

**Weldwood of Canada - Hinton Division
40th Anniversary History Project
1997-2000**

TRANSCRIPT OF AN INTERVIEW

With

WILLIAM R. ADAMS

President
St. Regis Paper Co. Ltd.

Interviewed by

Elwood R. Maunder
Executive Director
Forest History Society

on

**15 October 1975
and
9 December 1975**

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Transcribed for the Weldwood project from the edited version
by Bridget R. Bolton
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by the Forest History Society
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Preface

This interview was conducted by Elwood R. Maunder, Executive Director of the Forest History Society, Inc, Durham, North Carolina. Maunder interviewed Adams on the 15th of October 1975.

A transcript was typed and the draft edited by hand, but an edited copy was not produced. The original edited draft is located in the Archives of the Forest History Society in Durham NC. The interview is catalogued as part of the FHS holdings and was listed among a summary of library and archival references which related to Canada.

This list came to our attention courtesy of Cheryl Oakes, FHS Librarian, while we were searching for background to a history of North Western Pulp and Power Ltd., Alberta's first pulpmill, the agreement for which was signed in 1954. It was a joint venture of North Canadian Oils and St. Regis Paper Co. Ltd. William R. Adams became President upon the retirement of Roy K. Ferguson. Adams was involved in assessing the proposal and effecting the joint-venture agreement and was president to oversee the start-up of the new company in Alberta.

A copy of the edited draft was made available to us by the Forest History Society. We arranged to have it re-typed to incorporate the editing.

This interview provides additional interesting insights to the St. Regis corporate philosophies of the time. We are pleased to have this background and have added some of it to our history. We acknowledge with thanks this contribution of the Forest History Society.

Peter J. Murphy
Weldwood Forest History Project

28 May 2001

Interview with William R. Adams

Maunder: We have certain rules we follow in practice of the oral history method. We've been involved with such work for twenty-three years and slowly these practices and principles have evolved over that time. Our procedure is to first of all do background research, make an interview with the respondent, transcribe to typescript what was said and send this back to him so that he may review it. Emendations that he wishes to make are marked by him on the transcript. He may wish to insert additions that he feels are necessary. You, the respondent, are in the driver's seat. It is primarily for you to decide what you want to go down in the final product. This is your interview, your recollections of the past. We feel this transcript, therefore, requires your careful study, just as it would if you were dictating a speech to your secretary or if you were dictating letters that you would send out over your signature later. You will probably wish to check them over to see that they say what you want put in the historical record. What we will do is we make our corrections on the face of the second copy of the original draft. Most of these will relate to what I have said. When you have reviewed your copy and returned it to me, I will then collate it with my own copy and give both copies to a secretary to collate as final type. At this point the final draft will be returned to you to decide if it is as you intend it to be. When you give your final approval we will proceed to make final revisions and to index the final draft so that it will be more useful. We will seek to illustrate with your help the contents with picture and any other materials that will make the final product a more attractive, readable book.

It usually takes the better part of a year to complete this process. It is laborious and painstaking but we don't like to go into print with anything less carefully handled. I will write an introductory essay that goes on the front end. There will be a table of contents and, if it is deemed desirable, appendices included at the back of the book. These may help to support in part what is said in the interview. For example, I will in the course of my interview refer to annual reports, to speeches that you have made, to matters that you were intimately involved in and for which there is documentation. If that is the case, it may be desirable to include Xeroxed copies of these as appendices.

Adams: Do you have copies of my speeches?

Maunder: have some of them. I dare say I have only a partial file. Those that I have start in 1962 and I'm sure that you must have made speeches earlier than that.

Adams: I guess so.

Maunder: I think the first one that I have is of a speech you made at a meeting of the New York Society of Security Analysts. There are a few others with the same group. There are a few others that are entered as your reports to the stockholders at annual meetings during the '60s. Apart from that we have had very little access to personal files or to executive incoming and outgoing correspondence. Our research has been done up to this point almost exclusively from minute books of the company, minute books of other companies that have been acquired, annual reports in their printed form, press release files, a few biographical files, not many. We have a few interviews with other individuals who have been involved at one time or another at different levels in the company's work. The vast majority of the company's documentary sources are not

yet involved in the research that we have done. What was found in the warehouse at Watertown is almost exclusively related to financial records. These will not necessarily require deep probe. There were no important correspondence files found in Watertown. It would be of great incoming and outgoing correspondence, Mr. Ferguson's and Mr. Carlisle's. That vast area of documentation would be possible to probe only if this project is extended. Our purposes in the first year have been primarily to grapple with creating a basic chronology of events and people involved in this story and to get an over-view of the subject. To write a definitive history of St. Regis or of any company requires a great deal more time on the part of a research man or a research staff tracking many different aspect of the story in both primary and secondary sources. To this point in the first year put a skeleton story of St. Regis. We have found some of this in records made available to us here in New York. We have also searched the trade press, the *Wall Street Journal*, and books that have been published on paper industry history. But what we have assembled to this point is not to be seen as a definitive history. We've got a leg up on the job of researching St. Regis history. The bigger task remains to be done. Management must decide what further work should be done with its documentary sources of history. I believe there is need for top management to act because the company appears at present not to have any real archival policy for conserving or managing more wisely resources of its own experience. That experience is documented in written records. Many of these records were created by men now deceased. Their contributions to the story can only be recounted from their letters or, second best, from secondary sources such as the *Watertown Times* and the memories of men who were close enough then in time to recall some of the details of their several contributions. This is where we are at as we approach the end of the first year's program of research in January of 1976.

Adams: I think I have a fairly complete file of my speeches at home if that's of any interest.

Maunder: It would be helpful and it is possible that a more complete file may be available here somewhere here in this building. The speeches I have seen have provided information for planning this interview. You made a succession of speeches in the sixties at meetings of the Security Analysis Society. I think that you made at least one or two earlier speeches. It would be very helpful to have a better file for the earlier years. I would be extremely valuable to have access to other documentation covering your presidency and chairmanship of the board. Incoming and outgoing correspondence provide the historian with the most important source for writing history, as you know. Minutes of meetings reduce to bare minimum reporting of what is being done. So do annual reports published and distributed to the stockholders. These sources summarize, synthesize to a certain extent, but fall short of fully revealing how the decision making process works or how personalities come to bear on the decision making process. Only as the historian finds it possible to study correspondence and speeches can he perform a finer weaving of the story. I hope we may be able to persuade the company to go in that direction. I think this is the wave of the future as far as industrial communication with the public is concerned. Moreover, I believe such a policy would contribute importantly to better informational retrieval service. I say that because I see other companies beginning to go that way. I don't mean to suggest you need to save all of your records; that would be ridiculous and grossly uneconomical. Much money is now wasted in maintaining old records. It would be put to better use with professional help. You must cut the mass of old records to a manageable size

to make it useful. Probably as much as ninety-five percent of old records can be recycled but you should save the essential five percent. How do you decide what the essence is? Here expert archival knowledge will serve you well. Employ a trained archivist whose professionalism lies in knowledge of what historical values are and what demands will be made on records in the future; he would make those judgments for you, not division heads, not department heads. Actually these people don't have the time to perform such duties and if they try, they usually make a hash of it. They throw the wrong things away. Earlier on in your history you came to recognize that you needed the inputs of scientifically trained foresters. I would like to suggest you are moving into a time in which it will be to your advantage to hire new specialists in other fields. Archival management is one of these. As time goes on I predict companies will see merits in employing also their own professional historians. When management needs reliable historical information there should be someone you can turn to and answer questions on a wide variety of ongoing problems, some of which may have long histories.

Practically every problem has a history. If you have access to a reliable history of a problem, it may not provide you easy answer to the present application of the problem, that's ridiculous. But it may give you insights into dealing with it you might otherwise not have. Such insights may, indeed, help you avoid repetition of past mistakes. There is abundant evidence that mistakes have been repeated in the history of American business. This is not, therefore, an exercise in antiquarianism. We are not working in the Forest History Society just to collect a lot of old relics just for the sake of collecting. We are selectively collecting and preserving and urging research and more serious analysis of what roles a great natural resource, the forest, and all of the various interested forest-related groups have played in American and Canadian history. How did the forest, how did the forest industries, and how did the professional forestry respond to challenges thrown up to them? Change, we all know, affects us all. We all change. Institutions change; individuals change, and they change because of different conditions continually arising and that are not foreseen. We all have to accommodate. You, as a new chief executive officer of this company, were confronted by a whole army of socially imposed changes coming out of World War II. We are still feeling the impacts of some of these changes, even today. You responded to them or you didn't respond to them. Whether you or I respond to change in the mainstream society, it is still a response, and the record of history reveals what we actually do. It is the study of that kind of history with which we are grappling, and it is inspire that kind of serious grappling with history that we urge upon an ever wider circle of people who make up the forest related complex. I apologize for burdening you with this long introduction. I wanted you know what we are doing and how we are going about it.

Adams: Yes, that's quite necessary.

Maunder: I think you indicated that we must enlist not only your continuing support of what we are doing as an organization but we seek to convince others to do themselves.

Adams: Yes, I know.

Maunder: This is a matter of real importance, you really are concerned about where you are going to be five or ten years from now and what climate of public opinion may obtain at that time. I think if your industry had dealt more seriously with its history twenty or thirty years sooner, it might have been better equipped to deal with the troubles it has faced in recent times.

Of course this is speculation, but I think it has merit. There has been too little concern in industry with dynamic forces in American history and how they imposed upon them and how they reacted to those forces. Textbooks today have too little to say about industry and what they have to say is more often than not cast in negative terms. The difficult task of dealing with scholars has not been faced seriously enough. If anti-business syndrome exists it is partly because businessmen have been less inclined to open their records to study. They have their counterparts in the military, religious and political sectors. These other groups have been much more attentive to assuring their records are preserved and made available for study. Consequently their history has received far greater study and thus fills far more shelves in our libraries. We believe that if there was a greater and more gutty kind of bibliography of the history of the forest products industries that fact might well make a difference in how the industry is perceived by the public.

