AN INTERVIEW WITH

THOMAS H. KELLY

by

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Explanatory Notes to Accompany the Interview of Tom Kelly

by

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On the one hand, large, wealthy pulp and paper corporations from the North. On the other, a poor, primarily black, immobile labour force in the South. And in between, a local notable with a well established reputation. Blending these disparate elements gave rise to the wood dealer system of provisioning mills with wood in conjunction with the bobtail truck tree harvesting system of producing that wood.

Tom Kelly commenced his career by briefly working for a wood dealer. From there he went to the wood procurement division of Scott Paper where he initiated a harvesting system comprised of a large number of highly mechanized company logging crews, a system differentiated from others by utilizing barges to transport wood to the mill. In light of his two different employers, and of the fact that his working life corresponded with the period of rapid change in tree harvesting in the Southeast, he is well situated to offer his interpretations of both wood procurement and harvesting systems. Even better, he is a man of strong views and colourful imagery. The harvesting system he established was noteworthy enough to warrant an article entitled "The 'Right Approach' Works Well for Scott", in the October 1987 issue of *Timber Harvesting*. Reference made toward the end of the interview as to whether the two people who interviewed him actually reproduced his quotes word-for-word is to Ken Drushka and Hannu Konttinen, *Tracks in the Forest: the Evolution of Logging Machinery*. (They did.)

Kelly argues that the wood dealer system was both inaugurated and controlled by the mill. Mills would appoint the dealer, contracting to purchase the wood he made available and assigning him a monopoly over a given territory, rendering him the sole supplier. On the basis of this relationship, the dealer would purchase stumpage from local landowners (he knew) and have workers (who he also knew) harvest it for which he paid them on a piecework basis. Typically, these small producers delivered the wood they produced to wood yards owned by the dealer.

Often the trucks and equipment used by the loggers were financed by the dealer. Often loggers were charged for unloading at wood yards by mechanized devices owned by the wood dealer. Often, loggers had their trucks repaired by shops owned by the dealer. Often loggers would buy supplies and groceries at stores owned by the dealer. In Kelly's words, the system was nasty and cheap, at times approaching peonage.

Nasty and cheap, perhaps for the logger. But for the wood dealer, "the biggest house in town" belonged to him. And for the mills, one of the advantages of this system for the paper companies was that it isolated them from those who produced the pulpwood they used in their mills. If the logger should damage a bridge or have a traffic accident, the mill could not be held liable. And because the individual crews were small (two to three workers), they fell under the eight-man exemption rule so government mandated labour laws and safety rules did not apply.

Providing the foundation for this superstructure of ownership and control was the bobtail truck harvesting system. In Kelly's words, "the entire Southern pulp and paper industry [was] built around a stick of wood that a guy could pick up with his hand and put on a truck with his hand and load on a rail car with his hand". The description he provides of this harvesting system is every bit as rich as the quotation above would lead one to hope.

How is change – innovation and mechanization – ever to occur in a system that depended on "a subculture of poor rural people, mostly black, who will work like hell for nearly nothing because somebody wants them to and because they got no options"? One answer is that it will not, at least not in the actual harvesting system itself. As Kelly documents, mechanization first occurred in the wood yards revolving about the unloading of trucks, the loading of rail cars. These machines were, not surprisingly, typically owned by the wood dealer (who owned the yard). The significance of these innovations is that they decoupled unloading from the harvesting process. No longer did the logging crew have to accompany the truck to the wood yard in order to assist with unloading; instead, they could remain in the woods producing pulpwood for the next truckload. The next innovation was the development of pallets (again often financed by the wood dealer) which loggers loaded with pulpwood in the woods. They were winched onto trucks for delivery to the wood yard. So again, loading was decoupled from the actual harvesting process. (By the way, this decoupling was one of the recommendations made in the Battelle Memorial Institute reports.) It seems to me that a worthy observation at this point is that both of these changes did nothing to transform the essence of the harvesting system itself; rather it augmented the labour being expended so as to extend the life of the system.

Another answer is for the paper companies to actively take ownership and control of their woodlands operations. And this is what Kelly did for Scott Paper; he, along with L.O. Wright, "were probably doing ninety-five per cent of the logging [with company crews] that was being done in the Southeast". Like Wright, it was evident to Kelly that the bobtail truck system could not be depended on to provide a reliable supply of pulpwood to the mill, particularly during times of poor weather when "you just put the tranquilizers in the bourbon" as the (perhaps the only) coping mechanism of choice. Here Kelly provides a really useful discussion of the four elements that had to be addressed in providing the mill with a reliable and cost-effective wood supply. These are the acquisition of stumpage by the company by purchasing their own land, the shift from the wood dealer system to mechanized company crews, the development of a small number of large wood yards as a concentration point, and finally a system of transport from the concentration point to the mill. Though he talks of what he did with reference to all four components, especially interesting is his account of the mechanized company harvesting operations based on Timberjack grapple skidders with felling shears attached. And of course, his use of barges as the transport system is what made his harvesting system renowned.

A reliable and cost-effective harvesting system at the same time provided both a reliable foundation for and the freedom to engage in the inherently hazardous process of experimentation. In this regard, Kelly mentions the trying of a Hahn Processor, as well as the limited adoption of

the Morbark full tree chipper and helicopter logging in swamplands.

Kelly's brief reference at the end of the interview to Scandinavian equipment is to their cut-to-length system which produces both saw logs for lumber and pulpwood. These machines fell and process at the stump with the assistance of computerized measuring devices.

Kelly's account provides a penetrating analysis of the wood dealer/bobtail truck harvesting system couplet that so defined historical pulpwood harvesting in the Southeast. Because this couplet both captured the essence of and identified that which was unique to this region of the country, his narrative is all the more valuable.

Peter MacDonald (PM): It's the 31st of May. We're interviewing Mr. Tom Kelly and interviewing him are Peter McDonald and Michael Clow. So we'd like to begin Mr. Kelly by asking you then if you would provide us with a brief biography, when and where you were born and how you came to be in the business, that sort of general thing please.

Tom Kelly (TK): I was born here in Mobile, across the bay in Mobile, years and years and years ago. [laughter] And went to school here in this town. Went in the service in World War II. Got out, came back, graduated from Auburn University with a bachelor of science in forestry in 1949. Went to work for an old iron southern sawmill, one of the mills they moved down here after the timber was cut out of the lake states in 1900. Worked for them for a year and then worked for a wood dealer for about six months and went back into service for the Korean War. Worked after the Korean War service for TVA for about six months and then came with Scott Paper Company in 1953 and worked with Scott Paper Company from 1953 'til 1993. In the beginning with the lumber company I did the normal new boy jobs, marked timber, scaled logs, put out fires, run deer drives, all of what the Army calls the shitty little job officer, all the little jobs that nobody else wants you do. And with Scott I came to work. With the wood dealer I was concerned, this was in the old dealer producer system, he was shipped wood to Coosa River Newsprint Company and he had as his territory a six or seven county area in the middle part of Alabama and they bought wood from nobody but him. This was in the days before the company operated wood yards. A wood dealer loaded wood at any point on the railroad that had a siding. The system was really so primitive that the crew, and it was generally a three man crew, it would be generally the old man and a son and a son-in-law or two of his boys, a three man crew, four trucks, three cord truck, seriously underpowered. They'd drive the truck to the stump, cut the wood down, and cut it up. This was even before the big stick loader was invented. The big stick loader was a thing, the cable that went through the pulley on the truck to help load the biggest sticks. These things didn't even have a big stick loader. When they got the truck loaded then everybody got on the truck and drove into the siding and unloaded the truck and loaded the car by hand. And when it got down to the mill the mill unloaded the car by hand at the mill and dropped it in the flume. We even took wood in those days in boxcars. We never took wood in tank cars but I think that's simply because we didn't think of it. Otherwise we would have done that too. So I worked for this guy and then went back into service and I came to Scott in 1953. Was working in Choctaw County and in those days, and today still very largely, you had land management foresters and you had procurement foresters. Almost all mills then would have the forestry division managed the land and there was very little tree planting. A lot of folks were still into natural regeneration in 1953. And the wood procurement system had people called procurement field service men that floated around amongst a network of wood dealers and really the two didn't deal with one another much. The foresters considered the procurement people to be slouches who'd never worked. As a young management forester I used to make the statement that a wood procurement man when he came in your office it was like having a dead elephant drop dead on your living room floor. He was big as hell. He was going to stink eventually. And it was no way in the world to get it out of the building. When I became a wood procurement man I reversed all those decisions. [laughter] But the system then was, as far as I know, this was in 1953 this was even in this end of the world before anybody made chips. There was no chip business. All wood was pine. All wood was short wood. If there was a long wood system in the state I never heard of it. There were no company operated wood yards. The first piece of machinery that I think I ever saw was on a dealer operated wood yard and it was a device to load cars, a sling loader that was made in Taylor Machine Works in Mississippi. And that was the first real development because what that did was allowed the guy, the crew in the woods to stay out there and continue to cut stuff down and the truck driver came alone and got the truck unloaded and put on the car and then went back. This was the first major breakthrough in the business.

