, a large one. That wasn't too bad a machine.

Auchter

There were five machines in Cherry River when the company was purchased. The best one was moved to Plymouth and had some rebuilding done by the Beloit Ironworks. The other four were junked and sold for scrap iron.

McCourt

Did they have any timberland behind them?

Auchter

No.

McCourt

Were they buying on the open market?

Kieckhefer

Yes. This iron junking of these machines brings up the subject of the mill purchase program and I don't know if you are familiar with that or not.

McCourt

No.

Kieckhefer

During the hard times when competition was tough, J. W. realized it was a mistake for a lot of these little junky mills to operate. They only operated when business was good and when there was a little margin in the business they'd step in and grab what they could. He got together with some of these mills and they decided they'd be interested in selling if they could get a fair price for their machines. The idea was to put the sledge hammer to them, bring them down, sell their junk, and get them out of the market. J.W.K. went to Washington to discuss the program with the Attorney General and obtained his blessing, resulting in a wholesale junking of these marginal mills.

McCourt

The marginal producer?

Kieckhefer

Yes. Then the government, Uncle Sam, stepped in. J. W. went to Washington, D.C. He sold them on the idea that it was a good

thing to do, economical thing to do, good for the country, and good for the industry. They started this mill purchase program and we bought some mills and junked them. International Paper Company and various manufacturers were buying these old mills, junking them, and getting them out of the way. This was a pretty good cure.

Kieckhefer

I don't see any reason why you can't mention that in your report. I think it's a good policy to follow in the future if you run into a situation like that.

Auchter

I think J. W.'s sales talk to the government was about this time. There were marginal mills around the country and they employed people for short periods of time when business was good; when business was bad they would throw them out of employment. All that could be avoided if you had low cost and good mills.

McCourt

It would be better for the economy in the long run.

McCourt

Your brother J. W. must have been quite a gentlemen. He must have been quite an entrepreneur and had quite a bit of vision and ability to take risks. Do you want to talk about him, Herb?

Kieckhefer

He was a leader in the industry. He did more for the industry than anybody and at the same time did more for his own company.

McCourt

It surely grew rapidly and I can imagine the vast amount of money involved in all the expansion. It must have been very exciting.

Auchter

He was the kingpin in the industry all right. During the War Production Board days we would go to Washington, where they would have industry meetings, and J. W. would never want to sit in the front seat. He'd sit somewhere in the middle and load his pipe. All these different fellows would talk and talk, for three or four hours, trying to solve a certain problem. The chairman would finally say, "Well, Mr. Kieckhefer, what is your thought?" "Well," he said, "It's a very simple problem, all you need to do is this, this, and this," and the whole problem was solved. That happened numerous times while I was down there with him. Generally, it was very difficult to interest the various company representatives in the industry to attend the meetings.

McCourt

He must have been a very tireless worker to accomplish all that - the leadership, all this expansion, and the ability to delegate responsibility.

Auchter

He did that. He delegated responsibility and he held you accountable for it.

Kieckhefer

He traveled a lot. He was in the East every month - spent some time in Delair, New Jersey.

McCourt

Didn't that become the home office of Kieckhefer Container Company? Didn't he also have an office in Milwaukee and at the Eddy Paper Company in Chicago?

Kieckhefer

I don't know whether he spent much time in Milwaukee in later years - I think he spent most of his time in Chicago. What do you think Joe?

Auchter

Yes, he had Miss Arps, his original secretary, still in Milwaukee. She would come to Chicago to Eddy's meetings and do things there. Milwaukee really wasn't used very much. After he relocated in Arizona, he would come East one week a month, stop at Eddy for a day or two, stop at Camden for a day or two, and go to New York for a day or so. At that time all the problems of the company were discussed and future programs were laid out. He would then go back to the ranch and we had to perform.

Auchter

Yes, we hear from her each year. We usually see her in the summertime. Last summer we didn't see her, but ordinarily Kay and I stop to see her sometime. She's just the same Miss Arps.

McCourt

I was hoping to stop by and visit with her next month.

Auchter

Great thing to do.

Kieckhefer

That would be excellent.

McCourt

Milk cartons really came on strong, didn't they?

Auchter

Yes. Herb probably has a better picture of that although, I came with the company shortly after that. As I recall, J. W. saw the field of glass bottles being replaced by milk cartons, because fiber cartons were more sanitary. They were used only once whereas the glass milk bottle would stand around and sometimes dirt would get in it and washing machines wouldn't always clean them thoroughly and so forth. There would be a big future in a sanitary milk container and I think that, basically, was

what made him decide to purchase the Cherry River Paper Company. They had the know-how; they had an organization of men who knew how to make sanitary food containers, the bleachboards made for Dixie Vortex and Lilly Tulip. He took a license under the Excello patent to make these milk cartons and went into business. Clark Morian's job was to develop that business and Leonard Lee was brought in to really carry on and make them and sell them.

McCourt

Where was the first milk carton plant?

Auchter

Plymouth, N.C.; Delair, N.J.; and then Pennsauken.

McCourt

Now, the Pennsauken plant, was that later?

Auchter

That was built later. The business grew so that it had to have a plant in Pennsauken which was just a half mile from the Delair plant. Bleached board was brought up by barge from Plymouth, North Carolina to the docks of Delair and sent over to the Pennsauken plant.

McCourt

Very little transportation. Who were your first customers there in the milk carton business? Was it small dairies or was it someone like Borden?

Kieckhefer

We did business with most of the large dairies in the Philadelphia area. As we expanded, we put in additional plants at different locations, so that we had less transportation and could give better service. The policy of the company has been from the start to build container plants and milk carton plants in the area where they are consumed or used. We spread our business out over a large area.

Auchter

The Borden Company, National Dairy, Carnation Milk, Beatrice Creamery, all of the large companies used some of these cartons. As Herb said, the plants were always put in a central location so they were the hub of the trading area that used the product.

McCourt

Let's see, I think you had up to something like ten milk carton plants at the time of the merger. When was the first move out west with milk cartons?

Kieckhefer

The first plant was at Whittier, California.

Auchter

Is that the milk carton plant you're talking about that went to Whittier?.

Kieckhefer

Yes, that's right. The milk carton plant went to Whittier. The Oakland plant was a shipping container plant and was moved to Alameda.