What we hope to do in a series of interviews with you and Mr. Kneeland, Same Shane, and Jim Kussmann and others will be to ask you questions relative to the St. Regis story and we will try to make them the best kind of questions that fill gaps we have not been able to fill from written sources. We may want to come back to you at another date on another occasion and ask you more questions. What we pose now in the way of questions do not always seem to be of the most importance, please be patient and understanding of our lack of real knowledge of your story. We usually start these interviews with some effort to track the personal history of the man being interviewed. We do not want to dwell too long on that, just enough to find out what his origins were, where he grew up, where he went to school, how the twig was bent, so to speak, which sent him eventually into a career of business and with his company. From that point, we go into the more serious, meaty aspects of the subject when we will talk to him about what he recalls about that business career. First, may I just you if you can track just a little bit of the history of your family. Where did the Adams family come from? What is a little bit of its background?

Adams: As I understand it, and I've never been one of research of my antecedents very much, we are the same Adams Family as the two presidents. Our branch branched off about two generations before the presidents. They had lived in Banbury and Quincy, Massachusetts until they moved into the Albany area. I was born in Albany. My mother was a Raleigh who came ... originally her family came from Canada and the understanding is that the name was originally spelled Raleigh or is it 'ie' ... I don't remember which.

Maunder: As in Sir Walter Raleigh, you mean?

Adams: Yes. My maternal grandmother was a scholar who had been a resident of Albany, of course for many years. As I say, I was born in Albany and my father was with the railroad, New York Central, so we got moved around some. We lived in Utica for a little while then back to Albany and then back to Utica again. I started school in Utica and then my father was transferred to Watertown.

Maunder: What did he do for the company?

Adams: He was a supervisor of the signals at the divisional level. Never very high or in the hierarchy. In fact, he was taken with a terminal illness when he was fifty and died at the age of fifty-seven. I started school in Utica and then in 1915 when I was eight years old, we moved to Watertown. I lived the rest of my youth in Watertown.

Maunder: Did you graduate from the Watertown school system?

Adams: Watertown school system, yes.

Maunder: And you went on to school then at Union College.

Adams: That's right.

Maunder: Where is that located?

Adams: Schenectady.

Maunder: Did you have any real notions of what you were going to study when you went to college?

Adams: No. I took the most liberal of liberal arts all through college in logic, ethics and history and English and philosophy and all that kind of thing.

Maunder: Just kept your options open as to where you were going after you got out.

Adams: That's right. Then when I got out of college, I took a job out in St. Louis for which a liberal, liberal arts student was not at all qualified. That was in the diesel engine business selling diesel engines.

Maunder: For what company?

Adams: My original employer was the Phillip Ironworks Company in St. Louis. They were in very shaky condition and as soon as the depression began, aside from making diesel engines they made sugar mill equipment. In the post-war boom in sugar they had over extended their credits to American and Cuban companies and they got in serious financial condition to the extent that there was no future there and in the midst of the depression I couldn't seem to find any other job except in the same kind of business. Diesel engines I knew could not be my lifetime undertaking. I had absolutely no qualifications and knew nothing about engines or its applications, but I managed to hang on for two years until I decided I was going to start a little business of my own back in Watertown.

Maunder: About what year was that?

Adams: That was in 1935. I went back there and through the Depression was not able to really organize anything or find any funds or any customers.

Maunder: What was the nature of that business?

Adams: There were a lot of paper mills in northern New York at that time. Not as many as there had been sometime before that but still a great many as compared to today. I thought I could transport their coal, which was their principle fuel at that time, partially by water on the lakes and save them some cost on their fuel expenses, but I couldn't develop enough interest or find enough money. I worked at that for a year and a half or so until I was absolutely dead broke or even worse, I was supporting my family at that time. I mean my mother and my brother and sister. But the good fortune in going back there was that I met my future wife, Florence Taggart.

Maunder: You met her in the mid-thirties then?

Adams: Actually, I met her in 1931. Thanks to the fact that I had gotten a telegram from St. Louis that my services were no longer needed. When that arrived, I happened to be home on a vacation at that time and intended to go back, I think, on a Sunday. I got this telegram so there wasn't any hurry, and the result was I met my wife that weekend. It was the best break I ever got. We weren't married until 1937. I didn't have any means by which to support a wife but I went to work for St. Regis in February or 1937. It was a Taggart Corporation then – the part I worked for at least. We were married in July of 1937.

Maunder: What was your job with Taggart?

Adams: I had an interesting career. I started out at what you might call the very bottom three different times. I started out with making wooden shipping cases which they packed a lot of it for export. When I lost that job, I started out working on the test floor in the diesel engine division of Superior Engine Company over in Springfield. I worked there for about six or eight months. Then back to Taggart or St. Regis. St. Regis owned about twenty-six percent of Taggart as I remember. I started out at what they called a "shafter" on a bag machine. I was the fellow responsible for getting the rolls onto the back of the machine and seeing that it didn't run out of paper. It made multi-roll bags. I did that in Oswego for about five months. Then I did it in Carthage for a similar period of time and there I did it in Watertown. We had three different mills there.

Maunder: But then you began to move up in the chain of command in management of the mills in the late thirties.

Adams: Yes, I went into the Herrings Mill where they called me resident manager, but I was really nothing but assistant to the superintendent. There was nothing to manage except to run the paper machine and the superintendent knew how to do that better than I did. But that was when I first began to get some kind of a title.

Maunder: in other words, you had the experience of learning the paper business from the ground up by starting right down there at the bottom and having a chance to see how it worked.

Adams: Yes, I felt that I knew everything from what kind of burnish you put in and how long you beat it and how to get it on the machine and see that it was properly formed and get it over the dryers and through the stacks and onto the rewinder. I could do all that.

Maunder: In other words, you went through an apprenticeship that lasted until you assumed a managerial position in your own right. When did you become assistant manager?

Adams: In the fall of 1941, they were looking for civilians to staff various agencies in Washington. This was before Pearl Harbor. About a month before Pearl Harbor, I agreed that I would go with the OPA, the office of Price Administration and this was at St. Regis's request that various members of the industry were furnishing personnel and help in manning these various bureaus.

Maunder: Was this on of the famous dollar-a-year jobs?

Adams: No. I severed my connections with St. Regis.

Maunder: You worked for the government.

Adams: For the government. I was down there.... I took the job before Pearl Harbor. Pearl Harbor happened actually within a few weeks. I stayed on there until April of 1943 when I came back to the manager of our four paper mills in northern New York.

Maunder: What did you learn from your two years or more with the OPA? What observations would you make of that experience?

Adams: I think the main thing I learned was negative in a way. It was the burdening of bureaucracy – the staffing of an organization with two or three times the number of people really needed to operate it. The result being that everybody was trying to make a job and were doing and proposing a lot of things that were absolutely unnecessary but you had a big down here all ambitious to move up into the Civil Service and the only way you could move up to Civil Service was to have more people working for you. That seemed to be the criterion for advancement – the number of people that reported to you.

Maunder: Not unlike the Army.

Adams: The positive thing that I learned was getting to know a lot of people in the industry, very valuable for many years thereafter.

Maunder: Some of them were working in the agency along with you?

Adams: Some, yes, but more of those who came in on business.

Maunder: I presume your particular responsibility was one that had to do with pricing of paper products during the war period.

Adams: Yes.

Maunder: That was a period of time in which you have characterized your industry as being one of no growth, no development.

Adams: Oh, yes. In the '42, paper was considered absolutely unnecessary to the war efforts. I think that everybody in control down there was very glad that all paper mills were shut down. That was quite reversed by the end of the war, of course. They were aware of the great importance of paper for the war effort.

Maunder: Do you see any one event or any series of events during the war that brought new light on that subject?

Adams: I don't think so because it applied pretty generally to the paper industry, not only writing and printing business papers but packaging. And packaging for actual shipment to the front not just domestic packaging or internal packaging.

Maunder: Would you say that the packaging revolution began at that point during World War II as a product of the war or was it something that had earlier beginnings?

Adams: I think that it had some earlier beginnings, but perhaps the most important stimulus to it was the requirement for packaging in an actual war – applications, getting the stuff all the way up to the front lines.

Maunder: And that just blew the whole top off the packaging field, didn't it?

Adams: I think it did, yes.

Maunder: After the war, the packaging field expanded even more in its development, that it could almost be seen as one of the by-products of a war situation. There are all kinds of things that a world war sets in motion. Some are totally unconscious and unpredictable and this might have been one of them.

Adams: Right. I think it very likely was the most important stimulus over the years the packaging industry ever had.

Maunder: You must have known some of the people who were important in St. Regis history in these years of the thirties when you moved back to Watertown. How well were you acquainted with people in the company before you became involved actively working for them? Were you aware of them at all?

Adams: Not particularly, no. I knew Mr. Taggart, of course. He became my father-in-law. I met Mr. Ferguson a couple of times but that really was about the extent of my acquaintanceship within the company. My immediate boss for three or four years when I first went into the company was Carl Martin. I'm sure you've run across his name.

Maunder: Yes, we have. How would you describe Carl Martin? What kind of a person was he?

Adams: He was one of my favorite bosses. I think Carl did as much for career in St. Regis prior to my closer association with Mr. Ferguson than anyone else did. I'm not very good at classifying people or claim they look like this or they look like that but Carl was a fellow of medium stature. Most of his career had been in the financial side, but he had been sent up to northern New York to run the operations up there a year or two before I became acquainted and associated with him. He had a very good control of what was going on. He kept himself extremely well informed and I found him in all respects an excellent boss.

Maunder: When did you get to know Mr. Ferguson personally?

Adams: I came down to see Mr. Ferguson at one time in connection with this business I was trying to start which you may recall I mentioned. I saw him then only briefly, perhaps twenty minutes. Then I never saw him again until he was in Watertown for an annual meeting. We used to have our annual meetings in Watertown for many, many, years. He was up there and I ran into him at that time.

Maunder: Who else among the people who contemporaries with you at that time do you recall most vividly as being of some real importance in the history of the company at that particular time? Was Mr. Carlisle still in any way involved or had he passed out of the picture?