PM: That's really interesting. I never thought about it because, of course, the whole crew had to come and load the railcars.

TK: Had to load the railcars right.

Michael Clow (MC): So nothing was produced obviously.

TK: Nothing was produced. That was a, then the only mechanization out there, there was still a lot of wood skidded by mules or not oxen. Oxen, the old sawmill people said that you had to have some brains to log, that anybody could log with mules and no pulpwood people ever have had any brains or they would have been in something else. But the wood was cut by and large with [sanding?] bow saws more than anything else and handled by hand, loaded by hand. And this ability to segment the operation, it let the truck go and get unloaded. Now the guys out there could make wood but they couldn't load. So the next logical step would be the pallet. They came up with a pallet that the guys in the woods could load the pallet while the truck was gone and then you had to have a device, a cable arrangement and a winch to winch the pallet up on the truck. But being able to get unloaded in the wood yard was that was cutting edge, man. That was cutting edge.

PM: In these three man crews, did the people making up the crew, did everybody do everything?

TK: Everybody pretty well did everything. It was in the lower coastal plains where it's flat down here and open as it is you could pretty well drive the truck to a lot of the trees. But the boss sometimes drove the truck but pretty much everybody did everything. And the production rate of these people was by and large a cord and a half a man a day. A three-man crew would get four and a half cords a day. He might get two loads a day. He might get two loads a day. It was a three-cord truck but he didn't average two loads a day because he had to go in there and unload the damn thing. The wood dealer I worked for in early 1951, late 1950 and early 1951, a railcar in those days held twelve to fourteen cords of short wood. He and I would leave the house going in opposite directions on Friday afternoon and a bill of lading, a guy who would present you with a bill of lading, which was a loaded car, he would have gotten a station agent to put a rack on a siding someplace. He would present you with a bill of lading and you'd advance him a hundred dollars on that bill of lading. This guy was paying these people twelve dollars a cord for wood and he was going to take a commission of two. But you would advance a guy a hundred dollars on a loaded bill of lading and you would look at the scale on last week's bill of lading to see how much more than a hundred dollars that you owed him. A normal producer would do no more than two loads a week. So these two guys, these three guys would have been responsible for doing roughly twenty-five cords of wood a week. And so you had hundreds and hundreds and hundreds of these people. You occasionally would have a guy, you would advance a guy on what was called banked wood and he would pile at the wood yard siding and a lot of time there was no wood yard there, it was just at a siding where you could drive the truck. He'd put a pile of wood there and you know they might have twenty-five or thirty cords in it. You had stored wood all over the world. You had guys. It was the damnedest mishmash of little bitty things you ever saw in your life. The thing that really, once you got this loader, once you got a device that could unload a truck and then Taylor Machine Works came out with what they called the Pulpwood Dream and it was a fairly short A frame run off of a truck and you could pull a cable down in the woods a hundred feet and cable up a tree and drag the tree up to the side of the road and cut it up and load the truck there. That was about the next step because then the truck could go in and you could have this thing pulling stuff up to the side of the road and you could have a series of decks of, you know, ten or twelve tree decks along side the road and then that stopped having to drive to the stump. And in wet weather you had a, it was inventory of a sort. You'd have some out there. Then along about 1955, yeah it would have been '55 or '56, '55 probably was when in this end of the world we first began to take sawmill chips. Most mills at that point in time would buy the debarker and the chipper. The debarker was always the expensive part of the operation. Would buy the debarker and a chipper and sell it to the sawmill on what they called, to the sawmill man on a conditional sale agreement. If they were paying him twelve dollars and in those days we used five thousand pounds of chips as being the equivalent of a cord so for

five thousand pounds of chips they would pay him twelve dollars. They would pay him eleven dollars until he had paid for the debarker and the chipper. Until then slab pits burned outside of sawmills twenty-four hours a day seven days a week forever and ever and ever and had been doing it for years and years and years. And this at that time was a pretty nice, it was a pretty nice income for the sawmill man. It was a pretty nice income for the, it was a good source of supply for the mill because what it did as far as being on the buying end of things was concerned, the mill's wood procurement system was your wood procurement system. You were dealing with businessmen instead of these poor pitiful producers. This guy was interested in running his mill and when he was running his mill he was loading chips. It was a, you wanted as many chip suppliers as you could get because of the stability of the operation. And as a general rule, most wood dealers would have eight or ten or twelve of these individual producers but two or three of them would do seventy-five percent of his volume. And of course, the world being the way it is these were the guys that you loaned money to. The others, when you had to cut somebody off you kept those guys and cut the other ones off. The nasty part of the system was that it was almost absolute peonage. He owned the truck. He bought the timber for these guys. A lot of them, a lot of them ran, sold the parts for the truck, sold a lot of, some of ran shops.

Almost every bit of this wood was bought under what was in those days called the dealer producer system and, in fact, an awful lot of wood is still being bought under the dealer producer system. And the way that works was that I would come to you as a mill and say my name is Tom Kelly and I live in Baldwin County and I am of good character and I know a lot of people and I know a lot of loggers. I would like for you to give me a contract to deliver to you thirty thousand cords of wood a year. I'll load it at my yard and the first time you see it, it will be when it arrives at your mill and at that point in time you scale the car and send me a check and you do whatever it is you got to do. And then I say now, you need to understand I don't want you buying wood from anybody else in that territory but from me because that would run the price up and you agree to all of this. We fasten on a price twenty dollars. You will pay me twenty dollars a cord, your scale, and mail me a check every week. Then I go out back to where I was and I go hunt up some guys that I know, little fellahs with trucks. I may have to loan them money to buy a used truck. Somebody's got a mule. He skids with the mule. Mostly he's going to drive the truck to the yard and I will tell this guy if you are paying me twenty dollars a cord I will tell this guy I got to pay the landowner because I'm going to buy the timber for you to cut. I got to pay the landowner two dollars a cord. I'm not telling you that I'm getting twenty but I'll tell this guy I'll pay you fourteen or fifteen and you cut the wood and I'll buy it. You cut the wood and load it on that car and you give me the bill of lading showing that you have loaded that car and I'll pay you. And at that point you advance him almost all the money and then you pay him. You don't really know what you've got 'til the mill scales it. And this goes on and on and on. If you want any wood put in inventory anywhere other than your mill yard, some of these wood producers would have a siding out there and they would put twenty-five or thirty cords of wood, the amount maybe three cars out there, so they'd have something to load in bad weeks. As dealers got bigger some dealers and then especially, now this system was almost completely unmechanized, all wood handled by hand. A little might be skidded by mules. Every once in a great while a prosperous guy would have a Taylor Machine Works Loggers Dream, a cable to pull it up. Then as the things got a little better a lot of dealers would operate their own yard. They would set up a yard with a little house and everybody, all of their producers delivered wood to that yard. A lot of times then the dealer would have a guy on the yard, an employee with a front end loader who unloaded trucks and loaded them on the car. Some dealers then charged the guy two dollars a cord to load the wood. Some dealers charged the guy or would run a shop near that yard and if you are my producer I expect you to get your truck fixed in my shop. Sawmills expected you to buy your groceries from the commissary. Some dealers even had a store next to the shop. Anything I could do to get back from you as much of the money that I had just got through paying you, I did. You and I and the mill, the mill wouldn't deal directly with the producer because that would make them liable for all sort of stuff. But the dealer could take refuge in that he didn't pay income tax. He didn't pay social security on these guys. You ran under the eight-man exemption rule if you didn't pay the minimum wage. It was piecework, pure and simple.