The milk carton business has always been more or less trying to get Excello to do more for the industry. They were always complaining about competition. And wanted to lower prices. I used to spend quite an amount of my time in Detroit talking to Glen Bixby, who was the head of the Excello Corporation, with the idea of trying to produce a better bottle. I came back from Detroit one day, Bixby and the committee were complaining about the Borden Company in Pittsburgh changing over to the American Can's bottle. This was a flattop bottle with a plug-in that you had to raise up, the plug was recessed. The Health Department had not approved it, but they continued making it anyway. We had an opening that wasn't too satisfactory at that time. We had a little patch that was on the side of the gable of the bottle. You had to lift that up and there was a window underneath it, and you would pour through that window. Well, as you were pouring the top went like that (see diagram), and if you didn't pour fast enough the milk would run down the side of the bottle

and end up on the floor. It was a question of getting a better opening. We were losing business from these firms, our good accounts. I got this pitcher pour idea, which was the opening on the end. That looked like it solved all our problems. We flew up there and I had a box of the newly designed milk cartons, some were filled with milk. I took it in to Mr. Bixby and said, "Here's the solution to your problem." He said, "Well, one minute." He called his engineer in and said, "I want you to look this over. It's a new design." The engineer turned to Bixby and said, "It won't do." He said, "Why not?" The engineer said, "Well, in the first place the public won't know how to get into it. In the second place, it'll leak." He had all the objections, you see. Bixby just took this engineer's word for it and said, "Well, I guess we don't want it." Just like that. We ran into a problem because one of our salesmen had left one of these cartons in a dairy and a fellow came along who was working in the dairy by the name of Grazino. He was an Italian schoolteacher. He saw this carton, picked it up, and took it. He examined the carton and noted that it had no patent stamp. He applied for a patent on it. I didn't apply for a patent because our license agreement specified that any improvements became the property of the Excello Corporation. We thought we'd lost out on that one, but then when we proved to Bixby that it didn't leak and the public could get into it he wanted it. It cost him a lot of money to fight this case. We won out and it became the property of the Excello Corporation. We didn't get a damn thing out of it except a head start.

McCourt

That's probably a poor approach, that improvements became someone else's property.

Kieckhefer

After the court suit was settled, all future agreements with Excello were written differently.

Auchter

Excello was very arbitrary about adopting Herb's new bottle and J.W. had Herb manufacture some of the cartons. Herb took them to the Shamrock Dairy right here in Phoenix. Shamrock Dairy filled some of the bottles. In fact, at the dairy convention in Chicago, Shamrock sold some of their new gable top pitcher pour bottles. When Bixby saw those, he blew his top and said this was not to be sent out to anybody. The dairymen all went up to him and forced his hand because it was cheaper.

Kieckhefer

The advantage was that the dairy here in Phoenix had a machine that they had purchased from Excello. The patent did not apply to that machine. It was not owned by Excello Corporation, it belonged to the dairy. They were able to get these cartons out into the trade. The story goes that they couldn't get enough milk packaged in the new designed carton to fill shelves because everybody wanted that pitcher pour carton. We had a demonstrator who opened the carton, drank out of it, and poured out of it. The women thought that was a great improvement.

McCourt

You were always afraid that plastics would replace part of the milk carton business and that really hasn't come to pass, has it?

Kieckhefer

Well, I don't think so. I don't think there's any chance. We haven't seen any improvement. Although they're coming out with these big gallon containers that are molded plastic, but they're clumsy things to handle. They haven't made any headway to amount to anything.

Auchter

The original milk carton was coated with wax and then as plastic came along, they were plastic-coated. One dairy in the East, a very large cooperative dairy up at Allentown, at one time was approached by the Hercules people, who were making synthetic things, about putting in plastic half-gallon, gallon, pint, and half pint cartons. The price was so terribly ridiculous they never were able to put them over. In fact, the manager of that plant told me one day that Hercules agreed to build a plant alongside their big dairy at Allentown and furnish them with what they wanted and still the price was so high that they couldn't afford to do it.

McCourt

And now it's still higher. I remember when plastic coat came in. We were making board in Longview, shipping it to Chicago to be plastic-coated and shipping it back to Vancouver, Washington to be made into milk cartons. What was Excello doing at that time? I don't know if you were active in operations at that time, but do you know anything about that period, when the changeover to the plastic-coated came along?

Kieckhefer

Well, they were working on it when we were still coating cartons with wax. International Paper Company was the one that stepped in, spent a lot of money developing the plastic-coated carton. It all came to pass that Excello later on wanted that plastic carton. We gained a lot in the plastic carton because it was an easier carton to manufacture and we used that polyethylene coating as an adhesive by applying a gas flame to the adhesive coating on the folder. A gas flame on the polyethylene would soften it, and we would bring that together with the other polyethylene. That made a very good seal.

McCourt

Milk cartons do have other applications and have been used in other ways, but they haven't grown as much as you would expect they might. I mean like flour or candy containers.

Kieckhefer

Popcorn is a use, Cracker Jacks. But when you get into liquids, it's almost impossible to produce anything that is as good as the present milk carton, liquid tight. It's about the best on the market.

McCourt

Did you work on bulk liquid containers, say for, Coca-Cola syrup or larger milk dispensers for restaurants?

Kieckhefer

Well, there you run into a problem of carbonation. When you carbonate anything, gas in it builds up and it leaks, cartons leak at certain points. Although now I understand they have a carton for beer. Just how it's working out, I don't know. I'm not a beer drinker.

McCourt

Being from Milwaukee?

Auchter

We did make some cartons for restaurant dispensing of cream. Like take this large carton and put it in there. It had a big tube on it and connected up to the dispensers, you'd give it a jerk and get you a shot of cream. The volume of that was not big.

Kieckhefer

There's a use for plastic but it's a different idea. This is for these big milk dispensers and this thing holds six gallons. You put it in the dispensing machine. I guess you've seen those.

McCourt

Well, I saw them a long time ago. I didn't know whether we were still making them or not.

Auchter

The restaurants liked a disposable item. The metal cans used to have to be washed by them.

McCourt

They were in the way, occupy space and everything else. Seems to me that we bought Beverly Plastics back there in New Jersey to get a liner for those cartons in the early days?

Kieckhefer

That's the filling machine you see, filling on a scale and that way you avoid hand filling.

Auchter

That has that special fiber container, too.

Kieckhefer

Six-sided affair. This is the metal can here and this is a fiber container. I don't know if that really developed into...

Auchter

That wasn't a big item.

McCourt

Not a great volume. Joe, you went from the bank to Nekoosa/Edwards. I guess they were having financial problems at the time?

Auchter

I was chairman of their bondholders' protective committee.