Adams: No. As far as I know I never met Mr. Carlisle.

Maunder: Who were some of the other people who were most active?

Adams: I think I'd have to say none that I really know. My contacts were entirely with Mr. Martin. I never came to New York until a little later on.

Maunder: When did you leave the OPA?

Adams: April of '43

Maunder: And you returned to the company that time? Was that in Watertown?

Adams: I lived in Watertown. I was in charge of the mills in Carthage, Herrings, Watertown and Oswego.

Maunder: General manager of the whole group.

Adams: Yes.

Maunder: At that time you were reporting to management in New York?

Adams: No, Carl Martin was located in Northern New York too.

Maunder: He was still there as the over-all.

Adams: Yes. You see I had nothing to do with the bag factory, just the Kraft Paper mills. We had three bag factories operating there. They came under Mr. Martin. Then we had the printing papers which then consisted of ... Norfolk and Harristown. Those were under Mr. Martin. I had nothing to do with those.

Maunder: Is printing paper a fine paper or is it newsprint?

Adams: It's the same kind of paper generally speaking that we are now making in.... Publication papers, magazines, and directories.

Maunder: The entrance into the bag business by St. Regis had come in the twenties with the acquisition of the Bates Valve Bag Company. This in due course proved to be a really important step forward on the part of management.

Adams: Very definitely.

Maunder: It increased by quite a considerable amount the importance of the company and the total phalanx of the companies in the paper business.

Adams: It did.

Maunder: This, I presume, was a part of the Carlisle period. Was he the engineer of that acquisition? Or was someone else?

Adams: I don't know. Of course, at the same time that they bought the Bates Valve Bag Company with the patents and a number of bag plants, they also bought into the Taggart Corporation which was a licensee of Bates. They had bag plants of their own.

Maunder: Only in upstate New York or were they in other parts of the country?

Adams: No, only in upstate New York.

Maunder: It was only later on that they went down to Franklin, Virginia.

Adams: That's right. That was in '42. It may have been earlier. It may have been in late '40.

Maunder: You knew Mr. Ferguson, of course, for many years very intimately. He became head of company in the middle '30s when Carlisle faded out of the picture and you worked with him and under him for a long time.

Adams: Yes. He was, of course, I think a director of the company going way back to the early '20s. He became president if my recollection serves me in '33. Then I came with the company in a very low level in '37. It was not until after the war that I saw very much of him.

Maunder: By the time that you came back to the company in a more important managerial position, Mr. Ferguson had already set the company on a new tack entirely from what it had been on before.

Adams: Yes. The big decision really when he came in was whether we were going to be a paper company or utilities investment company.

Maunder: He has phased out that as a factor rather early on in his regime. He committed St. Regis to being a paper company.

Adams: That's right.

Maunder: Then he began gradually to build and extend its diversification with no respite for many years to come. How do you remember Roy Ferguson? Describe him as you would to your friends and family. How does he loom in your recollections? He only recently passed away I understand. He must have been a rather vivid personality.

Adams: Oh, yes. A great personality and ability. Very personable and affable and of remarkably good judgment.

Maunder: I understand that despite a dynamic personality, he was a man who had some qualities of modesty and reserve. I can find, for example, very little evidence of Mr. Ferguson's ever making a great number of speeches or being called upon very often to be a public speaker.

Adams: No, he was not one to place himself in the limelight.

Maunder: That's true but sometimes because of their very position, people are thrust into it; and even though they don't want to, they have to step up and take a cut from up to bat myself down in Washington as a speaker at the annual meeting of the Society of American Foresters. I had the startling experience of being put on the program in initial cliner session, the first day, in tandem, first of all with Senator Hubert Humphrey. He was supposed to be the first speaker and I was going to be the second. Well, Humphrey faded out of the picture somewhere along the line and they got as his replacement Vice-President Rockefeller. Knowing I was up against him as a competitor didn't do the butterflies in my stomach any good. Rocky passed the buck a little later on and they got a Congressman from Missouri to take the position. On the day of the event itself, I arrived on the scene and was hustled up to the platform rather hurriedly and informed "Look Brother Maunder, you're the keynote speaker. The congressman couldn't get a plane out of Kansas City last night. He won't arrive here until this afternoon. You're it."

Adams: I'm sure you took it out in good shape.

Maunder: We managed pretty well. How do you recall the conditions that existed in the paper industry during those early years, the late '30s through the end of the war, when you were associated with it? What was the general condition of things which your company and others had to function?

Adams: As I recollect it, and of course, you have to remember that I at that point had to be a little more concerned with ordinary wires and help bales and that kind of thing than I was with the general conditions in the industry and the operating rights and the return on investment but until say '46, the industry was still suffering from over-capacity that went back to the '30s. I think that that was our main problem with prices that were in the early '70s way below where they should have been. The encouragement of investment in additional capacity. It took the post-war boom to eliminate that over-capacity and put the paper industry on a reasonably good earning basis for the first time since the late '20s.

Maunder: In your recollection, has the industry followed a kind of a cyclical pattern in this regard going from a period of lack of capacity to one of over-capacity and back again? Or has it begun to flatten out into a more logical plane of development going up more slowly but steadily? What has been the ratio over the years between your capacity to produce and what you've actually produced?

Adams: I've seen it range from the high '70s to full capacity as you well know. It's reported in percentage of capacity and about 97% is really tops. The industry can probably run one hundred percent for a few months but never for a whole year. The breakdowns and maintenance take care of replacements. It couldn't be done. There is no regularity to that cycle. I'm not sure I have the figures since 1970 but until 1970 beginning back from the end of the war, I think there were only two years in that period where the production of paper was less than it had been the previous year and then by only a couple percentage points. I think that the industry is running at eighty percent in its worst years was still better off than a majority of American industry.

Maunder: It was. Of course, a lot of other industries would have been glad to settle for eighty percent and probably still would.

Adams: Yes.

Maunder: So there was a kind of different philosophy within the paper industry as regard to that ratio than would obtain, let's say, in other industry. Even in the lumber industry is a different proposition. How would you compare the different philosophies as between the paper industry and the lumber industry in that regard?

Adams: There are a lot of similarities that I think in both cases. We frighten easily on operating time against full ... used to think, let's say, that there is only one solution which is lower the prices and that, of course, adds absolutely nothing to the demand. You don't sell anymore paper or, I think, anymore lumber at five dollars less than you would sell at the original price.

Maunder: Would you care to comment to me on the trend which brought lumber companies more and more into the paper products field during the post-war period? What do you see as the factors which provoked such a movement which was the realm towards integration on their part.

Adams: I think that in most cases it was a combination of two factors. First, that paper companies needed more reserve timber than there was, a realization that much more economical use of the timberland could be made when the two different outlets were available. I think that the second one, I may give an indication. I've already given two of them but I just supplemented the first one a little bit. I think that the fact that there were a great many family lumber companies that were now in the second and third generation who felt that they would be better off as part of a larger organization than carrying on and probably inheritance tax problems in the disposal or the retention of their property as opposed to being able to get into a more marketable security generally speaking.

Maunder: Who were some of these who moved in that direction?

Adams: J. Niels, for example, and St. Paul-Tacoma. I think in both cases like that with us.

Maunder: Both of which were eventually acquired and merged into St. Regis, is that right?

Adams: That's right. Yes.

Maunder: At the same time there was a similar movement by packaging companies in other fields, such as metals and glass, who moved into the paper field, too.

Adams: Yes.

Maunder: Recognition of the possibilities that existed for them of broadening the scope of their operations to paper must have been another kind of a spin-off from the war.

Adams: I think that's so. I think that the real value of paper as a packing medium as we said earlier came out of the war and so that it came out with the can and glass companies were transferring the packaging from their materials into paper, and later felt that for competitive reasons they should be rounded companies including paper packaging.

Maunder: How did the industry adjust to this invasion into its field by newcomers?

Adams: It gave us some troubles because the paper end was not as important to these newcomers and this not an example to the area of industry we are talking about, the glass and more particularly the can companies, American Can, Continental Can, those came in. But the paper was not as vital to them as it was to the original paper companies. Therefore they didn't perhaps give it the managerial attention that it should have. Basically those companies had different methods, glass and metal, than the paper companies did. There was a diversity of approach which was rather disturbing, I think, to the industry for awhile.

Maunder: You were, of course, a part of various trade associations and other organizations made up of paper and pulp producers. How did these newcomers fit into and cooperate with those associations? Were they hard to bring along and get into it?

Adams: No. There was nothing psychological about it. They were perfectly willing to come in and come in and take some of the responsibility. There was no problem that way at all.

Maunder: At this time the pulp and paper producers broadened their scope as well. They began to diversify into lumber manufacturing, plywood, and other areas in which they hadn't been really involved before.

Adams: Plastics, too, I think you might add.

Maunder: Right. What do you see as being the real meaning of this postwar race for diversification and, especially in the last two decades, this effort to capitalize on foreign markets through the development of multinational corporate groups? How would you appraise that as an historical trend?

Adams: I'm not sure I get the nut of your question.

Maunder: There has been, it seems, a developing trend for greater diversification in the industry to capitalize on the growing demands for forest products, not only within the limits of our own continent but now more particularly in foreign markets. For example, per capita use of paper has gone sky high in this country. I don't know if it's peaked out yet or not. Do you see it as a peaking out?

Adams: I don't think so personally.

Maunder: What about abroad?

Adams: As you say, the per capita consumption abroad is far less but I don't think there is any country that even has half the per capita consumption that we have. England and one or two of the Scandinavian countries may come somewhere near. Therefore the potential overseas is higher than ours and most countries don't have the timber reserves that we have. Russia, of course, has far greater than we have. China no doubt has and maybe some of the South American countries have but at the moment an immutable position of the United States is about the only one left that can expand its capacity on internal raw materials. I think that paper in all of its forms in packaging and cultural is a very vital part of improving the standard of living.

Maunder: The recognition of the importance of continuing supplies of raw material has become more and more clear, of course, since the end of World War II.