MC: How did wood dealers do economically?

TK: Great. In all towns all over this state, little towns, the biggest house in town belongs to the wood dealer and it was built on commission. The mill, a wood procurement man for a mill procured wood by telephone. Occasionally a wood dealer would have, a tract of timber would come up for sale and a lot of the wood dealers, most mills furnished somebody who would cruise the timber for them. Sometimes the mill advanced him money to buy the timber if it was a big tract and this guy would go to the mill and borrow the money against the tract and buy it. The mills were interested in keeping a figurehead, a wood dealer, a presence between them and the producer. For one thing, their consciences should have troubled them but it didn't. For another thing, it kept the law, it kept the minimum wage, it kept the taxes, it kept all this other stuff and as far as safety was concerned if you got hurt you don't work. It was a system that required for its success. The entire system was built, the entire southern pulp and paper industry, all the built around a stick of wood that a guy could pick up with his hand and put on a truck with his hand and load on a railcar with his hand and go down to the mill and be unloaded in the mill by hand. A lot of it came in boxcars. We never put any in tank cars but we just didn't think of it. That would have been one further, you could have put it in tank cars and made guys unload those tank cars under the hot sun in August and crawl around down there and pass them up through the hatch. We didn't think of that or we'd have done it. But it depends upon almost a subculture of poor rural people, mostly black, who will work like hell for nearly nothing because somebody wants them to and because they got no options. The thing that began to break it up as much as anything was some of the social programs, unemployment, food stamps, this kind of stuff. These guys began to have a few options. There are some marvelous stories about this. The one that I love the best of all was the guy, the wood dealer that had, and most wood dealers would have two or three, if they had ten producers, three producers would put on the most of the wood that they shipped and they'd kowtow to these guys. They helped them and the rest of them, it was one of them that I particularly remember that you'd go to him and I was there one day and this fellah came up there and he said George, you haul wood in here pretty regular. I get a load a day, I get a load a day and then all of a sudden you're gone and I won't see you for a week or two. What happens? And the old black said well, I like to haul pulpwood but every once in awhile I have to stop and make a living. [Laughter} You know, it was a horrible system. It was a nasty system but it was cheap. It ranks right in there with the people in Great Britain who worked in the mines when they put collars around their neck. It was purely and simply pits. The strange thing about it and it was strange to me, which is one of the things that made us start trying to work away from it, a sawmill that costs a half million dollars to build would log itself with two or three pretty decent loggers. They would be guys with a reasonable amount of equipment that made some money and the sawmill helped them out. The sawmill bought the timber for them, financed the equipment. In a paper mill it cost a half a million dollars, would come down there and attempt to log itself with these poor devils like I'm talking about. You take at a cord and a half a man day, a paper mill that used six hundred thousand cords of wood a year, you had about fifteen hundred guys like that out there logging for that mill, all broke, all pretty bad. Well, it rocked along and it rocked along and it rocked along and it became obvious to me, and of course, from the standpoint of the mill you had no control. You had wood coming in from all these different directions. There's a piece of paper here that shows wood coming in from three or four hundred miles away. You had wood coming in from all these different directions, four or five different railroads. When weather got, when it began to rain and we'd have out wettest month here, wettest two months here are January and July. We forget about July a lot of times because it's hot and all that. But January when it's wet and it's muddy and it's rainy and it's hard to get wood out of the woods, you would end up with a productive force that was half again what you needed to log the mill because there were going to be six and eight week periods in there when you got almost nothing and you had to have something to get you through. We were not, and I don't, this is outside my experience but in talking to our guys in Maine I understand that the mud season in Maine is just absolutely impossible. If it ain't on a blacktop road you ain't going to get it. Now ours was not that bad but we get on this coast sixty inches of rain a year. Right on this coast

we get sixty-five but the state gets sixty and a lot of that comes in January and a lot of it comes in July and a good bit in the hurricane season. But in the wintertime, February from the standpoint of a wood procurement man February was that kind of month. You enlarge your knuckles a lot. I used to say we ran this mill on a system like this, on a short wood system with no outside help and no transportation help other than the railroad with five days inventory because that's all the room we had on the yard. And in February, and I think we said this earlier you just put the tranquilizers in the bourbon to begin with because it saves time. Along about in 1971, '72 when it was obvious to me that this system absolutely not going to last, company wood I can recall very clearly that the company land that Scott owned in Choctaw County, when I came with them they only had they had fifty thousand acres in Choctaw County and fifty thousand in Covington. We put together between 1953 and 1963 we went from a hundred thousand acres to five hundred and twenty. We put together four hundred thousand acres of land in a ten year period because buying wood on the open market you felt like you had to stabilize a supply but the trouble was you were buying, of course, you were buying the land at five and ten dollars an acre prices but you were not doing anything. All you were doing then was playing future because most of the land that we bought had two or three cords of wood on it and it was nothing there to move to the mill. But the company land the only timber that you cut off company land was in the form of thinnings and it was a mighty small amount of what a wood dealer used. You expected him to get out on the open market and buy wood and get it in there. As it became more and more evident that this kind of stuff was not going to get any better, was just going to get worse, logging contractors you could always find a lot of guys that wanted to be wood dealers but they could not find people that wanted to be producers. You know, everybody don't want to work like hell for nothing. It became obvious to me at least that we were going to have to do something. When you come down to it really there are four big-ticket items in moving wood to a mill. There's stumpage, you either got to already own it or you got to buy it from somebody. Logging, you either got to do it yourself or get it done. A collection point out there so that you can gather it up at a yard of some kind and final transportation to the mill. We addressed, to begin with we were addressing stumpage but we were addressing at long range. Buying two cord an acre land ain't doing nothing for next Thursday. We didn't do an awful lot of buying of stumpage because the industry then and even to this day seems to take the position that they can't buy stumpage. They would rather go to a wood dealer and let him buy it and let him finance it. I don't know why they feel that way but they do. And then company logging was just absolutely unheard of. I mean a company logging crew was an initiation ceremony. You got a kid right after school and when you find out first that he was reasonably bright and had at least halfway decent table manners, you made him the community relations forester and he went around and talked to school kids about the beauties of growing trees and gave away seedlings and all that kind of stuff. And then before you put him into operations, everybody had one company logging crew and you gave that kid the company logging crew and said you run it. This was an initiation ceremony. He didn't run that logging crew. It ran him. He went and got time cards for them and brought ice out there and when they ran out of parts he delivered parts to them and then you moved him on to something else. And nobody really to any market degree except Scott here in Mobile and Union Camp in Savannah ever got into company logging operations to any extent. When I came to Mobile we had one. It was a short wood crew that operated to pallets. It had fourteen people in it. We used to budget it every year to make fourteen thousand cords of wood and it never made it. Occasionally we would make twelve or twelve-and-a-half or thirteen but we always said yeah, our crew, fourteen-thousand-cord crew but it wasn't a fourteen-thousand. Just like every logging crew you ever met tells you that he gets three loads a day. He don't because there are no six load days to make up for the no load days. He gets three loads a day when he's logging but he don't get anything when he ain't logging. We were trying to do two things at once. When I came to Mobile in 1965 as manager or wood procurement and production and came in out of the woods the mill is built on two rivers. I put together about 1966 or '67 a job request for I don't remember, two or three million dollars, not a lot of money. Well, you would have thought at that time it was the national debt I was talking about. To put two ring debarkers and a chippers on the backside of the mill yard and take wood down the river by barge, unload it, chip it, and blow the chips up to the digester, the job request was turned down. It was not an attempt to log the mill

but it was an attempt to get on the river. When I made the statement and got in a lot of trouble because I made the statement publicly that when we finally did get the wood system in 1984 that it was the culmination of seventeen years of continuous nagging. But we started off addressing the logging.

MC: Seventeen years of nagging?