McCourt

Did the bondholders feel that action was needed?

Auchter

Well, action was needed by everyone. The banks had taken all their receivables as collateral for bank loans. We had also made a public warehouse of their shipping department so that whenever paper was manufactured and put in their warehouse it became part of a public warehouse. There was a big sign on it, "United States Public Warehouse." That was a sign of the banks. The bondholders had a first mortgage on all the physical assets. You couldn't operate very well that way. It needed stimulation and change of business.

McCourt

Were you familiar at all with that business at the time?

Auchter

Only from the standpoint of underwriting bonds for paper mills in the Middle West. We underwrote bonds on everybody from Kimberly-Clark down. Kimberly-Clark, Fox River Paper Company, Nekoosa/Edwards, Consolidated Waterpower and Paper Company, Mosinee Paper Mills, Tomahawk Kraft Company, Rhinelander and some others. We figured we knew something about the paper business, but I found we didn't know very much when I became active in it.

McCourt

Problems were a little bit more complex?

Auchter

Were different when you have the responsibility to run the mill.

McCourt

Then how did you happen to go with Kieckhefer?

Auchter

Well, when we paid up all of our debts, I let John know that I didn't know if I'd go back to the bank or whether I would go with another company. I had a few other offers, Masonite Company, Minnesota/Ontario Paper Company, which was also in receivership. I talked to John and decided to come with the Kieckhefer organization.

McCourt

Then you moved to New Jersey?

Auchter

I moved to New Jersey, yes, and became an understudy to Herb. Herb had too much to do, he needed help and felt that I was the fellow to help him.

Kieckhefer

You did a very good job.

Auchter

One thing that we haven't talked about, Herb, that I think would be interesting is the paper felt business. We're the only company in the industry who ever made felt. Tell them the history of it. It was the time of the Depression when the price was low.

Kieckhefer

That's right, the price was very low on containers and we were scratching every nook and corner for additional money, a little more profit in our containers. We started to check our costs and found that these blankets we used, papermakers felts, hadn't been reduced in price. The price of wool had gone down, but we never got any advantage on the price of our felts.

Auchter

The price of wool went down, the price of copper, everything went down, but they kept the price of felts up even though the price of wool went down.

Kieckhefer

So we went to the feltmakers and said we wanted a reduction in price of these felts. We gave them the best argument we knew how. They laughed at us and said, "Hell, we can raise the price of these felts ten cents a pound tomorrow." And I guess they could have if they had wanted to. We didn't like the way they sold it to us, their attitude. So we said, "Well, I guess we gotta go into the felt business making our own felts." The feltmakers said, "Well, you just try it. It's a very special business, but I doubt whether you'll get anywhere." That was a real challenge.

Auchter

We hired a fellow by the name of Hankee. He was a superintendent of a felt mill in the Philadelphia area. We had him specify the machinery we needed. We had room on the second floor of our beater room at the Delair mill; we just cleared off the floor. We didn't have much clearing to do, but we made enough room for these machines. We put in some looms, cards, spinners, and so forth so we could get into business. We started making our own felts. Then we realized we had a pilot plant just down below

where we could check these felts out on the machines. We had one fourdrinier machine and one cylinder machine so we could try out both types of felts. We came up with a better felt than what we could buy. We started selling these felts to our competitors and we built up a nice felt business.

McCourt

What happened to that?

Auchter

It fell during the war. See we used Irish and Australian wool. We had that washed and carded in Philadelphia, but during the war the price of wool skyrocketed. When we looked over our operations one day, I remember J. W. said, "My god, look at the price of wool way up here, if that falls we can lose our shirt on this thing." You had to carry a big inventory because you had to buy the Irish and Australian wool when they were cut. Besides that, we were so darn busy expanding our businesses in Plymouth, he had given me the responsibility for the felt mill. He said, "Between what you gotta do at Plymouth and other things here, we're really not in the felt business." Although it was a gold mine, it made a lot of money for us. He said, "See whether you can't sell it." We had been approached by the other big fellows in the felt business, like Albany Felt and Huyck Felt, to join their felt association, which we wouldn't do because we were afraid. This was a closed corporation and the federal antitrust, Justice

Department, might sometime blow this up because these fellas checked everything themselves. And one of the Albany mills made an overture at about that time and said, "If you ever want to dispose of your mill, we would be interested in buying it, because we're going to build a mill in Canada and we're going to build another one in the South." That was just about the same time we thought maybe we should sell it and we sold it at a big price, it was a big profit. We sold it to Albany.

McCourt

Did you do anything with the felts after you took them off the machines, after they were worn? Did you sell those for anything?

Kieckhefer

We sold them during the war for shipment to Europe. I think the Russians used to wrap their legs in these felts, tear strips of them.

McCourt

They were great wool.

Auchter

We made blankets out of them, too, and dyed them red, blue and brown. The stain left in used felts was impossible to remove, so we limited ourselves to dark colors. We gave them to some of our customers.

Kieckhefer

We had to use dark colors. They were so darn dirty when they came off the machine filled with tar and everything else.

McCourt

I remember someone in Longview was using them for carpeting his house early after the war. The Depression, you mentioned earlier that you were having difficult times, as everyone else was. Yet you were still growing and expanding. That's sort of amazing, it must have been most difficult. Did you have to resort to outside financing at all?

Kieckhefer

Oh, I guess we did.

Auchter

You had a line with the Philadelphia National Bank by the time I came to the company.

Kieckhefer

We borrowed from Philadelphia National, then J. W. had some banks in New York that he did business with.

Auchter

Yes, the Banker's Trust in New York.

Kieckhefer

He used to handle all that.

Auchter

The company was always pretty liquid so that when the expansion came along, it didn't require a lot of borrowing. I don't know whether you really want to get this into public information, but at one time J. W. thought we ought to take some money out of the company. I remember a stock dividend was declared. We were able to make a deal with the Treasury Department that they would call it a tax-free exchange if we declared it a preferred stock dividend. Because the ownership of the company was not changed, the common stock ownership remained the same and those common stockholders had the same percentage as the preferred stock. The theory was that we did this after the preferred stock dividend was declared. We sold the preferred stock to a syndicate of insurance companies and, in that manner, got the cash for the people who might want to use the cash. Of course, preferred stock dividends are not deductible from earnings. We thought if we could redeem this preferred stock after a year or two and borrow the money as notes, why we'd have the deduction of the interest. We borrowed the money from a syndicate of banks. The banks were very hungry, everybody wanted more. We'd have to say, "This is all that you can have, this is all you can have." We borrowed enough money to redeem the preferred stock and that was the biggest loan I think we ever had, about \$4-1/2 or \$5 million. That was retired quickly.