Adams: Oh, yes.

Maunder: This has greatly accelerated the acquisition of timberlands by your company and by other companies as well.

Adams: Yes.

Maunder: Land that was being given up for taxes years ago by lumber companies and other timberland owners, would now be taken up in large purchases by companies like St. Regis. Do you see any point in time at which the recognition of the need for these purchases became clear to St. Regis and others in the industry?

Adams: I think it began very soon after the end of the war when the demand for paper was on a very steady annual up trend.

Maunder: Prior to the war there had been no inclination to move in that direction?

Adams: Not a bit.

Maunder: As a matter of fact, land holding was considered something of a hazard at that time, wasn't it?

Adams: That's right. It was expense with no income attached or forthcoming.

Maunder: The long term advantages of being able to manage and develop your own land now became more clear in the eyes of industrial leaders, and they began to recognize also the importance of having this land under the management of a professionally trained people.

Adams: Yes. I think we learned rather quickly when we got into it that it could be managed considerably better than it had been managed by private owners and also by the Forest Service.

Maunder: In other words, you could get a larger yield of raw material from properly managed land.

Adams: Yes. Nature was not the whole story. Nature needed a little help.

Maunder: Were you in on the birth of the AFPI in the late thirties or the early '40s?

Adams: No.

Maunder: You weren't? You did have a part in it sometime later on.

Adams: Yes. I was a trustee or director, whatever they called it for, I guess, eight or nine years.

Maunder: Out of that, of course, came the whole tree farm idea in which, I understand, St. Regis has been a major and long-time participant.

Adams: Yes.

Maunder: To what extent was that a response on the part of the industry to the potential threat of a government regulation that blew up in the late '30s before the war? There was a lot of concern at that time in the industry that federal policies were going again in the direction of the old Pinchovian argument that the forest land management had to be controlled directly.

Adams: I think very definitely that a part of the AFPI's aim was to demonstrate that there were things that could be done and that industry was ready and willing to do it.

Maunder: A continuing problem in that area seems to be the education of the private land owner, especially the small private land owner.

Adams: Indeed it is, yes.

Maunder: And that problem does not seem to have been resolved in any really substantial way.

Adams: No. Of course, in the last five or six years it has been more intensively pursued. As far as I know no concrete evidence as yet has been success but it is not necessarily bad news. It takes time to grow a tree.

Maunder: What other impacts do you see coming out of World War II other than the ones we mentioned? Did the war have any other particular impacts on the paper business?

Adams: I don't think of anything other than there is one reasonably important negative. During the late '40s and through the '50s paper was one of the few basic industries which did not benefit from government stockpiling which is not good in the long run perhaps for the other industries but it was quite a stimulus to the ... you can mention almost any industry ... chemical and agriculture ... they all have an artificial stimulus through that fifteen year period, let's say, from 1945 to 1960 from the huge stock piles the government was building up which was not being consumed.

Maunder: Of course, the industries that created those stockpiles were actively lobbying in Congress for the federal accommodation of stockpiling. In other words, they were not fighting it, they were for it.

Adams: They took it rather willingly.

Maunder: On the other hand, the forest product industries were not inclined to ask for a lot of these things on their part so, therefore, their representatives in Congress provided them. It was really on the part of the industry, wasn't it?

Adams: I suppose it was, but I rather think the paper industry made the right choice and lumber also.

Maunder: Both industries were to some extent still dominated by the old management philosophy of the past century. The free entrepreneur continued to be a very strong factor, I

think, in the makeup of management of the forest products industries for a much longer time than it probably did in other industries. That was because they were dominated to a great extent by old families that had long roots back in the past.

Adams: Yes. Of course, some of the other industries that we are thinking of were quite young. Aluminum, particularly and the same I think could be said of chemicals in a broad sense. There were all kinds of new chemicals that came out of the war. That part of the industry was rather young in its experience.

Maunder: You just put your finger on one of the profound impacts that I think that World War II did have on paper. That was the developing area of research. Paper chemistry suddenly took off like a sky rocket.

Adams: Oh, sure, it did.

Maunder: That was a direct spin-off, I think, of the accelerated work of research during the war.

Adams: During the war, yes.

Maunder: Now what could you say about the history or research and development in the paper business after the war? How did it shape up in your estimation?

Adams: There was certainly increasing attention being paid to it. I think it took some years and I would not even venture a possible number before the barometers were established as to where we're going and what is the most important research. The people were there but they may not have been working on the proper things for some years after they got started. Now, I think it's, of course it's hazardous to say, now it's on the right track. It seems as though it was but the future will have to tell that.

Maunder: Back in those days during and immediately after the war, where did you turn for research work? Did you look within your own house at divisional level or did you go outside?

Adams: A great deal of it was outside through paper chemistry and at the forest products laboratory in Madison and a few places like that. We had, and I think I speak for the industry but my experience only relates to St. Regis, but we had no research.

Maunder: Not until you opened your West Nyack Research Center did you have a consolidated research program of your own, isn't that right?

Adams: That's right.

Maunder: And that didn't come until about 1962.

Adams: I wouldn't be sure but it sounds right.

Maunder: Prior to that you'd had research in different areas of your operation, but there was no coordinated center for it all.

Adams: We had pilot plants or pilot apparatus of any kind where we could actually run off trials.

Maunder: To what extent did you depend upon research conducted by the chemical industry?

Adams: Wrestling your problem, the chemical industry was helpful to us. Very much so.

Maunder: DuPont through its Hercules Powder Division, as I recall, had quite a profound impact.

Adams: Hercules at that time had no connection with DuPont but they did buy.... Hercules bought a company called Paper Makers Chemical which catered entirely to the paper industry. It was very helpful to us and DuPont was also. They all were. I can't think of any important chemical company that we didn't work very closely with.

Maunder: Very much as the lumber industry had worked earlier with the iron works people to help with some of their transportation problems particularly in the woods, they worked out a lot of difficult problems of transporting the logs to mills with the aid of the iron works people. The paper industry solved a lot of its problems jointly, I presume, with the chemical industry and probably with a lot of the manufacturers of machinery that it had to have for its operations in the mills.

Adams: Oh, yes.

Maunder: The Iron Works would certainly be one of them, wouldn't it?

Adams: Yes.

Maunder: Do you remember working in any way with them?

Adams: Oh, sure, all the time. Boise was one of the outstanding ones but there were others, Black Possum. In 1950 even, no one could conceive of a paper machine as it is today. We say our process hasn't changed and it hasn't perhaps as dramatically as some others have but the possibilities of a paper machine today are far more diverse than they were in 1950 and machines are twice as wide and four or five times as fast. They make a better sheet of paper.

Maunder: And a much range of products. I was speaking a little earlier about the fact that in the time before you became president of the company, there doesn't appear to have been a great amount of addressing the company to the public. However, I begin to pick up a thread of there being more public speaking in the 1960's when you came into the position of power as president of the company. I wondered to what extent that might be a reflection of the pressures of the times on the business community to be more outgoing towards the public.

Adams: I think it was all part of the evolution in the approach of the business community to the public.

Maunder: You had to sweat out that tough era of the 1960's when things were boiling all over the place. How do you look back upon those years now in the light of hindsight in seeing them now a little more dispassionately perhaps than you did then?

Adams: My first reaction would be that it was a lot of fun. I think we accomplished something. I think that the whole approach of the industry and of the company toward all of our different publics. By that, I mean, includes stockholders and people in general in security analysts and the government. I think our relation with all of them was far superior to what it was fifteen years ago. I don't know what we consciously did that was the main cause of it or whether it was just a....

Maunder: An intuitive response to the situation?

Adams: Yes.

Maunder: I almost suspect that it was that in the beginning at least. Do you recall that it ever became a matter of a major policy decision making in the company to follow such a course?

Adams: I really don't think so. I think it came rather informally.

Maunder: That presses me to pose a whole series of questions regarding the decision-making process as it takes shape in a great company like this. That process just like everything else in society is subject to change as time goes on. It isn't always the same process taking shape in the same fashion from one decade to another. How did you witness a change in the decision making process in St. Regis over the years while you either were at the top or were close enough to the top to be a keen observer of it? How did it change from, let's say, the Ferguson regime to the Adams regime to the present regime?

Adams: I think the change from the Ferguson to the broader management concept came from the fact that Mr. Ferguson was a remarkable individual. He had grown with this company from its very beginnings and therefore knew every aspect of the company. When it came my turn, the company was already too big for that kind of management and I was not capable of it. Granted the problem was maybe a little more difficult in some ways than it has been. Anyway I was not capable of it. I had to have more help. It had to be more of a group operation than it had been in the past. It just couldn't have been done any other way.

Maunder: Had the fact been recognized by Mr. Ferguson and the executive committee before his retirement as chief?

Adams: Oh, yes. I think it was getting recognized, yes.

Maunder: How was it being accommodated? Was more decision making being done at levels other than the summit?

Adams: Yes, sure. That gradual amount. I don't think there was ever any edict set up that now things are going to be different, it just evolved.

Maunder: At what point did an executive committee of the board begin to function in a more responsible authoritative way within this company?

Adams: I don't think it was the executive committee. I don't think that the executive committee's function changed very much. I think it was left to the management, it was more widespread somehow. I don't like to use the word divisional because it wasn't really that ... but somewhat more functional, I'd say.

Maunder: More decentralized.

Adams: Or more decentralized.

Maunder: In other words, management decisions were delegated from the top to the various branches.

Adams: I would think so.

Maunder: They were dealt with there rather than being thrust on up the chain of command to the top for a decision.

Adams: Yes. I don't think anything was ever formalized on that. It just evolved by itself.

Maunder: But that has been the trend, I would guess, in St. Regis and in other companies.

Adams: Yes. You see all American industry at that same time was adding functions which never even had a name before. Public relations, labor relations, traffic became much more important parts of the function of the company. As we mentioned earlier on research, let's put it in technology, which is somewhat separate from research. There are.... And government up until the war I don't think a paper maker ever went to Washington except on a vacation or social trip but now we've got half those people living there.