TK: Seventeen years of continuous nagging. [laughter] We started off trying to address company logging and I got an agreement, I wrote a letter and made a presentation to the financial people that we were going to have to do something and that what we needed to do was to start using the timber on company land to bait in other wood to try to do something to help logging contractors, to pick some of the better logging contractors. Point in fact at one time I was authorized to loan money to logging contractors. Seems to me my upper limit was something like two or three million dollars a year, which was a lot of money then. And the trouble with doing that though you'd go to a guy and you'd try to get him to sell. You buy part of the equipment and I'll buy part of the equipment and he would and you would and he'd go to work and then you'd run, you'd get full of wood. You couldn't take any wood and he'd start using the equipment that you'd bought him to log for somebody else. So we never could make that work. I even, I did some of this, we bought some directly from producers, which was like being in favor of prostitution and against virginity, spitting on the flag, taking bread out of the mouth of orphans, and stuff like that. In order to get away from some of these punitive practices that dealers were doing to producers we had two wood yards not too far from Mobile and we would buy wood from anybody who came in there regardless of whether he had a contract or not and we would write him a check at the end of the week for the wood that we'd bought.

MC: Started working outside of the wood dealer?

TK: Yeah, we worked, we started working outside of the wood dealer. It worked for a while but the thing was, these guys were not founded, they were not backed by anything. Once they did that with us then the wood dealers wouldn't have anything to do with them. We made the wood dealers mad. They started saying well now if you're going to be your own wood dealer then. You don't do that. I guess you could but you'd really have to go at it whole hog. I mean you'd have to buy all your wood that way and then who in the name of God would you talk to. You know, you've got all these little fellahs, they may be in bad shape and you might want to help them but you can't have six hundred contractors.

PM: You'd be your own wood dealer really.

TK: Yeah and so to me the option was to go on and get in the logging business yourself or to, and we talked about doing that two ways. We talked about getting guys that would only log for us like a sawmill did. That might work. I don't know. I don't know. As by definition not an outsourcer but an insourcer, I think anything anybody can do we can do just as good and maybe better. I felt like it was better for us to go do it. We started off then recognizing that we were going to have to buy stumpage and we put together some people who went to landowners to buy stumpage. And we would have some company stumpage. We would have some stumpage that was bought. But we were going to have to come up with a logging crew that while maybe not the most efficient would be something that you could afford move. At our peak we were buying, and this was some time later, but at our peak we were buying about eight hundred thousand cords of wood a year from individual landowners. A lot of that was saw log size stuff that we had to send to sawmills. A lot of it we had to trade and traffic and cuddle off and we knew that. But that eight hundred thousand cords was in about on averages no more than four or five hundred cords sales. Well, a great big booming well equipped, well financed, balls to the wall logging crew is going to, you can't move them every week. You can't have running up and down the road kind of thing. So we had to come up with a small crew that we could move for three or four hundred cords and we fastened on what we, and as far as I know we invented it, the three man crews. It was a Timberjack skidder. We put

a shear, a hydraulic shear on the front of the skidder and a grapple on the back. Timberjack removed, they told me that by doing that you have become the manufacturer so this removes our guarantee. And I said your guarantee ain't worth a hoot in hell anyway. I'm delighted to be the manufacturer. Maybe I'm going to run your ass out of business. [laughter] That didn't happen.

PM: When would this be?

TK: That would have been '67 or '68, in there, '69. We were beginning to put those things together. The function was you had a Timberjack skidder. You had a shear on the front end. You had a grapple on the back. You had a used truck with a little small knuckle boom loader on it and a good logging truck. The guy who was running the skidder was the boss. He was salaried non-exempt. He would go out and cut down stuff with the shear and while he cut it down with the shear the saw man would come behind him and just limb and top it. We were all tree length.

MC: He would do this with a chainsaw?

TK: Yeah, with a chainsaw and then the truck driver came and went and loaded his own truck. We even started this in areas that did not accept long wood. We did deliveries to our on, at that point in time we were beginning to have our own company wood yards as well. We got a thing called the Currie Cost Cutter that you put on a wood yard. It was a device, it was a chainsaw on a big rack and you delivered tree length wood, dumped it in a rack and then cut the rack to length, a whole rack full of wood. Then with the front end loader you picked it up one stick at a time and put it on the thing.

MC: Because the mill was still equipped to receive short wood?

TK: The mill was only equipped to receive short wood. We couldn't take long wood down here. This system, as bad as it is, it puts all the inconvenience on the wood yard, which in my opinion which is where it ought to be and all the convenience out in the woods where it ought to be. With a three-man crew like this we began to get right away five thousand cords per crew per year. I mean with this fourteen man short wood crew we didn't get a thousand cords. With this thing we were getting nearly two. We were getting nearly two thousand cords per man per crew. Now the limit of course in that thing, and there's always a limit in every logging operation. You fix something and that makes something else the limit. The limit, of course, in that thing was the truck. The truck unless you're on very short hauls, the truck, one truck couldn't keep up with the skidder. So we came up with a scheme. We had one floater truck and assigned it to two crews and he went to one and then to the other and then to one and then to the other and that worked pretty well. We were at a point then where the dealer and producer system had gotten to the point where there was just no dependence you could put in it at all. We had our own wood yards that we could store inventory on. By that point in time we had about ten company-owned and -operated wood yards with company people. And so this system would work. This system was effective reasonably and we said screw it and froze a design and I started adding company three man crews as fast as I could get the money.

MC: How did they delimb? Was he delimbing then?

TK: He cut it with a saw.

PM: With a directional saw?

TK: No, he cut out, well, yeah. You tried to do it, you tried it but he just cut it down and then he'd cut down the feller buncher, it wasn't a feller buncher, it was a skidder with a shear on the front. He cut down and went ahead. The guy behind him, one guy on the ground with a saw, he limbed and topped.

And then when he'd about catch up then he'd go back. The guy would quit felling trees and go back and skid. And then that way that guy caught back up and the truck driver came and went and loaded his own truck. We had a couple of those. You get a system like that in pretty good timber and it's entirely possible for three men to produce eight thousand cords a year, decent haul, pine. And then all the things that came after that we begin to do. We begin to come up with better logging crews. As we began to get into bigger plantation timbers or we began to cut more and more of our stuff, you can come up with some regular feller bunchers. We very carefully though, stayed on tree length just as much as we could. Now I had an awful lot of resentment towards that. A tree length crew can do all kinds of things. He can saw it for logs. He can saw it for poles. Tree length in hardwood is almost impossible in logs because a hardwood tree turns to limbs so quick. You've got to do hardwood logs as short logs. But other than that, we pretty much went all the way to long wood and stayed. And, of course, the thing too that helped us at the same time was you had more and more sawmills in the chip business. The mill yard at Mobile at that point in time...

PM: Which would be what year?

TK: Seventy-three, four, five in there. The mill yard at Mobile at that point in time, the mill had expanded and then expanded again but they had not expanded the wood yard and you had to buy two hundred and fifty thousand cords of wood a year in chips or you began to lose production. You could have a million cords on the wood yard but if it wasn't in chip form you couldn't use it. We rocked along like that and we made some pretty decent, I think some pretty decent fiddling around with different kinds of equipment, we tried all kinds of stuff. When you get up and, of course, the numbers were decent, when you get up to where you're logging sixty or seventy or eighty thousand cords of wood a year you can afford to fiddle around a little bit and we did. We put together what I called the bright idea section. And if any one of the young fellahs came in and said we need to do this or we need to do that, we need to do the other thing, we'd say okay, try it and we'd let him try it for a month. If it didn't work worth a shit, nobody screamed at him. We called him in and said okay, that didn't work. And I used to tell a story that they tell about Winston Churchill that he had fifteen hundred ideas a day and two or three of them were worth something. Go out and have another idea and this time make one worth something you know. But you got enough good numbers to hide experimentation under. You know, if you only got one logging crew it's got to boom, boom, boom. The only trouble then was in trying to, you couldn't, was finding the people. I mean you could find all kinds of clowns that would say yeah, I want to work for you and I want to log for you but they were not used to doing it. And a three-man crew that's separated from, I mean there's nobody out there watching it. He's got to have somebody to guide, directing the crew, has got to want to do it right. We found some very, very interesting things and right from the beginning we started putting out a report every month that showed what every logging crew had made the month before and where he stood year to date and that floated all over the company. I ran into some of the strangest forms of reverse discrimination you ever saw. We didn't have any trouble with white people working for black people. I thought that we might have. We didn't have any of that. We had some trouble with black crew leaders saying I don't want no more blacks in this crew because they don't work. I want whites. I never thought I'd live to see that. I never thought I would live to see the day that at a rural funeral in South Alabama you would have the families of a black logger asking white people to be a pallbearer at the funeral. Not honorary now, I'm talking about all the handles. The thing we built it probably more rapidly than we should have built it and we made some mistakes in doing it and it was probably a mistake to freeze the design. But at the same time I was trying to log the mill. Every dime I could get my hands on I stuck it to something that I knew worked. We were killing folks with a club. I wasn't interested in going to a spear as long as a club worked and we kept working it that way. Then in 1983 we put together the big job to change. I felt at this point we had a handle on the logging. We had some good contractors. You've got to have some good contractors, principally because you got to have somebody to be mean to when you got to shut somebody off. But we had some good contractors. We had some contractors that, we didn't have anybody that we had loaned any money too but we would go to a guy and say I