McCourt

Yes, I was always surprised at how liquid you were when we merged with you. I guess you needed the funds for plants and timberlands.

Auchter

One of the problems that came up right away, when we were discussing the merger was that we would have to get rid of 25 million in cash. I said to them, "Well, how about Weyerhaeuser? You've got a lot of cash in there too." Joe Nolan brought this up. He said, "Well, we gotta get rid of some, too, and we'll get rid of it."

McCourt

Yes, there was a time when I first came to Weyerhaeuser that I thought it was a bank that owned some timberland. When you moved out to the West with the first shipping container plant, was that sort of in line with Campbell's expanding out there or other food processors?

Auchter

I think it was largely the large food processing on the West Coast. The Hawaiian Pineapple Company, Kieckhefer built a plant in Hawaii and sold it to the Hawaiians because Hawaiian Pineapple were large shippers. J. W. knew all these food shippers around the country because he had one idea that the food business would

always be good because people eat all the time. It isn't like maybe the shoe business or some other business that has its ups and downs. Their volume stayed pretty level and he knew the Hawaiian Pineapple people. You know that story better than I do, Herb.

Kieckhefer

Yes. J. W. and Jim Dole were very close friends and they used to fish together up in in British Columbia, some lake up there. Dole had an interest in that lake and the club property up there, and he used to go up and fish for trout. He used to tell these stories about coming down to the dock in the morning and seeing a half a dozen trout in the boat, the fish had jumped in. He told us it was a fact, fish were jumping all the time and they jumped in the boat. But J. W., knowing Jim Dole as he did, was able to work out certain business relations with him. In fact, we used to ship blanks back to the Islands in the early days. These blanks were all slotted and scored and cut out so that you get down to the lowest weight. We didn't want to have any scrap over there because we paid freight on that, a lot of freight shipping it all the way over there. So we passed the blanks through these printers to mark the content information. Then they had Chinese boys that would stitch them. I remember going over there and talking to the superintendent, who took me through the plant. I said, "Gee, you're not getting any production out of your stitchers." One person would pass the box up and another one

would take it and stitch at a seemingly slow pace, putt.....
putt..... putt..... Well our girls were relatively faster; their
boxes seemed to be flying over the machine, putt..... putt.....
putt..... "Well," he said, "what production do you get at Delair?"
And I said, "We're getting around 950 to 1,000 an hour." He
said, "Well, we're doing that well. Come into the office here and
I'll show you the figures." And by gosh, he was right. "But,"
he said, "I know the Delair superintendent. You see, those girls
work fast, but when you walk into the dressing room, they're all
sitting around drinking coffee and smoking cigarettes." It was a
fact. They were turning out the same amount per hour, but they
were resting more often.

Auchter

Had their coffee breaks.

Kieckhefer

He said, "These Chinese boys never leave their machine. They
work right through the day shift."

McCourt

So the Hawaiian market constituted a good part of the business
for Alameda?

Kieckhefer

Well, we used to ship direct from Delair and we could pack up these blanks and load them on a ship and ship them directly to the Hawaiian Islands.

Auchter

And then you built a plant out there?

Kieckhefer

Yes, then we built a plant in Hawaii and started shipping them board. You could buy this board and do a complete job there.

Auchter

Later the plant was sold to the Hawaiian Pineapple Company. At the time of the merger they owned it and J. W. arranged to buy it back, you see.

McCourt

Still good business. Now, the lettuce business was sort of new, wasn't it?

Kieckhefer

Yes, the lettuce business started to grow rapidly at the time they went into vacuum cooled lettuce. And that all started right here in Phoenix.

Auchter

Salinas, California, really, Herb, was the first place.

Kieckhefer

Salinas was maybe the first one. They also put in vacuum cooling plants here.

Auchter

One here at Glendale outside of Phoenix.

Kieckhefer

But the vacuum cooling idea was one that J. W. heard about and was able to get the rights to put in plants and operate them. He was the first one to have this vacuum cooling available for the lettuce growers. They used to pick lettuce and cut it in the field, bring it in large bulk shipments, dump it on a packing table, and pack it into boxes. Then they changed all that because the unions demanded such high wages for these packers. They started collecting the lettuce out in the field, dropped them into boxes and put the boxes on conveyors that conveyed the lettuce to the top of a truck. The fellow up there would stack them on the truck, put them through a machine to seal the tops, the bottoms were stitched; then they were stacked up there on the skids. Then they came into the packing shed which was a vacuum cooling plant. They picked them up with a forklift truck and dropped them on a conveyor. It conveyed them right into a big

cylinder, big vacuum tube. That's where the cooling was done. You got away from the union labor there because you eliminated the packing house.

McCourt

And you got them cool right away, fresh from the field.

Kieckhefer

They were chilled down to about thirty degrees and they went right into cars. They had a way of taking the temperature by just spearing one of these thermometers into the lettuce head. It would read on a big scale and they could regulate the temperature of all the lettuce from the one head.

Auchter

The vacuum cooling theory was developed and patented by a man in Los Angeles. He couldn't get anywhere to make it marketable and a traffic adjustor by the name of Bronsing from San Francisco heard about this and saw the possibilities of shipping. He bought the rights to this and Kieckhefer made a deal with Bronsing to put in thirteen vacuum cooling plants in California and Arizona, on the basis that the rent paid would buy those plants back over a period of ten years. This fellow was afraid. He wasn't getting anywhere in expanding his business because he had no clout with the railroads. The railroads owned big icehouses and were cooling these wooden boxes of lettuce in their icehouses. They

saw that the vacuum cooling would knock out their icehouses and so forth. They weren't very much interested in the thing. Well, Kieckhefer had some clout, we expanded this thing. This fella had one plant in Salinas and there were a lot of bugs in that too. Kieckhefer had the engineering experience to get the bugs out and then to expand the plants in the lettuce fields in California and Arizona. And this fella Bronsing was running it. We owned the plants, really. They were under contract, leased from him, whereby he was making payments. He would own all the plants at the end of ten years and get his patents back, too, which was what he desired. He had sold stock in his company to every Tom, Dick and Harry, ministers and military men, Navy admirals, and so forth, and it was a very slipshod organization. We had it tied down pretty much so that we would own the plants if he defaulted; although we didn't want to own the plants. We wanted to sell the shipping containers. And, as that type of operator would go, pretty soon he had the thing all messed up. We had to send our own man in. I went out to the West Coast two or three times and talked to Bronsing and finally we sent one of our accountants from Camden out here and made him the treasurer of the company.