Maunder: Yes, we are all of us dependent upon specialists, aren't we?

Adams: Yes.

Maunder: The whole structure of things has been fragmented into divisions of responsibility that the decision-making process now is quite a different one than obtained, let's say, back in the Carlisle days or even the Ferguson days. Unless we have a really cataclysmic change in the whole structure of society and we regress to a more primitive kind of situation, it is unlikely that this process will ever return to the old way again.

Adams: Yes, I remember when I was first involved with labor relations and there wasn't a minor labor negotiation anywhere in the company that Mr. Ferguson didn't personally supervise. Of course, that would be a full-time job now.

Maunder: I think the whole structure of society has become much more complex. Organizations are obliged to react all the time to such a wide range of problems and emergencies that the older decision-making process no longer functions effectively. We probably see it even more dramatically illustrated in our federal government. For example, the presidency has obviously become an institution that is not capable of dealing with this vast array of complicated problems in the way that we need, and we sometimes fall behind.

Adams: Right. This has nothing to do with what we are talking about but I think it may be an example of the situation. When I was a boy in Watertown, I can't remember that there was any federal government or state government agency in the city except the post office. Within the last couple of years, the State of New York has just built a twenty-story sky scraper to take care of the New York State employees that work for the City of Watertown. Its gone from nothing to ... what does this building hold ... four hundred people perhaps, and if you ask me another question I might say a lot of it is unnecessary.

Maunder: In other words, there's a lot of water that ought to be squeezed out.

Adams: Yes.

Maunder: There was a lot of water squeezed out of industry at one time too.

Adams: Oh, yes.

Maunder: St. Regis, in the transition from Carlisle to Ferguson, went through a period of great de-capitalization. There was obviously a magnum reorganization of total structure on the interrelationship it had with the utilities field in particular and with other businesses as well. Perhaps the pattern will be repeated one of these days in the governmental realm and you don't need to give up hope. Maybe it is the next wave.

Adams: We will hope so, huh?

Maunder: I'd like to ask you a personal question. What value do you assign to research and writing company history?

Adams: I think I'm rather neutral on that. I would have to, I think, admit that I am not enthusiastic for it but I expect it's one of those things that we ought to do for the future.

Maunder: It's something you find hard to come down one way or the other on whether it be enthusiastic or not enthusiastic. Is that right?

Adams: That's right.

Maunder: Do you see it in any way as a tool that management might be able to put to good use?

Adams: I think there are enough possibilities that they could but we should go through with it. There is certainly nothing negative about it.

Maunder: Well, it certainly has ramifications from the standpoint of the public educational vehicle and tool. How can you interpret yourself to society if you don't know who you are yourself or where you came from?

Adams: Yes.

Maunder: I think in a way that is part of the problem we are up against as a nation. I think we may have lost sight, or at least a little span of our time in recent years, of where we came from, how we got to be where we are, and what kind of a people we really are. We have a lot of these notions about the forefathers and all that, but how much do we really understand in that area? I don't think we understand as much as we should. I think that is part of the problem with businesses today. For all of its high sounding talk about defending the free enterprise system, business does not really understand, in my opinion, all that it should about its own roots and its own tradition. Because of this lack of knowledge of its past, business may not be able to state its case convincingly to the public.

Adams: No, I can't argue the point with you. My favorite hobby is history so this is certainly history and a very important aspect.

Maunder: One of the big problems today, I think, is the great void of misunderstanding and suspicion that exists on several fronts between the current business community and so-called academic community. Certainly as one who is in the academic field and who works closely with people like yourself and others in industry, I can see how your intelligent grappling with your history – getting it written, getting it more accessible – would build some very important bridges of understanding and communication between these two communities.

Adams: Yes.

Maunder: That is tying this schism between the financial or economic business side of the society and the so-called intellectual element in society. Your dealing more realistically and more forthrightly with your history will overcome, I think, some of that problem, but it is not a thing that is going to be done in a night. It's going to be part of management to deal with that.

Adams: Yes.

Maunder: I see more and more that across the board in the ranks of top management another freedom person has come into power in recent years. That person is the specialist. He's not the scion of an old family who is now four generations removed from the founding father of his company, he is somebody that may not have had five years experience in the industry in which

he is now captain. He might have come out of Socony Oil Company or General Electric and become the president of a great paper company.

Adams: Yes, that's happened.

Maunder: He's an expert in the area of finance or law or some other field and for this reason he is now on top of things. Now that is, I believe, a factor in this whole history that comes into play now, and is going to have some very great spin-offs in time just as some of these other factors we've mentioned earlier have had. I would like to suggest, Mr. Adams, that we don't try to cover in any true sense the whole scope of your oral interview with just this one session here today.

Adams: Sure, that's fine.

Maunder: I would like, if I may, to come back and talk with you again on another occasion convenient to you and me and we could begin to pick up the thread of this discussion. Perhaps then we can deal with specific subjects that you might recall more vividly from your intimate association with St. Regis during the years you were active. We will just use this one as a kind of preliminary in which we got acquainted with one another and talked about the broad sweep of the subject. Next time let me come back to you with this big pack of questions which I have here but didn't use today.

Adams: They are all for me?

Maunder: They are all for you or for you and other people – Mr. Kneeland and some others who will come up to bat on this thing sooner or later. But I think to go into these now would begin what is really the second chapter of this. Does that make sense to you?

Adams: Yes.

Maunder: And, if possible too, if your wife is knowledgeable about the history of the Taggart's in the business of previous generations she could add something to our knowledge of that history.

Adams: I don't think so. She knows, of course, that we are very much interested in the company and my career, but I don't think she can add very much.

Maunder: You have how many children?

Adams: Three. Two boys and a girl.

Maunder: And one of your sons wrote a short history of the company which we read.

Adams: Yes.

Maunder: He's been helpful to my research assistant, Dr. John Ross.

Adams: You've talked to him, have you?

Maunder: I haven't but John has. And Jim Kussman has been in communication with him too. I wonder if you have any suggestions at all as to other people who you feel might be most responsive to us in questioning of this order relative to some particular aspect to the company's history. We hope this project will go on into another year and we'll start getting ourselves organized to make such a series of interviews. Pete Hart, for example.

Adams: Pete Hart would be fine.

Maunder: Arch Cogswell might be a good one on the bag end of the industry. Now I'm not sure and I need confirmation of other people like yourself on this before we get ourselves committed to doing a lot of these interviews.

Adams: I would have suggested Carl today but he died within a couple months ago. He was an up-stater and knew history up there and then was down here for a great many years. He never was an officer of the company but he was a pretty important cog for a long while.

Maunder: Who were the architects, for example, of the forest policies of your company?

Adams: Paul Dunn. Do you know Paul?

Maunder: Yes, he's been a good old soldier for us in the Forest History Society.

Adams: Pete Hart, of course, was our whole forestry department for a great many years.

Maunder: I made some notes on that here somewhere. Who was chiefly responsible during the last half of the 1950's and the early 1960's for acquiring those three big lumber properties that you purchased – J. Neils, St. Paul and Tacoma – what was the third one? Was it West Fork Timber property?

Adams: No, it was the Northwest Ore. We bought that mostly for their timber holdings. Mr. Ferguson and I pretty much handled those – just the two of us.

Maunder: Were these direct negotiations with the principals of those companies?

Adams: In all the cases except with Neils. Mr. Paul Neils who was head of the company never entered in. He mandated it to Lloyd Davies who is now one of our directors. He came east and negotiated.

Maunder: In all of these cases, was the acquisition made on the basis of giving the stockholders in the acquired companies a certain ratio of stock in St. Regis?

Adams: They were all that way.

Maunder: Did members of the companies acquired in most instances come on your board then?

Adams: Yes, in most cases there was a representative from the company, the acquired company. I might say that I think in every case, you might be able to trip me up on some small one that I don't recollect, but in every case the company to be acquired came to us. We never did any raiding or working behind the scenes or anything of that kind. The initiative I think in every case that I can recall came from them.

Maunder: In other words, they had reached a point where their own key people or key stockholders were looking for an opportunity to make a merger with a larger corporation.

Adams: Yes.

Maunder: Did this also obtain in the earlier acquisition in about the middle 1950's of Rhineland?

Adams: Yes.

Maunder: In Wisconsin. When he got into the glass machine business, was that with Howard, also of Wisconsin?

Adams: No, they were in Ohio. They were fine paper producers.

Maunder: Then there was Schmidt and Alt in Boxport and Duke and several other companies. Pollock, Sherwood, Sysil Craft, Central Wax and a converted field.

Adams: Yes.

Maunder: Were all of these acquisitions worked out in the same way with you and Mr. Ferguson in negotiating with these people?

Adams: Yes.

Maunder: And was it also true in this instance that it was they who came to you?

Adams: Yes

Maunder: There was a time when St. Regis or Crown-Zellerbach was involved in some discussions with Gaylord people down in Louisiana?

Adams: Yes. We'd had some talks with them and negotiations had been terminated and it wasn't a matter of Crown coming in and upsetting, we had withdrawn.

Maunder: Was that also true in the case of your discussions with the camps at Virginia over that possible merger?

Adams: Yes, that's right.

Maunder: That became Union and Camp.

Adams: That's right. We had, of course, been very close to Camp for a great many years because we had a night factory down right in Franklin and used their paper and I think it was very helpful to the development of the Camp enterprise. In fact, they had a good customer right on their own site actually at the time. We had terminated any talks. We never really got very serious. We'd always kind of talked that maybe it would happen some day. We never could come to any conclusions and we had mutually decided that nothing could be done at least for the present when the Union development came about.

Maunder: Before Taggart went into Franklin to build its facility there, what guarantees did it have from the Camps, the Chesapeake people, that the source of raw material would be provided to justify the capital expenditure that was being made?

Adams: By Camp or by us?

Maunder: What was promised by them because you were building the facility but they had the land and the timber.

Adams: No, no. We never had anything to do with the paper mill at all.

Maunder: Didn't Taggart have a plant down there?