guarantee you you're going to get twenty thousand cords of company timber to move next year. I'm going to give you some on long hauls. I'm going to give you some on short hauls. You're going to have some wet weather logging, some dry weather logging. I'll show it to you now. Using company logging crews gave us a, and these guy then could buy wood on top of that, using company logging crews gave us an awful great selling point with a landowner. I will cut your timber with my logging crew. If you don't like what he's doing you tell me and I'll fix it, not will I go and ask the contractor will he please not do that. I will tell him goddamn it, fix it. And at the same time that we were doing that, we rearranged the system in the woods division so there was no separation between wood procurement and land management anymore. The boys, the specialists, the geneticists, the guys at the seed orchard, the scientists were scientists. We did have some people that were pure cruisers. Unfortunately, no forester knows how to cruise timber. I have cruised in my career probably two or three million cords and I don't know how to cruise timber. The only guys that know how to cruise timber are the guys that go out there and cruise it. You give somebody three hundred thousand dollars for that timber lump sum and you cut it out that week. All of mine we bought it and you threw it in the company pot and nobody cut it for twenty-five years and I never knew whether I was right or not. But a kid who's buying timber and it don't cut out then you call him in the office and you start the conservation with that look a here, son of a bitch, these kinds of things. These kids can cruise timber. So we had a handle on buying timber. We had a handle on logging. And the next of the four big-ticket items to cover was transportation.

PM: Before you go to transportation, about the cost of company operations, other people were involved with mills that didn't have company crews. Said that the company crews simply cost too much, that they were always more sensitive than wood dealers. How were you able to get around that problem?

TK: Well, first of all ours were, you can do pretty much anything and this is '92, in '92 as of the end of the year company crews logged for, this was ton, company crews logged for twelve dollars and eighty-six cents a ton and contract operations were twelve dollars and seventy cents a ton. Contractor operations were fourteen cents cheaper than company operations. You can do any, and I've said this before, you can do anything with those numbers you want to do because I could put company logging crews on twenty cords of pine per acre within ten miles of the wood yard and put contractor operations on four cords of hardwood per acre eighty miles from the wood yard and beat them to death but the system pays for both. I think the trick is that you make, first of all you go and steal good loggers from sawmills. You hire guys who have been logging, who know logging is a specialized operation. You hire good loggers. You make sure the kid who is handling the logging crew is also the kid who has the timber that that logging crew cuts and you have him responsible for both things. He cannot say I ain't going to let you cross the road and cut that because that's next year's cost because he's taking it in this year's cost. You do that. Then you pay, in my opinion the cheapest thing you can buy is brains. We had, we put these guys on overtime when they made overtime. We bought the best damn equipment in the world and we got the money back in production. You've got to keep the production rate up and we did. And I would never have been able to continue to get money. At the peak I think we were logging six hundred and fifty or sixty thousand cords, it's in these numbers, six hundred and fifty or sixty thousand cords a year with company logging. You can't continue to get money from people unless you can show competitive numbers and our numbers were competitive all the time. With two exceptions we did in bad weather when you have got to run a wood yard on the weekend, we would run the Hooks Lake wood yard and get a hundred loads from company crews and two from contractors. A contractor is not, he can't beat his head against the wall in bad times and break equipment and bust up equipment as well as the corporation can. And he's not willing to try and our guys were. And he's being paid by the cord and our guys were on time. And then you establish within the organization a climate that makes them want to do things right and they did. You got good equipment and you got nobody screaming at anybody when he does something wrong. You've got everybody pulling together in the same direction. I put together, I thought I had one, I'll bring one, I'll send you one. I put together a thing called the T. H. Kelly handbook. It's a little green book. Industrial relations people hate it because it's too simplistic. I put this together as the film for a slide presentation.

When we'd get two or three new folks in the department I'd go through the presentation with them and I'd say this is the way we want to run the department now. If you don't want to do it let me know right now and we'll save ourselves a lot of trouble later on. And it's, you log with people, you know. You give me the right kind of folks and I can skid with dinosaurs and load with elephants and have a competitive operation. People, it's a very curious thing. When L. O. Wright was logging for Union Camp and I was logging for Scott I couldn't go look at L. O. Wright's job because of the Sherman Anti Trust Act. He couldn't look at mine and we couldn't swap numbers. But he could tell me what his production rates was per man hour and I could tell him you tell me what your production rates are per man hour and you tell me what kind of equipment that you use and I can come up with your logging cost pretty nearly to the quarter and he could do the same thing to me and we were both very, very close together, very, very close. L. O., I hope you'll talk to him.

MC: We already have.

TK: Okay, but as far as I know, leave out sawmills because a lot of sawmills have company logging crews. As far as the pulp and paper industry is concerned, between he and us we were probably doing ninety-five percent of the logging that was being done in the Southeast.

MC: By company crews?

TK: Un-huh, by company crews. And I know he was coming up with the same kinds of numbers as me because he was getting money. In any corporation the competition for funds is severe and these marketing types that come there with the slides with lightning bolts coming out of the clouds and all the bells and whistles that they can come up with, if you're going to get your share of the money you've got to compete with folks like that and if he was not making numbers that were in line with what he was doing.

MC: And so if you and L. O. Wright could do this, why have other mills stayed with the wood dealer system?

TK: Laziness. It's a helluva lot easier to say send me forty more cars.

MC: But that's a lot of money. Don't they lose money?

TK: They don't know how much money they're losing and it ain't my money, it's company money. And company money is like government money. There's an inexhaustible supply. The mint's cranking it out every minute. For a woods division, any woods division, in my opinion in this end of the world, how many dollars worth of wood you got in a ton of pulp is the only thing that counts and everything else is garbage or motherhood or starch or paint or showing off or patriotism or whatever you want to call it. When we went to the river because the difference in transportation cost was so pronounced…

MC: By the way, before you went to the river were you still getting the wood delivered by the railroad?

TK: Oh yeah, yeah, absolutely, absolutely.

MC: You didn't move to trucking?