McCourt

Was that Madden?

Auchter

It was Madden, yes. You knew him? Madden was the man. We finally got the whole thing cleared up and we got our money

back. We had the shipping container business and Bronsing got his plants back but I understand he's gone through the wringer again. If it hadn't been for the clout that Kieckhefer had to force the railroads to make their cars available, vacuum cooling would not have gotten off the ground. When lettuce is ripe, it's got to be shipped immediately. Unless you have the railroad cars, after you put it through the plants, you're not in business. We had enough shipping business with the railroads that we could say to them, "You provide cars for this or else, Southern Pacific, your business will go to Atchison, or Atchison, your business will go to Southern Pacific, or it'll go to the trucking business." And they provided the cars.

McCourt

Now, were the cars filled with ice?

Auchter

No, they were given a vacuum cooling treatment, so they were cooled, and then as Herb said, the lettuce was put through this big drum cooler and went into the cars and the cars were sealed. No icing necessary. The cars were equipped with mechanical cooling equipment.

Kieckhefer

Well, they had the cooling in the cars, you know. They had an ice machine in the car that circulated cold air and that would be

enough to hold the lettuce until it got into New York City. So they did a little cooling just to carry it that far. The cooling of the lettuce was the important thing because they would cool that lettuce right down to the heart and it would retain that cold. This was done immediately after picking.

Auchter

At the time of the merger I went to St. Paul to visit Fred Weyerhaeuser and talk about some things. We went to lunch at the Minnesota Club. Outside of the club was a truck with lettuce on it, and I told Fred, "Let's turn these cases up." Sure enough, they were Kieckhefer cases. I said, "There's that lettuce business we talked about. That's supposed to be cooled right down to the heart. Now if we can persuade this fella the truck driver, to let us open the box and you put your hand in, you'll find it's very cool." And we did that. He was surprised how cool it was in the box.

McCourt

That's amazing. Then this box didn't require any special waterproof treatment or anything like that?

Auchter

It was a special box.

Kieckhefer

You know the dog track in town here?

McCourt

I haven't been to it.

Kieckhefer

There's a lettuce packer who had an interest in that dog track.

McCourt

Was that Bud Antle?

Kieckhefer

Bud Antle and at one time we owned part of the dog track.

McCourt

I remember.

Auchter

We had that as collateral to his accounts.

McCourt

Bob doesn't especially like dog tracks either.

Auchter

With the outbreak of war in Europe (World War II) chlorine began to get in short supply. J. W. Kieckhefer said, "See if we can make our own chlorine and bleach our own board; but when you do it, be sure that you don't get it in such shape that the War

Production Board Allocation Division could allocate your chlorine to somebody else, so that you will have it to use in our plant." That's how we built our chlorine plant at Plymouth. We kept the board brightness up to where it was acceptable.

McCourt

When did you build that, do you remember?

Auchter

It was during wartime. Here's an odd thing about it. We couldn't get copper from the War Production Board. We talked to Kennecott about how could we get the copper. They said well it's all under allocation. We're willing to give you anything. In fact, we have some out of the country we can get to you if the War Production Board won't frown on it. We had to finally make a deal with an Italian concern, de Nora, to manufacture the cells for us to make chlorine. They bought the copper in South America, took it to Italy, manufactured it, and then sent it to us in Plymouth where we put it into the plant.

McCourt

These were mercury cells?

Auchter

Mercury cells, yes. We got going all right and the War Production Board did, at one time, consider ordering us to send some of the

chlorine elsewhere. They found that we were not in shape to do it unless some other installations took place. Same thing with tall oil. It was in the early days at Plymouth, Sherwin Williams had always been a good account of ours and they were short of tall oil. They told J. W., one time when he met the president of the company talking about some business, "Now you have a kraft mill in the south, you should be able to make tall oil." I said, "Well, I know something about it, but we ought to be in contact with their buying department. See what they want." They came down and we took some old digesters and set up the tall oil department. They took the entire crude tall oil. Then as the war ended or wound up, they didn't need as much. We then went into the refinery business with Camp Manufacturing Company and set up the tall oil refinery. That's how we got into the tall oil business.

McCourt

Tall oil, do they take turpentine out of that?

Auchter

We took turpentine out, too. We took turpentine out and sent that to Sherwin Williams, they took all of that. They used that and the tall oil. The skimmings were just reduced down to the crude tall oil and later we refined it.

McCourt

Is that used in paints?

Auchter

It's used in paints and even in medicinal things.

McCourt

I spent about two months in Georgia in a very small town called Baconton. This was in the edible nut business and we were buying pecans. The fellow in the joint venture with us also had farms in the area and had some timberland and was extracting turpentine from his trees. He was in the naval stores business.

Auchter

There's just one other feature that you should know about the lands we accumulated and held at the time we merged. Every so often we received inquiries from oil companies to explore for oil or gas; they paid us some kind of royalty for the right to do it and so forth. But only traces of oil and gas were found. Through the connection with the North Carolina State College, we had a lot of professors that were interested in the things in the ground we found. Some of our lands on the shore had illimite in it, which is used in titanium. Also, those professors at the agricultural college always figured there was a lot of phosphate in the East , particularly in our area. We bought one large lumber company in Washington, North Carolina, the Eureka Lumber Company. The center of this thing, illimite, was supposed to be within their lands. After we acquired Eureka, we got some rather active inquiries from American Cyanamid, Kennecott Copper

and Texas Gulf Sulphur. As a result of those inquiries, a deal was finally made whereby Texas Gulf Sulphur built this big plant, a \$25 million investment, in North Carolina, which was on our lands. We made deals with them where they obtained the mineral rights, this is shown in the records of the company. We got some nice royalties there.

McCourt

I never heard of illimite.

Auchter

They're little black spots, like the tip of a lead pencil, that are in the sand and ground that's on the seacoast. American Cyanamid Company at one time was very interested, but we were never able to work a deal with them. We were in the process of doing that at the time of the merger and I think Weyerhaeuser probably has lots of things underground that might be quite valuable.

McCourt

George S. Long's father, when he was running the company, had a survey taken, and one of the things they found was granite. He had a big granite rock on his desk that he used as a paperweight. After his father's death, George used it. When George retired he gave me the rock. I don't doubt that there are possibilities.