Adams: We had to use the bag factory. We bought paper from the Camp Paper Mill which was adjoining.

Maunder: I see. You were buying paper, it was not a matter of you buying a finished product.

Adams: That's right, yes. We never had any interest in the Camp Paper Mill enterprise at all.

Maunder: You didn't. The company didn't buy stock from Camp at one time?

Adams: I don't think so. I don't recollect that. We may have bought a little Camp stock.

Maunder: But not of any substance.

Adams: No, and with no intention percentage.

Maunder: I could ask you some other questions here today if you are not getting bored with all of this.

Adams: No.

Maunder: I don't want to run myself out a welcome here. I did make this note that I would like to share with you. Sometime in the late 1950's, I was here attending paper week at the Waldorf. I remember J.D. Zellerbach, who was then on my board of directors, coming in and making one of the key speeches at one of the big meetings, and at that time he was very, very salty and critical of what he called an unreasoned rush into building greater production capacity in the industry. Do you remember that?

Adams: I think I do.

Maunder: It caused quite a stir.

Adams: Yes. I think I remember that.

Maunder: I'm not sure that Crown-Zellerbach didn't turn right around the next year and build a great new plant up in Yamas or someplace.

Adams: Yes, sounded like Dave.

Maunder: It kind of reminded me of a story that was told to me by a marvelous gentleman down in New Orleans years ago. It was a man by the name of Inman F. "Capp" Eldridge. He was, for a time, a manager of a naval stores company down there in the south, and he told the story about how his naval store owners were having a big pow-wow over in Savannah to try to overcome a problem they all had amongst themselves. The problem was that they kept raiding each other's laborers source. They sent a recruiter by night slipping into the cabins where blacks lived, trying to get the best naval stores workers to come and work in the other camp. They realized that this was kind of a self-defeating thing they were doing and they thought, "We'll all sit down together and reach agreement. We are not going to do this raiding any more." So Capp told the story about how he wasn't at this meeting but he knew what was going on. He was out on the road one day while the meeting was on, and here came one of the owners riding down the road in his old rattle trap car. He stopped him and said, "Well, Sy, what's going on over there at the meeting? Is it over so soon?" The man said, "Nope. It's still going strong." Capp said, "Well, what are they doing?" He said, "They are all agreeing not to do any more raiding you know." And Capp said, "What are you doing Sy?" He said, "Well, I thought I'd cut out of the meeting and pick up a few hands on the way back." I won't burden you any longer today with questions but I would like, if you are willing, to come back and have another cut at it next week. Have you got any time Monday? Or I can come back later on in the year at which time I will be able to see Mr. Kneeland. But if we can spend a little time next week, I'll be glad to do that.

Adams: I can't really do it next week. I've got a pretty full week. We have our own directors' meeting. I have to go to Houston for a meeting in the Southland directors.

Maunder: I shall be here only a couple of days next week. Then I've got to go back to my home base for a while. I've been travelling for the last tow and one half months. I'm almost afraid to go back and look at the stack on my desk.

Adams: Yes. On the other hand, I'm reasonably free but next week is full up now.

Maunder: Do you come into the city on a regular basis?

Adams: I don't anymore, no. I'm very irregular.

Maunder: I usually like to go at these things at about a two hour clip and after you begin to pass a two hour point, I think people begin to run down hill both in the quality of their memory response and their articulation of their thoughts.

Adams: When do you expect to back east again?

Maunder: I know I'll be back for certain in January but there is some possibility that I'll come back sooner than that too. I was interested to hear you mention the fact that you are going to a Southlands meeting down in Houston.

Adams: They've moved their main office.

Maunder: They are not at Lufkin anymore?

Adams: No. There are several big mills down in Houston and the center of the operation now is down pretty much in Houston.

Maunder: How long have you been associated with that company?

Adams: We own twenty percent of their stock. We have for I guess ten years maybe.

Maunder: I knew old Ernest Kirk Sr. years ago. I remember visiting him in Lufkin, I think it was the town where the big mill is just next to it. He gave all the old records of his family and his company – the Angelina County Lumber Company – over to me and eventually then transferred them to Stephen F. Austin State University at Nacogdoches. To what extent Southland Paper records might also have been accommodated in that move, early ones, I don't know. The company was not then all that old. But it had gone back to Professor Herty's development of the method which was an important thing from an historical point of view for us and for people in the field who were working in it. And old Mr. Kirk was very, very sympathetic and supportive of our program, and he gave his financial support to it on a personal basis as well as through the company on a corporate basis right up until his death. Then it was continued for a spell I think by someone, his son maybe.

Adams: Ted Wartham. Yes, I don't think he's anyone out of the family. He's been president of the company.

Maunder: He was president of the company after him and there was support for a time after that. I just have a recollection that there has not been a continuation of that support in recent

years. If you could talk with Southland on behalf of the Forest History Society, I'd appreciate it. It might do some good.

Adams: Yes. Melvin Kirk – I don't think he's Ernest's son. I think he must be a nephew. I'm not absolutely positive.

Maunder: Wasn't there a Kirk Jr. too?

Adams: Yes, there was. He's no longer associated. Melvin Kirk is now the president and chief executive officer too. Dick Wartham is still chairman but he gave up the chief executive office at the last meeting. A great company.

Maunder: It is a very fine company. We have a very strong collection down there in Stephen F. Austin State University at Nacogdoches. It is a fine school too and they are doing some good things with it. Dr. Robert Maxwell is a man who is in charge of the forest industries historical collection at the university and there are a lot of very, very fine records from the industry contained there. If you should go around that way sometime, if you are a history buff, you might look up Professor Maxwell. He's a very delightful fellow. He is on our board of directors and is going to be one of the authors of a book we are now just beginning to do the research and writing on. The book is going to be entitled *Forests in American History*. Maxwell will write the last chapter in the book which will deal with the developments in the more modern period of time. We have four other men – all experts in different time periods. One is the Colonial period, one, the post Colonial period, one, the period up past the end of the Civil War, and then the late nineteenth century and early twentieth century so that these various historians, each an expert in his own field and his own time span, will write that story and we will publish it. We have a good-sized grant from the National Endowment for the Humanities to carry on that work. We just completed work on another work that I think you'd find interesting. We have compiled descriptive lists of all the historical manuscript material that we could find traces of in some 380 institutions in Canada and the United States that bears directly on the history of the forest, forest industries and forestry. Documentary sources, the sort of thing I just told you about Ernest Kirk turning over down there in Texas.

Adams: Yes.

Maunder: That will be matched by another volume done under the same grant which will be a bibliography of the published material that relates to the history of the North American Forests.

Adams: You are doing quite a job.

Maunder: These two books will be published next year as our contribution to the Bicentennial.

Adams: Excellent.

Maunder: Again all were funded by the National Endowment for the Humanities with some additional small help with matching funds from a few foundations. As a matter of fact, I think

Southland's paper foundation is one of the foundations that we are approaching on getting \$7,500 of matching money for this study of the forest in American Life.

SECOND SESSION. DECEMBER 9, 1975

Maunder: I would like to talk with you about the developments in this company during the time you were moving up in the St. Regis chain of command. At the very end of World War II there was a great new expansion of the company. You made a lot of acquisitions in the Northeast and the Lake States and then ultimately the South which transformed the whole character, the thrust, of St. Regis. There was a good deal of information in the materials that we've researched about a Ferguson plan for a long-range program of expansion, modernization, integration and diversification in the late thirties and into the forties. I don't think there was a great surge of action before the war, but after the war there really was. How would you relate that development in the company? Where did it begin in your view?

Adams: I think it probably began during the war. We put the bag plant in Franklin, Virginia. It was finished and in operation during the war. I think the next step was the Nashua River Paper Company acquisitions, which gave us the multiwall bag paper capacity we needed at that time.

Maunder: How large was your bag production before that? Were you at that time a leader in bag production?

Adams: Oh, yes, we were. And we foresaw an increasing acceptance of bags in the postwar period and that was our first effort to prepare for it.

Maunder: Where did you get raw material pulp for that production?

Adams: We bought a lot of pulp with that acquisition which gave us a good inventory for the transitional period. It was inventory pulp which Nashua River had on hand.

Maunder: In 1936 you borrowed a million dollars to rehabilitate and install additional machinery at the pulp mill at Tacoma, Washington.

Adams: We bought that facility from Union Bag and Paper Corporation in 1930, shortly before I became associated with the company.

Maunder: That served as one of the principal suppliers for your pulp.

Adams: Yes. Prior to that we were dependent on imported pulp.

Maunder: Did that source in turn prove to be inadequate?

Adams: Oh, yes.

Maunder: So you began looking elsewhere. Where did you turn to develop resources and new supplies of pulp?

Adams: Nashua River, of course, was the first one. Then at Tacoma and the purchase of Florida Pulp and Paper in Pensacola came in 1946.

Maunder: Were you involved in the purchase of the facilities at Jacksonville?

Adams: Oh, yes. We didn't purchase anything there. That was the first mill we undertook to build on our own. The decision to build would have been in 1950.

Maunder: Where did you plan to get your raw materials?

Adams: We had previously bought the timberland in southeast Georgia.

Maunder: This was through Albert Ernest.

Adams: He was working for us and helped in the negotiations.

Maunder: How had Al Ernest come into the picture with St. Regis?

Adams: He was employed by the old Florida Pulp and Paper Company, which we acquired in 1946. The timberland wasn't a purchase actually, it was a lease of timberland, something like 400,000 acres in southeast Georgia. There was some question for awhile as to where we put the mill. Then we finally decided on Jacksonville. We built the original unit in Jacksonville which started up in 1952 and that was the first mill we built in the South. I was in charge of that construction, though that wasn't the only job I had.

Maunder: Who did you turn to as your mill designer and contractor?

Adams: We hired Justin McCarthy who was then with Sound View in Everett, Washington. They had a very good record and were one of the leading producers of pulp.

Maunder: Were they the same outfit that had been involved in building at Longview, Washington?

Adams: No. Sound View sold out to Scott Paper Company some years later.