TK: We did as much trucking as we could but the railroads by and large at that time were cheaper than trucks, especially in long hauls, especially in long hauls. Yeah, we did everything in the world we could do you know because that was the one thing that you could, you knew what was going to happen. The railroad would tell you at the beginning of the week, at the beginning of the year that we are going to

raise the price in April; we're going to raise the price again in September, and that's it. I busted my ass trying to do wiggling and we did a little of it. For instance, we had a wood yard up here in a place called Miller that was within forty miles of a mill at Selma. And they had a mill down here just across the line in Mississippi that was about sixty miles from here. We had a trade with him that we would deliver to him from our wood yard ten cords of wood a week and he paid whatever he wanted to pay for them and I didn't give a damn what he did. We bought the wood and delivered it to him. I paid my guy whatever I was paying. He paid his guy whatever he was paying but he delivered ten cords of wood to us. Now the accountants just go through the goddamn roof. You mean that you are buying wood that we don't get. Yes, but I'm also getting wood that we didn't buy and I'm getting it in even amounts see. [laughter] We did a lot of that. We did a lot of that but you can't do all that much but you could, we struggled and struggled and struggled and, from my standpoint, the solution was running right by the mill at the rate of several million gallons of current every day. We exchanged ten company operated wood yards and about twelve or fourteen dealer operations, dealer operated wood yards with four wood yards. We never had a company operated, see this got, stumpage we were either owning it or buying it. You can't do a lot with stumpage. You got to pay the market. If pulpwood stumpage is ten dollars a ton, then everybody's got to pay ten dollars a ton. You can't do much with that. You can't do a whole lot with logging. You can make sure you've got competent logging. You can make sure you can log as well as the regular contractor. But there are really some limits to what you can do on that or can't do on that. But the yard handling, the collection agency out there that's taking a whole bunch of little trucks together is something that you can do something about and then secondary transportation, transportation from there to the mill is another thing you can do something about. Well, we ran ten company-operated wood yards. We never had a wood yard that had four people on it that got more than thirty thousand cords a year. A barge yard and a lot of this was short wood or it was wood that we were turning into short wood or we had a couple of them that we floated a chipper around. We bought a twenty-two inch Morbark chipper and we took tree length wood at a wood yard and this chipper would go chip on this one and go chip on that one and go chip on the other one, chipped it with the bark on and the mill took it with the bark on. But you couldn't, there was some things you could do but you just couldn't do all that much to it. But when we went to four guys on a tree length yard that unloads trucks with a good big crane and loads barges, four guys can handle a hundred and fifty or a hundred and sixty thousand cords of wood a year regularly. And what it does, it cuts that yard handling cost from ten dollars down to around six, sometimes down to three. Okay, and then if you're putting it on your boats and on your barges and are coming down the river with it, you've taken a seventeen dollar and fifty cent hauling charge on the railroad and turned it into four. There's gold in that. What I don't understand, you tie a good procurement force as far as buying stumpage from landowners into a good logging force coming into a very highly efficient and fast moving wood yard and then put on the cheapest transportation in the world that comes to the mill and you've got all four things working in the same direction at the same time, which is why you see that break from. This is why when I left in 1993 we were bringing wood to the mill in Mobile something like twelve cents a ton cheaper than we were bringing it to the mill in 1983. And it's, yeah, you can say this did this and this did that and this did this but none of the thing would have worked unless it was all done at the same time. And I don't know but what the major part of the whole damn thing was not the fact that there was no logger or separation between wood procurement and land management. You didn't have people saying them goddamn lazy ass tree growers setting around out there not doing anything and you didn't have management foresters saying those damn crooks in wood procurement are doing this.

PM: So when we finished just before lunch you were talking about establishing the four wood yards for the barge as transportation.

TK: We moved all the wood that had been coming into the mill and that had been going through ten company operated yards and about twelve dealer operated yards by moving them to these other wood yards. You did in some instances then raise the haul distance from the woods to the wood yards. But compared to seventeen-dollar freight versus four-dollar freight, you had thirteen dollars in there to play

with and so it was a no-brainer really. And actually at that point we didn't stop taking short wood but we didn't take any short wood except by truck and we were in the position we stopped taking chips because we couldn't get chips to the river except from the chip mills. And every bit, when you were talking about a thirteen dollar-a-cord difference in freight it just put a completely new complexion on everything you did. I mean I was able to go to the railroads and say we don't want any more cars. I went to the sawmills and said now we will work with you to get out from under it but we really don't want any more chips. I went to the short wood people and said we don't want any more short wood. Now the one thing that it did, in the wood business everybody helps everybody else. Nobody could help us and we couldn't help anybody. We were truly alone and there were people within the woods division that were uneasy about it you know. What are we going to do? What are we going to do if? My answer is God wouldn't let that happen to nice people like us. [laughter] It made a completely different system out of the whole thing. It put us, in fact, we had been trying to sell the Japanese logs. Scott Paper Company had been selling logs to Japanese from the west coast with Douglas fir logs for years and years and years and years. And I had understood that they were extremely picky, picky, picky people. And we began because of the transportation system to actively seek out new business as I thought we can do this, we can do that. We can do this. We can now move stuff that we never moved before. And the Japanese came down here and they talked about they are interested in white woods, hackberry, a species, hackberry, sugarberry. It makes an extremely light colored wood. They kept talking about white oak and then I realized that what they were talking about was the white wood in red oak, not the botanical species white oak. But oh, God, they were and we just couldn't, we couldn't do anything with them. That is absolutely the most disciplined society on earth. The boss clears his throat and all these young men standing around him pop to attention. He sits down at the table and they run and put his napkin on his lap like that you know. So we couldn't sell them logs and that's when we stumbled into the business about selling chips. They built two or three chip vessels specifically for our chips and we loaded them right down here in Mobile. And it was awfully attractive. It was so attractive that we bought a million tons, a million tons of wood for chips, and the mill wanted because they had some periods of time on the wood yard that things didn't work, they wanted to be able to deliver wood to the Japanese so some of the wood that we brought in the wood yard they chipped and loaded it on vans and sent it downtown and we loaded it and sent it to the Japanese. It was a very, very attractive thing and then, of course, that put us in the pole business.

MC: How did that put you in the pole business?

TK: The transportation did it. Any time you can go three hundred miles away and haul stuff for four dollars, it's just a new world. And actually at the time I left we were still stumbling over pieces of new and interesting things you could do with your own transportation system and when Kimberley-Clark sold the goddamn transportation, Danny White was still finding things you could do. On the Mississippi River, well what it does, before you get to the Mississippi River, what it does as far as we were at the point I think the division used twenty-five thousand dollars worth of diesel fuel a day. We were at the point where it was clear that what we really needed to do was to put some oil tanks up at the big wood yard at Hooks Lake and become our own oil distributor. I mean it was that much of a savings. You could move material for ten percent of the amount of oil that you used by truck. I mean it's just, it's slow as hell. It's five miles an hour. But a nine-barge tow is goddamn near nine thousand cords of wood.

PM: So as long as you're not in a just in time system, you can adjust and make sure that enough wood comes.

TK: That's right and see you've got an inventory on barges. It took fifty-five barges a week to run the mill and the trip down from, we headquartered the other end up just above the forks of the river and everything came to there and then one boat did nothing but shuttle down and back, down and back, down and back, down and back, down and back. The only thing, it was this way. A barge that's a hundred and ninety-five feet long and thirty-five feet wide, if it's empty you've got about sixteen or

eighteen feet out of water and it ain't drawing two feet. And when a hurricane, we got to thinking the hurricane winds, we would have picked barges up from the steps of the courthouse lawn. [laughter] So doing and of course, it takes twenty-four hours to shut a paper mill down properly so that you don't do damage to stuff and you had to get all of our barges north of the twelve mile railroad bridge, of the twenty-one mile railroad bridge. So it took us in effect eight hours to get up there. So we had to calculate eight hours before we get gale force winds we got to get everything in town out. And then you had logging crews on the river. It was absolutely, I mean it was six or seven balls in the air all at one time. But it's stuff we'd never thought of you know. But owning your own transportation system is just absolutely marvelous. It put us in the pole business. It put us in the pole business shipping poles to Greece [laughter] because you could get them to the port. It's everything.

MC: And it was your own transportation system so it wasn't because you were?

TK: Oh, yeah, yeah. We owned the boats. We owned the barges. We owned the wood yards. It was a little, there was a difficulty if you wanted, you'd have to do what is called red flag. You'd have to get a special red flag permit to haul oil and gas and we didn't do a lot of that although we did move some oil for people. But see there are two or three chemical plants up and down the river. We pushed salt for them, chlorine, all kinds of stuff. We actually did shipping and fleeting down in the harbor to other people in the harbor. It's a fine business. It's never dull, never dull.

PM: And it was reliable because you could always predict it.