Auchter

An interesting thing about this, too, is at the time we purchased the Eureka Lumber Company they had a large block of timber within twenty-five miles of our plant. They had an old mill and there was an old man, I shouldn't call him old because he was younger than you and I are right now. Ken Trowbridge used to stop in to see him when he went by there because so much of our timberlands were next to theirs. I went down with Ken one time to meet the fellow. He was reading the Wall Street Journal. Ken said that the mill was an old one and if we bought the property we should set a match to that mill and burn it up and buy the land. We knew as much about their land as they did because we flew over it, took pictures of it, and our men went in on the ground all the time. Well, the old man was kind of peeved that day. He laid down the paper and said hello to Ken. I met him and he said hello to me. He said, "Terrible news. The union. They organized the people out here in the mill, and a fellow comes down here to me and tells me how to run this business. I'm getting sick and tired of it." There were five girls who owned the mill and he married one of the five and ran the business. I said to him, "Hell, the thing to do if these unions are going to tie your hands like this is sell your plant now. This timber of yours is valuable. Put your money in the stock exchange, you can see every day what it's worth. General Motors, General Electric, DuPont and all the things down the line." He said, "Well, I have a little stock and I've done pretty well with them, but I'm not

giving up the lumber business." Then he had a fire. Ken said, "It burned last night. Let's go down." We went down to see the old fellow. We thought he'd probably sell the mill because everything was burned down. "Well," he said, "No, I won't sell it, then I wouldn't have anything to do with lumber. I have been in lumber and timber all my life. I'm gonna rebuild the mill." I told him that would be a foolish thing to do because you certainly can't get the real value out of this timber by putting it through a sawmill. He said, "I've been a lumberman all my life." So, no luck, we thought that was the end of it. We'd never be able to buy it. One day Ken and I went through there to look at some other timber some place or other. We just stopped there to say hello, to keep our contact. This was in January. Some men had just left the office and they were the union boys. He was mad, he was about five years older then. He said, "These damn so-and-sos will be my death yet. Are you really interested in this timber?" We said, "Sure, we are." He said, "Our annual meeting is coming up next month and I'm going to tell the girls I'm sick and tired of running the business. If you have a proposal to make for this, you can come to the meeting. It was in February. Ken and I went in to see him. He had a big home, the Gay Nineties, all kinds of old music rooms, parlor this and parlor that, dining rooms, etc. They were having the meeting in one of the rear rooms. Ken and I were put in the music room, the doors were closed so we couldn't hear. We sat there for an hour or more and finally we were invited in and met all the girls and so forth.

He explained to us that he had talked to the girls and told them we were interested in buying the mill. If we had a proposition they wanted to know what it was. We made them an offer. They kind of shook their heads and so forth. It was lunchtime. One of the other girls, who also lived in one of these big mansions, was going to have a buffet lunch. We all went over there for a buffet and came back. Again we were put in the music room while they had their meeting. Finally we were called back in. The old gentleman said, "Well, now we have some questions to ask here." One of the girls spoke up, she was a fiery one, "Well, we would consider selling it provided we can keep the mineral rights." We said, "Oh gosh, that's a difficult thing to talk about because if you explore for minerals, it will interfere with the growing of the timber." I said, "Besides, the offer that we made to you this morning included everything you've got here. Includes your land, anything below the ground, your sawmill, your buildings, Main Street, everything that is an asset of the company." They excused us again for awhile. Called us back in ten or fifteen minutes. The girls talked among themselves, then this one girl who talked up, said, "Mr. Auchter, what would you offer for our company if we kept half the mineral rights, and you had half the mineral rights?" I said, "Well, that's very difficult to say. We'll take a million dollars off the price." The rest of them looked up and saw a million dollars going out the window. They excused us again, called us back in about half an hour. They said, "We'll take your proposition, but we want a down payment."

I had a blank check in my wallet. "How much would you like?"
The old man said, "One hundred thousand dollars would be okay."
I wrote him out a check and we had the deal.

McCourt

That was wonderful.

Auchter

The next day or a couple days after, Hugh Camp called me. He
said, "You so and so. You stole a piece of property right under
our nose." I said, "I didn't steal anything." He said, "Well, I
want to congratulate you. You got a good piece of property."
That's where that Texas Gulf Zone is. Beautiful timber down
there.

McCourt

Was that a pine mill or a hardwood mill there?

Auchter

That was a pine mill.

Auchter

If this girl knew how much money we're making out of the stuff
that's coming out of the ground she would have kept the mineral
rights.

McCourt

Was there anything ever said later about that?

Achter

No. It took about six months, I think, to complete everything. We had to check the titles and so forth. We closed the deal and paid them off.

Kieckhefer

You did get some minerals out?

Achter

Yes, Texas Gulf Sulfur went in there for the phosphate.

Kieckhefer

Did we get any return on the minerals?

Achter

We are receiving big royalties out of this, Herb. We got some before the merger with Weyerhaeuser and it's been expanded since, so we are getting still more.

McCourt

Now, further south a lot of the pulp companies leased land. You didn't do any of that, did you?

Auchter

No, I don't think we had an acre of leased land.

McCourt

That was surely the sound way to go. I've always wondered why these other companies didn't go that way. Was it just a matter of cash availability, do you suppose?

Auchter

I don't know. It might have been. We were very selective, we only bought the best.

McCourt

I've often wondered about the lands you purchased in Virginia and Maryland. It seemed a little bit far from the mill.

Auchter

Well, there were two reasons for it. One, they were a good buy. Secondly, we were sending linerboard from Plymouth to Delair in barges and the barges came back empty. At one time we thought maybe we'd put the landing up in Maryland and bring the pulpwood down to the mills, but of course we never harvested there. We felt it was a good buy and a good trading thing. Because sometimes we'd get certain lands then you'd trade them to somebody else. In fact, I was working on a deal with a company in Norfolk that owned a block of about 20,000 acres right in this phosphate

district of North Carolina. I tried to get the people to trade our Maryland land for land down there. But this fellow was pretty foxy. He knew there was phosphate in it, never discussed it, but during the discussions I felt he knew what was underground. We never made that trade. I don't know what you did with the Maryland land but it was a fine piece of property.

McCourt

Well, I think we still have it and I'm guessing that maybe some of that land's in the real estate group.

Auchter

A fine piece of property. And Virginia, we sometimes picked up something there when we found the right price, then traded with Camp Manufacturing Company. We would pick up some of their North Carolina property and give them property in their area.