Maunder: You were in charge of the building of the mill in Jacksonville. It must have demanded a large part of your time.

Adams: Yes. We had an excellent engineer in Justin McCarthy. He was resident on the site. I never was.

Maunder: Were you back and forth a good deal?

Adams: Oh, a great deal, yes. There was a time when we were building the second unit at Jacksonville and the Hinton, Alberta mill at the same time. That was pretty strenuous. The first one we built at Jacksonville was quite a job for us because we'd never done it before.

Maunder: Did you follow your original plans or did you alter and expand upon them as you went into the building and construction process?

Adams: We had in mind pretty much what we wanted when we started and we stuck to it. We never had any bag paper manufacturing capacities before we built Jacksonville. That paper was shipped out of other places and along with the paper made at Pensacola and Tacoma, was our real supply. Tacoma was already in operation at that time. Then we added another machine at Pensacola. We had a lot going on.

Maunder: You were buying into a lot of timberlands at this time, and you acquired from Tom Murray of West Fork Timber Company out on the West Coast some substantial supplies of raw materials.

Adams: That's right. That was on a purchase contract basis. We did not own the land.

Maunder: Did you at that time have a policy that leaned in the direction of land leasing rather than land owning?

Adams: It was kind of balanced, some of both. I think it depended largely on the seller's desires.

Maunder: Did you have preference as to which way you went? Would you have preferred to own and control the land?

Adams: I think that varies from case to case, too. I don't think we had any standard policy. We did lease a lot of land and we also purchased a lot of land.

Maunder: Do you remember who worked out the perpetual cutting rights agreements with the West Fork Company in 1943?

Adams: I think Roy Ferguson was the negotiator in that.

Maunder: Has that agreement held up over the years? Is it an important factor today in meeting St. Regis's needs as a source of raw materials?

Adams: Oh, yes.

Maunder: How would you characterize the growth of the paper industry since you first became associated with it?

Adams: Phenomenal. As I remember, when I first became interested in those figures, our United States annual consumption of paper was about fifteen billion tons. You'd have to check me but I think it runs about sixty billions now. Four times as much.

Maunder: What do you see as the most important factors that caused such a phenomenal change?

Adams: Paper is such a ubiquitous thing that it's hard to say that it's any one thing. I think it's rather equally divided between the household requirements – better packaging and more packaging in an economy which is changing its marketing to supermarkets and to ready-to-cook things, the increase in the use of sanitary papers, towels, toilet paper, facial tissue – the cultural requirements for more magazines, more directories, more catalogs, more newspapers. It was a balance between household requirements and the cultural requirements.

Maunder: To what extent do you think the war had an influence on all of this?

Adams: I think the war had a considerable influence on packaging. You know the first year of the war the officials in Washington thought that paper was a dispensable commodity, that we could shut down the paper mills and no difference would be made. But then the phenomenal job that the paper industry did in packaging things for shipment right up to the front reversed that feeling rather markedly. By the end of the war, paper was pretty high up on the priority list.

Maunder: I think that derives perhaps from the national experience in World War I when things were shipped in wooden cases and barrels. World War II made a very substantial difference in the materials that were used for shipping.

Adams: Yes. Paper did things that they never expected it could do. I remember we had to make bags for food and for cement and various things like that that could stand being thrown overboard from the landing boat and pulled ashore through the water.

Maunder: So there was a lot of research and development going on in that period of time to meet the requirements of contracts given by government and by others that were providing war materials of their own under government contracts.

Adams: Right.

Maunder: Did this then actually constitute in your mind a packaging revolution?

Adams: Yes. It did.

Maunder: Whom did you work with in all of this research and development? Was it entirely an internal thing?

Adams: We turned to outside laboratories and technicians and there was quite a lot of interchange within the industry in the national effort.

Maunder: Which agencies, public and private, did you resort to most frequently to get this work done?

Adams: I don't think that any one predominated really.

Maunder: You worked with DuPont.

Adams: Oh, sure. We worked a lot with the chemical companies.

Maunder: Did you work with the Bureau of Standards?

Adams: I expect the Bureau of Standards was involved but the various armed services had pretty strict specifications of their own.

Maunder: This was a time when you acquired Panelyte.

Adams: Yes, we acquired Panelyte actually before the war but it got very heavily into national efforts, armed service efforts during the war.

Maunder: What was the condition of Panelyte when you arrived on the scene? Was it a thriving company or a struggling small company?

Adams: It was a struggling small company. We went in it before I was with the company and I'm not sure of the time but I would say about the mid-thirties.

Maunder: And this was a new kind of product, wasn't it, as far as St. Regis was concerned?

Adams: Oh, yes. It was paper based, of course. I never had anything to do with the Panelyte operation until quite late when I became vice-president in charge of all manufacturing which included Panelyte.

Maunder: Was Panelyte ever profit making?

Adams: More profit was made during the war and immediately after.

Maunder: After that did it begin to fade? I have the impression that it was not as successful in later years.

Adams: It wasn't. Its principal product at the end of the war was the inside of refrigerator doors which were stamped out of a laminated resin and paper sheet. The inside of a refrigerator door was a pretty simple thing. You just had a few little cavities to fill. Then the Shelvadore Refrigerator came up with a patent on a door that was really of more storage use and it changed the whole ball game. When that came along, the old plain pressed Panelyte door was no longer useable. They had to have all these little racks and cubbyholes and everything in the door which could not be done with simple Panelyte. Then at the same time decorator Panelyte was

developed and used in kitchens. We never seemed to quite grasp the marketing in that stuff. American Cyanamide passed up Panelyte with their Formica line and we couldn't catch them.

Maunder: Do you have any feeling that perhaps shortages of certain substitute materials during World War II had substantial impacts on the phenomenal growth of the paper industry?

Adams: Definitely.

Maunder: And, I presume, that condition of shortages extended into the postwar years as well.

Adams: Yes. It was demonstrated through the necessities of war that paper could do the job and do it more economically. It was running when the war was over.

Maunder: Your industry has from time to time chastised itself for creating new production capacities at perhaps too fast a rate, resulting in dips in the market, drop in prices and slow down of production substantially below capacity. In your view has the industry followed any kind of cyclical pattern in that regard?

Adams: I don't think it would be one that you could draw into a pattern. I think it's been more a matter of chance.

Maunder: Wasn't there a surge of production capacity after the war?

Adams: Some years after the war. In the 1950's.

Maunder: There was on right after the war, wasn't there, 1945 to 1949? And you hit a terrible slump in 1949?

Adams: 1949 was quite a problem.

Maunder: But then the Korean War came along in the 1950's, and you went zooming up again into a new surge of plant building and improvement of old plants.

Adams: Yes. I don't think you could write down a projection of what was going to happen in the future. It was up for three years and down for two, and then up for four, and down for one. I think it's very irregular and I wouldn't want to trust a projection of that line as to what is going to happen in the future.

Maunder: I didn't mean to imply that. I meant that in the course of time there have been surges and dips. And that in the times of surge, the paper companies in general have gone forward with large-scale developments. Then they have gotten together at a Paper Week and chastised each other for over-producing. I'm sure that you've heard more than one speaker on the platform at American Paper and Pulp Association meeting or during Paper Week saying, "Hey, we are going too fast. We are overbuilding ourselves and we are hurting ourselves as a result. We are over producing. We are swamping the market."

Adams: You see it takes a good three years and probably longer if you go back to the real origins of an expansion. It takes over three years to conceive and combine and build a mill. I think with that kind of a time lag you are bound to get out of step once in awhile.

Maunder: You find sometimes that you bought and built and suddenly the conditions have changed and you've got a turkey on your hands rather than a winner.

Adams: Right.

Maunder: Can you cite a few examples?

Adams: Our first big investment in new facilities after the war was putting a paper machine in the Tacoma Pulp Mill. I remember well that the officers and directors couldn't wait until we got it done. We put all kinds of efforts into finishing it. It ran for two weeks and shut down for two months. That's a fine example that I can remember. That mill started up on New Year's Day, 1949. It couldn't have been a worse time.

Maunder: I think there was a plant you bought out in the Midwest. That was set up to produce a certain kind of specially coated or plastic paper. And all of a sudden there came a new development in the field and you had to tear out all the equipment that was there and put in new in order to accommodate the new demand of the market.

Adams: I don't quite remember that. I don't think that this is the same one you are referring to, but that did occur to a certain extent at Tacoma which was built to make multiwall bag paper and, as I've just mentioned, we had to shut it down soon after it started. Then we tried to make bleached food board on that machine. We had had it worked into the design to do eventually, but we didn't expect to have to do it under duress within a couple of weeks.

Maunder: In 1942, St. Regis increased its investment in Taggart Corporation from 28 percent to 42 percent of the stock holdings. Do you remember how that was actually done and what was the purpose behind it?

Adams: Taggart Corporation was an integral part of the St. Regis production facility. Some of the bag plants belonged to Taggart Corporation. Some of them belonged to St. Regis and it was an obvious aim that they'd all be consolidated at some point or another. And that seemed to be a logical time to do it. For all intent and purposes, St. Regis had full control of Taggart.

Maunder: In other words, it was just a paper transfer?

Adams: In a good many ways, it was, yes.

Maunder: Earlier in 1941, St. Regis purchased Modern Valve Bag Company and merged it into the company. Taggart Corporation bought the machinery, equipment and offices facilities

of Modern Valve Bag for use in a new bag plant it was building at Franklin, Virginia. Do you remember that particular move?

Adams: Yes.

Maunder: Did you have any part of it?

Adams: No.

Maunder: Taggart at Franklin was dependent, as I understand, on Chesapeake-Camp Corporation for raw materials. In what important ways were Taggart, St. Regis, and Chesapeake interests inter-related? You've mentioned that St. Regis and Taggart were closely related but was there any inter-relationship with the Chesapeake-Camp interests?

Adams: No. Only on paper purchased concurrently.

Maunder: This was then strictly a business arrangement where you got your raw material from them?

Adams: That's right.

Maunder: Did they give you any long-range guarantees of pulp supply before you invested in the mill at Franklin?