TK: You absolutely knew where you were and, of course, see the whole thing. You could tell we hired a girl who was a systems expert who was great, may be the smartest human being I ever met in my life. And she set us up a system so you could tell where everything was. You could see barges being loaded, where a barge was, what it had in it, where it was going. You had total control. I had said until then that on a rainy Saturday morning when I went to the mill and I went most Saturday mornings. You could do more on Saturday morning than you could do all the rest of the week and the first thing I would do when I get down there was call the scale house and say what we got. Once we got in the barge business, not only did I not call the scale house anymore, it never even crossed my mind to do it. I mean absolutely made it.

PM: And as you say, in a sense you had a kind of a moving inventory, didn't you?

TK: Uh-huh.

PM: Inventory at the mill and then you have it and you know it's coming down.

TK: And you know it' coming down because you're going to haul it down. Now the one thing you can't do, nobody can ever stop. You can't all stop at one time you know. But what happened at that point, not only did we, we had handled stumpage, we had handled logging, we had handled collection at outside wood yards from having four guys, oh it'd cost, we were running those barge wood yards for something like two dollars apiece. It's in some of this stuff you got. And we'd been running rail wood yards for something like six or eight dollars apiece. We had handled that. We had handled transportation down there. It actually, it was at that point that we said okay, let's see what we can do with selling a helluva lot more wood to the Japanese. If you had told me before we went to the river that I would voluntarily, using a million cords, that I would voluntarily go and try to buy another four hundred thousand cords, with no back up at all and no more people and no more crews, I'd have said un-uh. But we did. And what that done, it did some remarkable things to your unit cost. You'd been moving a million and now you're moving a million four and in effect all you did, the only thing you couldn't do, you could not haul chips and wood in the same barge. Wood when you load it in there with the bark and when it got an awful lot

of dirt and mud in the cracks of the bark and in fact, we got a little sloppy about cleaning our barges and I had them do a study and they came in and pointed out to me that we were spending three hundred thousand dollars a year hauling mud up and down the river. [Laughing] You know, you get to thinking ooh, ooh, did I do that. Yes, you did do that. Yes, Ralph, you ate the whole damn thing. It put us in the pole business transportation wise see because we had some real good, I don't know how the hell they stumbled over Greece but we had some good customers in Greece and a lot of good customers for poles in Mexico. If they had gone on, if they had left the damn thing like it was, I am absolutely convinced that Danny would still be delivering pulp to the machines at under three hundred dollars a ton and the outside businesses now would be twenty million dollars. They would have been making twenty million dollars. Of course, nothing says you had to keep going to the Japanese. It's a helluva lot closer on the other side. Instead of talking to Nova Scotia into sending them to Sweden, we could have done it.

MC: You could have done the chips?

TK: Sure, sure.

MC: Well one of the things to be asked is why did they get rid of the system.

TK: Kimberley-Clark, and I don't know this now, but I think Kimberley-Clark bought Scott Paper Company out to do away with source of competition. And Kimberley-Clark has not been used to running anything and when they elected to shut the pulp mills down, then you had no need for any of this. The war was over. Disband the army. The whole pitch of the entire woods division was to log the mill and then make what money you could on the side. And when the necessity to log the mill goes, then you don't need the system. Now what happened, Cooper T. Smith, who is a barge, stevedoring concern, bought all the boats, all the barges, bought the big wood yards, bought the port, bought the fleeting area, and have continued the chip business. It's not at the level at it was and I think we mentioned that this morning because of competition from Indo China. But they're still doing twelve or fourteen ships. I understand now that International Paper Company over here at St. Regis, or what used to be St. Regis near Pensacola, is taking eucalyptus in from South America for the mill. But I talked to a guy the other day and I think this fella knows the numbers and they are paying twenty dollars a ton more than they could get that wood for if they bought it to the gate by truck.

MC: Why?

TK: It's got, you've got freight. You've got whatever the wood cost in South America. You've got chips from down there. It's made into chips down there and the chips are coming up here. Then you've got to unload them in Mobile and you've got to load them on a truck and get them over to Cantonment. You've got all this rehandling and stuff. It sounds to me very much like the things that go on in corporations. A vice president at some level comes up with a scheme and it doesn't work and rather than just admit it didn't work and cut the losses and get out they keep...

MC: Pumping the land.

TK: Pumping away, I think that's what happened.

PM: Did the kind of pulp that Kimberley-Clark needed differ from the kind of pulp that was produced at the mill?

TK: No. The Warren Division, the mill was a two-sided thing. The Warren Division was sold to the SAPP, South African Pulp and Paper, Inc. They bought this mill. They bought the mill in Maine. There were two mills in Maine. They bought both of them. And I think they bought one in, I think they bought one in

Muskegon, Michigan too. Kimberley-Clark makes in paper normally anything that you want long fiber or pine, brown wrapping paper is pine. Anything that you want softness, sounds funny, or to bleach is hardwood and the mill used half hardwood. Hardwood's short fiber. Now as the world has turned hardwood now is more expensive than pine and it's tougher to log. It's tougher to get. Weather handicaps you. But there is a helluva lot of it. I mean a helluva lot of it. I just cannot imagine why they let the permit go. You would never get permitted again in this state to build a pulp and paper mill. You had one here. You had it permitted. I would have run the damn thing. Run the continuous digest or run it at three hundred tons a day and sell the pulp, but you keep the permit alive. And then eight or ten years from now when the goddamn thing turns full circle and everybody's jumping through his ass wanting to build pulp mills you've got a leg up on it. But they elected not to.

MC: That's actually a question that I've wondered from time to time and that is that there appears to be a very, very strong cycle in the paper business, a very predictable one. You can predict it within a year and yet you have this constant buying and selling of mills. You have expansions when they can guess how much problem that we're going to have with it later. Why do these companies operate without taking proper account of this predictable cycle?

TK: I don't know.

MC: [laughter] He raises his head toward God.

TK: Ask him. Ask him. Don't ask me. [laughter] Right now International Paper Company because they have bought so many people out is selling land pretty rapidly. I would suspect that right now between Virginia and Texas there may be seven or eight million acres of forest land for sale. But and this has happened again and again. The mill at Mobile, International's mill, they shut it down. It was built in 1928. Environmentally you'd had to spend a bunch of money to get the goddamn thing in compliance. That mill had a half million acres behind it to run it. It's not there anymore. They bought the mill up from the St. Regis Paper Company in Cantonment, Florida and it had a half million acres behind it. You got a half million acres more than you need. And I suspect that has happened in several places across the southeast. And then you got, well, Kimberley-Clark see sold Scott's five hundred thousand acres. If all they're going to run here is what is in effect really a finishing operation, and they're not going to run a pulp mill. But we did study after study after study over there and found out that the part of the business that made the most money of all was the pulp mill. The pulp mill made more money than finishing and anything did in the paper mill. I would have kept the damn thing and run a market pulp mill and fed my own mill right next door. And so they're on the water. They could sell pulp for Christ's sake to China you know. Somebody ain't, what I think happened was that Scott Paper Company there was some sort of a pretty severe board fight and they hired this fellah, Dunlap, chainsaw Dunlap, the professional throat cutter, and he began to sell off various parts of the company. Scott made on averages seven or eight million dollars a year in minerals. Ninety-five percent of them came out of Escambia County, Alabama, right next door. This is an income stream of a solid eight million dollars a year. He sold it for twelve million dollars.

PM: A year and a half worth of income.

MC: That's a real short of money in something.

TK: I think what happened, somebody got him, somebody on the board got him in and once the board got him he couldn't control it.

MC: One of the things that was interesting is that you said the wood dealer system worked on a territorial basis. The wood dealer was your monopoly supplier within an area. But that led to you having, as it were,

very scattered space from which you brought wood.

TK: If we had kept or if we had had enough intelligence to have realized that one guy, you could buy the amount of wood that most wood dealers sent us from one county. We could have given that guy a county or two. But what really started it, the whole system originated before the advent of a company-operated yard. And when the whole system started like the things on that thing we just made the copy of with all those hundred and twenty-eight different wood points, scattered all over all railroads, then you gave a guy that many wood points which happened to be in that many counties and so when the time came to give him a territory, you gave him all of this. The one supplier that I was talking about that I went to work for had Butler, Lowndes, Wilcox, Monroe, Marengo, Dallas, and Perry, one guy with one helper. There ain't no way. He couldn't find it all, let alone buy it all. You could have very easily given that guy Wilcox County and said go to work and he'd have done great.