McCourt

I always wondered about Riegel. Seemed to me that they were borrowing from U.S. Steel pension fund to buy the lands and it seemed like a poor way to go. I wonder if the pension fund is ever selling any of those timberlands.

Auchter

I don't know. I think Riegel has a deal with them on the whole bit.

McCourt

Yes, but I don't know that they couldn't sell them.

Auchter

Well, those were lands that we didn't care about. Maybe in hindsight, they're not, but then they were the poorer lands in that area that is now the southern part of North Carolina, a swampy area. Many of the trees in there had red heart, pulp yield wasn't quite so good, so we passed up that sorta stuff.

McCourt

I was very impressed with North Carolina. Ken Trowbridge showed me around there quite a bit. I thought he was a great man. It must have taken something, though, to start buying timberlands.

Kieckhefer

In the early days, before we built the mills out there, we were looking for timber. We were able to buy land, a lot of that land for around \$4.50-5.00 an acre. It wasn't much of a chance you were taking as far as land to grow timber. We grew a lot of timber out of particular lands we bought then. Twenty years from now, why, it might be a nice stand of timber. We weren't taking too much of a chance.

McCourt

Did you do a lot of planting or was it natural seeding that took over mostly?

Auchter

We did planting right from the beginning.

McCourt

You did. In the 1930s?

Auchter

It was in the end of the 1930s, beginning of the 1940s.

Kieckhefer

We started the super tree and everybody copied us. International Paper Company talks about the super tree.

Auchter

They advertise it.

McCourt

Right. I suppose when you got some acreage that included cotton or tobacco, you would plant right away because there was nothing there.

Kieckhefer

Have you ever been down on the seed farm?

McCourt

I haven't, no.

Kieckhefer

That's quite a setup. They have the trees all in straight rows divided by roadways. They cover the cone with a bag, this keeps the seeds from germinating, except with the ones you put in there, you shoot it in through a little nozzle or hypodermic needle.

McCourt

I've seen that out in Washington. I know that we have a great seed orchard and nursery in North Carolina.

Auchter

The city gave us a little plaque the last time most of us were down there. That was probably after the merger. That's more than ten years ago.

McCourt

After you started your first shipping container plant in Oakland, then you branched out to other shipping container plants out here. Was the second one down in the lettuce country or further...

Auchter

It was down near Los Angeles at Colton.

Kieckhefer

I believe we added two in the same area near Los Angeles.

McCourt

I believe the other one was Santa Paula.

Kieckhefer

We manufactured orange boxes and lemon boxes at these plants.

McCourt

So here you were with your board production in the East and Midwest with Eddy and you're expanding in the West and starting to buy board, linerboard and medium, I suppose, on the West Coast.

Auchter

We were thinking of building a mill on the West Coast, because our requirements were so heavy for both our own converting plants and also shipping to the Hawaiian Islands. We were shipping it from Norfolk to Hawaii through the Panama Canal.

Kieckhefer

We used to charter entire ships. I think we shipped 4,000 tons one time.

McCourt

You dropped some off on the West Coast and took some to Hawaii?

Auchter

Yes, something like that. Weyerhaeuser Steamship Company got some business from us. Used to pick it up at Norfolk for some of those plants.

McCourt

We were always looking for westbound cargo.

Auchter

We were looking at the idea of building a mill. We needed it badly because the freight rates were terrific, up to \$30 a ton on that which we sent by rail. Looking around, of course, we realized that Weyerhaeuser had the best timber stand on the West Coast. We talked to Phil Weyerhaeuser. First, he said we'd go 50-50. Weyerhaeuser would put in the timberlands, \$25 million worth, we'd put in 25 million cash. We had the know-how to build the mill; we had the know-how to operate it; and, we had the market for the product. He slept overnight, the next morning he said he didn't want any partners, but he'd be willing to put in some machines. We entered into a ten-year contract, we needed the board. They put in new machines in Longview, according to our specifications, same as our big machine in Plymouth. We agreed to have our men come in and teach them how we wanted the linerboard made and also how we wanted the bleachboard made. That contract had run for five years when we started our merger discussion.

McCourt

That was the Springfield board mill?

Achter

Springfield board.

McCourt

What was the dimension, 196 inches?

Achter

Hundred and ninety-six inches.

McCourt

I was always surprised that your capacity at North Carolina Pulp exceeded our capacity at Longview. You know you always think you're bigger and better. You did look at other opportunities or possibilities on the West Coast, wasn't Medford one?

Achter

Medford. You see, I was in the banking business. We had financed a company known as the Owen/Oregon Lumber Company, a lumber mill in Owen River, Wisconsin.

McCourt

Was Rust Owen connected with that?

Auchter

Yes. That's another part of it. They went out to Oregon to buy a lot of timberland for their mill and Don Owen went out there to run it. We financed it for him, but business was tough and they came to us one day and said, "We give up the ghost. We'll sign the thing over." We formed what we called the Medford Corporation and that was the headquarters, Medford, Oregon. The three directors were Lon Chaney in Portland, Oregon, who was a Baker-Fentress man and our partner in the deal, then myself and George Birkland. Birkland was also a Baker-Fentress man. Lon Chaney was president, I was vice president, and George Birkland was secretary/treasurer. It became a timber holding company. This happened about 1935 or 1936 and they kept holding that. I knew that block of timber was there and I went to George Birkland in Chicago to see whether they could sell this stuff. They had a 2/3 interest, we had a 1/3 interest. They were willing to talk and we felt that might be a cornerstone to get out there. It never materialized because we entered that purchase contract with Weyerhaeuser for the next five years.

McCourt

Baker-Fentress still owns about 30-35% of Medford and I guess their office is in Delaware.

Auchter

There might be a corporate office in Delaware, but I think their office is in Chicago.

McCourt

I know it used to be. You know they have other investments and manage other investments for people. They've called on Weyerhaeuser to see whether that was a good investment or not. When five years had run on the Weyerhaeuser-Kieckhefer contract, which was a ten-year contract, you were still expanding on the West Coast. Was there any other reason, at that point in time, for getting together with Weyerhaeuser?

Auchter

We wanted a plant on the West Coast of our own. We felt Weyerhaeuser was making too much money. We knew what you should be able to make at that point and what it would cost us to make. We felt we had a cost-plus contract for a certain tonnage and the first call on the balance of the tonnage at the spot price. We were buying so much at the spot tonnage price and we knew you had a very juicy profit. We felt we really should be building our own mill. That's when J. W. and I went to see Phil, made a date with Phil rather. We never saw him because when we got up there, he went into the hospital. We never talked to him. Fred came out from St. Paul and we talked with the Executive Committee.