Adams: Oh, yes. Now you understand that we haven't invested in the Chesapeake-Camp Corporation at all.

Maunder: You got assurances from them of some long-range supply of raw materials because you owned no land in that area as I understand it.

Adams: It was leased because they took it back later on.

Maunder: You mean Union Bag Camp took back leased forest land from you later on?

Adams: I think it was before the Camps' merger with Union Bag.

Maunder: How well did you know the Camps?

Adams: We knew them a long way back to when they first went into the paper business.

Maunder: On a personal basis?

Adams: Oh, yes.

Maunder: You knew Jim Camp and his father and others in the company?

Adams: Yes.

Maunder: Wasn't there a close relationship through Homer Vilas? He was director of the Union Bag Company.

Adams: He was director of Union.

Maunder: Did you know the Olssons of Chesapeake?

Adams: Oh, yes. I didn't know the old gentleman more than casually, but I knew his son, Sture.

Maunder: Decision making in any company undergoes changes. Can you remember how St. Regis decision making was done back in the 1940's when expansion was taking place, essentially right after the war? Was it a matter of group consideration or was it primarily the man at the top deciding what he wanted to do and going ahead and doing it?

Adams: I think the man at the top made the eventual decision but only after considerable consultation with the other officers in the company and, of course, in all cases with approval by the board.

Maunder: Has that pattern of decision making been standard practice all through the years or have you seen it when it has had different applications?

Adams: No, I think that's pretty much the standard.

Maunder: I'd like to hear your recollections of some of the men with whom you were most closely associated in the business. What kind of men they were, what do you feel their main strengths and weaknesses may have been. You told me a little about Roy Ferguson in our first session. I wonder if you could elaborate more on that.

Adams: Roy was a man with a remarkable vision. He was always supplied with considerable optimism which, in that period of time, was well justified. In those years, he certainly made the final decisions, subject to board approval, but was excellent in consulting the judgment of his associates.

Maunder: How were discussions of major policies arrived at? Did you have regular meetings?

Adams: No. There was no formal procedure. In most cases, except for the discussions in the boardroom, they were the consensus of a lot of individual talks that Roy had with various people.

Maunder: And once these discussions had been held he sat down with himself and decided which way he was going to go. Is that right?

Adams: I think that's right.

Maunder: Did he personally complete many of these deals that involved acquisitions?

Adams: Yes. He personally did most all of them.

Maunder: That's usually a matter that involves more than one person. Who else in the company was involved in that kind of thing?

Adams: I think that after I became president – still not chief executive officer – I was the principal one involved. Roy used our financial services to help him in appraisals and discussions of the situation. And, of course, he consulted with our marketing people to see what their thoughts were on the future of demand.

Maunder: How do you characterize Ted Gay's role?

Adams: Ted was a very active executive vice-president of the company for a few years. He was certainly among those with whom Roy consulted but in Ted's case it was more on the selling line. That was his main area of contribution. Ted didn't pretend to be a production man. Or a finance manager.

Maunder: Who were the people Ferguson most frequently turned to in production and finance?

Adams: In production from 1946 or 1947 on, it was myself. In finance, it was Bill Verkfelt up until Bill died in 1956. Of course, Roy's greatest forte was finance itself. He didn't need too much consultation in that direction.

Maunder: How much help and advice do you think he got from Homer Vilas in that area?

Adams: I don't think very much within St. Regis. I think Homer's relationship with Roy on the financial side was more on Roy's personal finances.

Maunder: And perhaps in general appraisal of the market itself?

Adams: It could be.

Maunder: They were very close friends.

Adams: Oh, yes. They sure were.

Maunder: Mr. Ferguson impresses me in what little I have known of the man or seen written about him as being a rather private person. He didn't seem to have what you'd call a broad social life. He was not involved in a lot of social activities. He was rather reserved in that area. Is that a fair appraisal or not?

Adams: I think that would be fair, yes. That does not mean that at the social events he attended he was not a great addition to the group. He was a very charming man.

Maunder: How did he challenge those of you who worked under him?

Adams: I think the best way to approach that is that when one of us, take myself as an example, was having troubles – couldn't get a mill done on time or finding that it was going to cost more than we thought originally – he'd simply say, "What are you going to be able to do? And when?" And you'd tell him. That's all he expected. We had a lot of trouble with overruns like everybody else in those days. We had inflation. We had schedules of completion with certain facilities. He simply wanted to know what was the alternate answer and expected you to give it to him and live up to it. There are people who make too much of an issue of the fact that you are in trouble. They don't have a quiet talk with you and find out what can be done, what's the new program. Ferguson had a great capacity to do that.

Maunder: Can you pinpoint one or two specific examples from your own experience with him?

Adams: I might refer back to that situation we mentioned awhile ago at Tacoma. After the mill got started there suddenly was no need for the multiwall bag paper which we intended to make and we were required to change over and make bleached food board which is quite a different product. We had plenty of trouble. I was catching hell all over the company, with no word as yet from Roy. He finally called me in one night and he said, "Now all I want to know is this: Now are we going to be able to make this board in Tacoma or are we wasting our time? If we are going to be able to make it, what's our best guess as to when?" I told him we could. And I indicated the time required. He said, "That's all I want to know. Thank you." He was a very humane person in dealing with his associates.

Maunder: What do you recall about St. Regis forming a partnership with the J.P. Lewis Company after World War II? I believe it was called the Moose River Lumber Corporation and was incorporated with a capital of one hundred and fifty thousand dollars. It was authorized to acquire timberlands and standing timber as well as to operate the lands for other purposes.

Adams: That was in upstate New York, but I don't know a thing about it.

Maunder: The company was looking for more raw material for its Printing Paper Division.

Adams: There were other mills at that time, too. I don't think that could have been of any significance.

Maunder: What do you recall about company relationships with the Adirondack League Club?

Adams: I don't think the company ever had any relationships with the Adirondack League Club. I did personally. I was chairman of the board of the Black River Regulating District, which was a state regulating district. It was a non-paying job. We wanted to build another

regulating dam which happened to be in the middle of the land of the Adirondack League Club – a social club that owned quite a lot of land in the Adirondacks, very fine club – and the club enthusiastically opposed our proposal to build a dam. I had to fight them for the dam and I got very well acquainted with the officers of the Adirondack League Club who are still my good friends. The dam was never built. St. Regis wasn't involved; that was a completely separate job.

Maunder: There was a time in which you acquired rights to cut two parcels of club-owned lands in Herkimer and Hamilton counties. J.P. Lewis paid twenty-five thousand dollars for rights to one parcel and Moose River, the company St. Regis partially owned, paid one hundred and thirty-five thousand dollars for rights to cut the other. I presume it was with regard to those cutting rights that there was some discussion with the Adirondack League Club.

Adams: Yes.

Maunder: Would you consider this some forerunner to the more recent concerns over recreational land use or was this earlier matter something entirely different?

Adams: I think it's something entirely different.

Maunder: The record seems to show that St. Regis was kept in the black during World War II largely through profits from the Panelyte and the heavy multiwall bag divisions. How do you explain this from your recollections of that period?

Adams: I think that's a fact.

Maunder: Were there areas of St. Regis manufacturing that suffered as a result of the war?

Adams: The War Production Board shut down our Tacoma Pulp Mills for a period of time, I think about a year. Then reopened. Other than that I don't remember any very serious interruptions caused by the war.

Maunder: Do you recall who were involved in the most important ways in getting government contracts for the company during the war? This was a big part of your business.

Adams: I don't know that we sold very much directly to the government.

Maunder: Did you then sell mostly to other contractors who had direct contacts with the government?

Adams: Yes.

Maunder: You were not yourselves large contractors to the military?

Adams: I don't think so.

Maunder: Or to allied governments?

Adams: No.

Maunder: There is some evidence in the minute books which leads us to believe that St. Regis got very interested in rayon production during the war years.

Adams: Yes, the company owned the Shenandoa Rayon Company in Utica.

Maunder: Did your plans for expansion in diversified product manufacture develop as you planned? Did it expand as you anticipated?

Adams: I don't remember or not much after the war. It wasn't too long after the war that we disposed of it. We got out of the field entirely.

Maunder: Your company came out of the war in a very good financial position.

Adams: That's right.

Maunder: What do you recall about that position and how did it influence you in top management I your thinking about the direction that you would go after the war. Did you begin to have any clear visions of first steps that you wanted to take?

Adams: I think we saw a great opportunity in the multiwall bag business and wanted to become more integrated in that direction. When we went into the war, we were making very little, if any, of our own pulp, probably less than half of our own paper for multiwall bags and we felt that integrating that was the first important step. We began to think about getting into the corrugated container business, which we had not been in before. The first acquisition in that direction didn't come until, I think, 1954, but we were eyeing it earlier than that.

Maunder: The patent rights on multiwall bags and machinery to make them were beginning to run out in the 1940's.

Adams: That's right. We wrestled with our own ingenuity and efficiency and know how.

Maunder: You had established a lead in production abroad that had developed to some considerable extent.

Adams: Yes. We inherited the idea of the beginnings of it but we spread it out and broadened it beginning right after the war.

Maunder: Was the bag business your first real leap into the multinational scene?

Adams: Oh, yes. Oh, sure.

Maunder: There was no really magnum second leap in that area until quite some time after the war. It has been only within the last ten or fifteen years that you have moved aggressively in that direction.

Adams: That's right.

Maunder: Why wasn't there movement in that direction sooner after the end of the war? Was it because you saw greater opportunities for development in this country?

Adams: I think that's basically the reason.

Maunder: The movement in more recent years has grappled with the fact that the greatest potential for per capita use of paper products lies in the foreign markets than it does here at home.

Adams: Their potential for growth. I'm going to have to quit at 3:15. Is that going to work out alright for you? You know it's kind of fun trying to recall some of these things. Things I haven't thought of in twenty-five years.

Maunder: I'm glad you enjoy it because I do and I think we do get some useful information out of these interviews. I thank you for your patience and your willingness to submit to this kind of ordeal.