McCourt

From there the negotiations were with Charlie Ingram, "Gully" Gullander, Joe Nolan, and Howard Morgan?

Auchter

Negotiations were with the Executive Committee and all the meetings we had after Fred came out were with Charlie Ingram and Howard Morgan. It was with Norton Clapp, Edmund Hayes, Joe Nolan, Fred Weyerhaeuser, and Gullander. That was pretty much the group that was in there. Oh, John Musser was in there, too. That was the group we talked with.

McCourt

Well, I always thought you drove a great bargain.

Auchter

Well, put this off the record.

McCourt

Our interview was concluded as Herb Kieckhefer felt he should not go on because of his eye trouble. He recently discovered he had glaucoma and he hadn't put drops in his eyes like he should have this morning because he wanted to be able to see for the interview. We adjourned and went to the country club for lunch. After lunch, we visited Herb Kieckhefer's home and left him there. Joe Auchter then drove me to his home and showed me his place and then I came back to the motel. That's the end of the interview.

ORAL HISTORY AGREEMENT

Weyerhaeuser Company Archives

We hereby grant to Weyerhaeuser Company all rights to the interview of Joseph A. Auchter and Herbert M. Kieckhefer conducted by Arthur J. McCourt on the 9th day of May, 1975. We hereby authorize Weyerhaeuser Company to make the interview available for such scholarly, educational, and business purposes as the Director of the Weyerhaeuser Company Archives shall determine.

Joseph A. Auchter
(Interviewee)

Date

Herbert M. Kieckhefer

Herbert M. Kieckhefer
(Interviewee)

10-3-76

Date

Arthur J. McCourt

Arthur J. McCourt
(Interviewer)

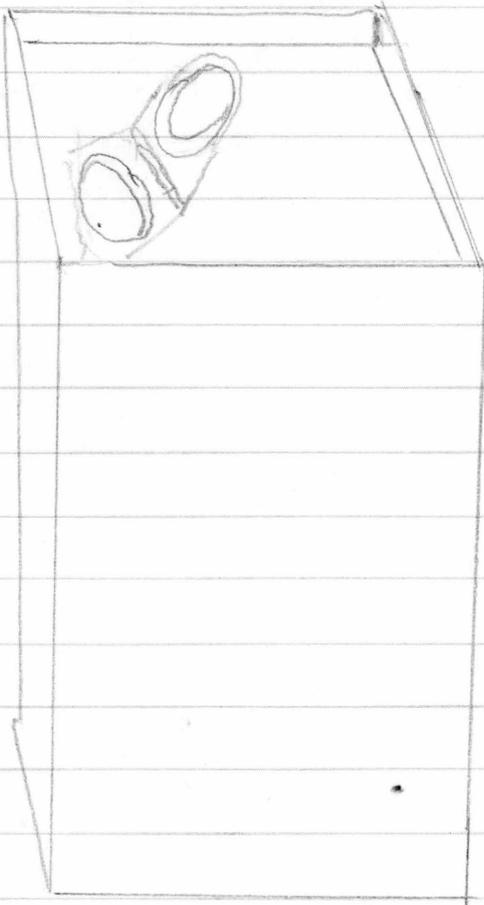
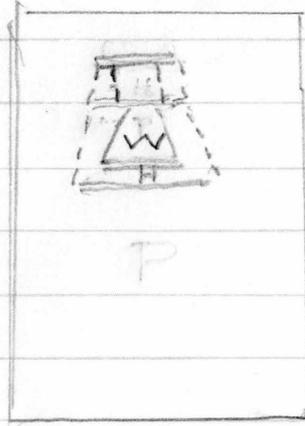
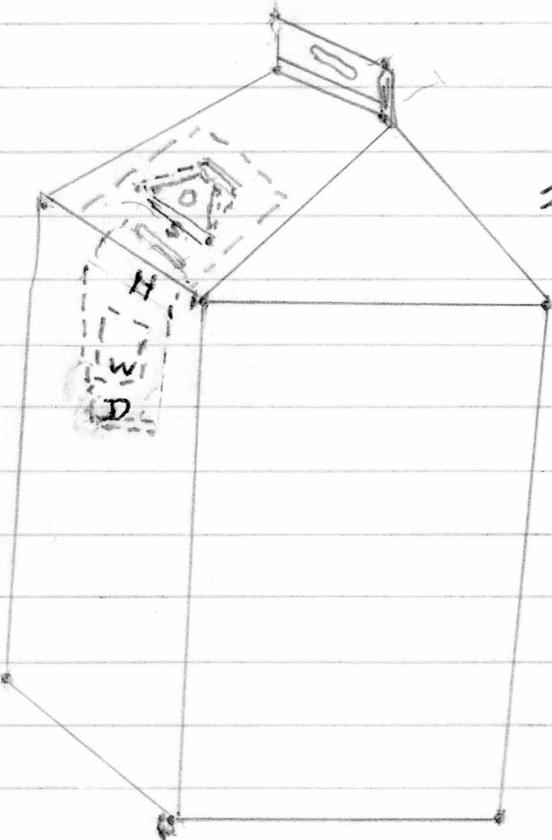
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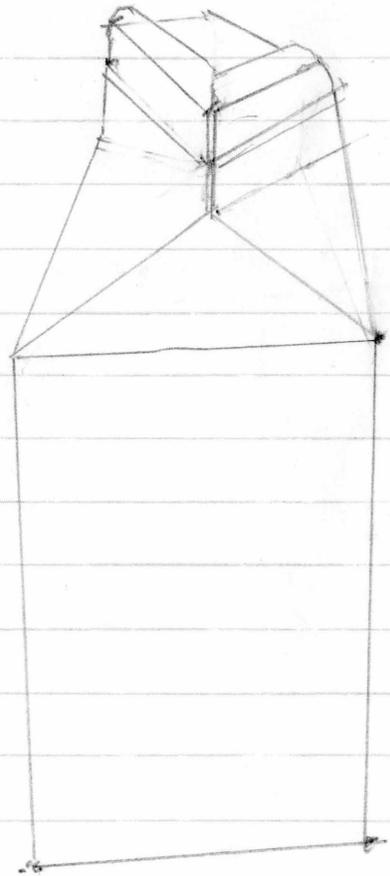
Excella

Patch

2 Piece



American Can



Pitcher Pour
1 Piece