MC: Why didn't you?

TK: I don't know. The system had started. They system was running, the same reason nobody gets in the barge business. The system is started. The system is running. I'm scared. I don't want to try anything new. It might not work. My daughter asked me other day something and I said well, if the system, if when we went on the river the system hadn't worked you would now be a graduate of Bishop State, rather than of both Tulane and Duke. [laughter] I don't know. Somebody, the thing that looks to me like could happen since a ton of green wood is worth as much oil as it is, we could be, there could be some real pressure put on for ethanol, wood alcohol, energy. It's a CH0 compound. You know, candy is C6H12O5, that's glucose and cellulose is C6H10O5. So the difference between a baseball bat and a candy bar is two molecules of hydrogen and one of oxygen. [laughter] And there are guys that are going to do something. This is a [renew?]. The last time oil got to forty dollars a barrel and we were using as much as we were using, I got all fired up that we needed to have what I called energy sections and we put together six of them. And we devoted some land over here around Escambia County, good land into growing sycamore planted on a four foot, four by four. And we were going to let it grow six or seven years and cut it down and grind it up and take it into the mill and burn it. And you'd get the second crop as sprouts from the first and the third crop as sprouts from the second and you might get one after that but nobody knew. But what it amounted to we were growing seven barrels of oil per acre per year. And you ain't got to wait for it to turn into dinosaurs and you don't have volcanic eruptions and all that other shit to make it see.

MC: And it's in your own territory.

TK: It's in your own territory. And the rag heads can't hold our feet to the fire as ransom for the damn stuff either. That may be the next move.

MC: And because of your climate you can really grow the stuff.

TK: That stuff was growing at the rate of, well, seven barrels, I used to do the calculation a lot. Whatever a ton, I can't do that in my head but it's probably the equivalent of five tons an acre a year, something like that. See that much grows out there naturally as under story in conventional woods because we put those energy sections together to make a source of fuel for the energy and recovery system that we built at the mill. The energy and recovery system we built at the mill put out the equivalent electrical power of the city of Montgomery. I mean we made as much electricity as the city of Montgomery needs. We ran the mill with it and sold power back to the power company to go into the grid. Well, the goddamn thing was pretty close to being self-sufficient. We didn't make the air we breathed but that's about the only thing I can think of we didn't do.

MC: Well, it is interesting. Electrical power systems often got going at least in Canada on the basis of using the dam the keep the water back so that they could float the logs down and power their grinders and then selling off the extra. That's how Grand Falls, the biggest power, early big dam got built in New Brunswick, using waste wood or either specially grown wood to make fuel.

TK: Yeah. If this, and this is just one state, but this state's got twenty-three million forested acres, at least twenty-three million. And the average growth rate on the state, the total average of the state is fifteen cords of wood per acre and fifteen cords times two is thirty and time .7 is three thirty-five tons. Thirty-five tons is growing six percent. We're growing two tons an acre a year. We're growing two tons of stuff an acre a year. You convert that into oil and you're beginning to get some big numbers and that's just one state. And you wouldn't have to debark it and the end of the story would be just as good. In fact, the garbage from the land that we were taking, we did it with the energy sections to see if we were going to have to, I thought we might have to get into this because see I could power the steamboats. I mean I could power the tugboats with steam.

MC: Have the tugboats burn waste wood.

TK: We could have come to that.

PM: Okay, I would like to go back and talk a little bit more about the shift to tree length.

MC: Yeah, why don't we switch over the...

PM: So when you moved from the short wood to the tree length system, I find that kind of interesting. For example, you would have to work against the wood dealer system.

TK: Well, that really didn't bother anybody because we were doing that anyway.

PM: My time's a little bit off here.

TK: Yeah. To me we fiddled around because at the time we really began to put the logging crews together every wood yard that we had took only short wood. And that was why we went through the exercise with the Currie Cost Cutter with the wood. You dumped the tree length wood in a rack and cut the whole thing up and that was a ringtail son of a bitch to keep going. I mean the chain bound in there and oh boy that was a mess. Oh, and of course, what kept it going too there was the freight rates on wood as bad as they were, were good because of short wood, because it was on the Roanoke Rapids scale, a thing called the Roanoke Rapids scale. When you went to tree length wood and had to load it up and down the cars then you had to go to the log rate, which was even higher. So you had to stay with short wood. You thought you had to stay with short wood and you had to stay with short wood except for wood that came through the gate. You could haul it in the gate or you could do as we did. We used the chipper and chipped hardwood simply, we chipped hardwood with the bark on it simply because that was the easiest way. We were spending and I did a calculation and I can't remember the number, but we were spending three or four million dollars a year simply to change the form of wood so we could get it through the gate because they wouldn't take it in long wood, which was one of the real justifications of building the wood yard. At least build me a wood yard that will take tree length wood. But even then see tree length wood, if all you could do was take it through the gate by, if all you could do, I wanted tree length wood because of logging savings out there above all other things. When we started with the little crews, with the three man crews, we fiddled around while we were searching out the best way to go and you could take a three-man crew that was producing fifty-five hundred or six thousand cords of wood a year, put the fourth man in it and the production rate dropped to four thousand.

MC: What happened?

TK: Somebody's got to cut the goddamn thing up all the time see. I mean you're taking one piece of wood that you can pick up and put on a truck and making five pieces of wood. First of all, somebody's got to cut it up. Secondly, you've got to pick it up one at the time and load it. And we thought well, we don't want to do this now. We don't want to do this. And so then to stay in long wood you either had to get off the railroad because the railroad wouldn't, or else haul it long, long distances to get it into the mill yard down there and the mill yard wouldn't take it.

MC: So going to long wood meant getting off the railroad?

TK: Yes, yes.

MC: And changing the mill's way of handling the wood?

TK: That's right, that's right and they bitterly opposed that. Oh, boy, the hide bound thinking that goes on in woodlands ain't nothing like the hide bound thinking that goes on in pulp mills. Those guys are Neanderthals. The only thing they ain't got is the scalers wearing three-cornered hats and writing with quill pens back then. [laughter] They're tough. But see the efficiencies in long wood in logging can be effective only if the processing plant can take long wood. Okay, if the processing plant takes long wood you've got to make all these adjustments. A floating chipper was one adjustment. A slasher saw was another adjustment. Chipping it, just chipping it with the bark on was another adjustment. Begging them to do something was another one. But you could solve everything at one time by getting off the railroad. And then trucking wood a hundred and fifty or two hundred miles would be brutal. Would just absolutely be brutal.

MC: The cost?

TK: Yeah, it really wasn't any decision. I mean once you realize, well, once you got to the river it was easy because it could be long wood at any distance at any time and at that point we dropped all chips. I took the position if it don't come by water, fuck it, I don't want it.

PM: How can Canadian mills, which do truck wood a hundred and fifty miles?

TK: I don't know.

MC: We've done more than [inaudible].

TK: I don't know. I don't know how they do it.

PM: I'm just curious because and we have talked to L. O. Wright and I know that he at least in the beginning did experiment with mechanized short wood systems before going on. He had some Bush combines.

TK: A Bush Combine , that Bush Combine was a remarkable piece of equipment and it was another one called the Hahn Harvester that came out. We tried one of those. The Bush Combine did great but what the Bush Combine committed you to doing was the production of short length pine pulpwood on dry ground. And that's too many limits. There's no way in the world you could put, I don't think, any kind of limby hardwood tree through a Bush Combine. That little old thing that it went with, and you know now from the standpoint of your end of the world, some guys came down there from Nova Scotia. We had one when we were still in the experimental phase we had one big long wood crew that did about five hundred

cords a week. And two guys limbed and topped the wood for five hundred cords.

MC: With a chainsaw?

TK: With chainsaws and some of the guys from your end of the world said you are faking the goddamn numbers. Two people cannot cut off that many limbs. And I said two people cannot cut off that many of your limbs. You should come and see our limbs and they came down here and they said shit, you ain't got no limbs to cut off. [laughter] You could kick these off, you know.

MC: We heard of a limbing gate and, of course, it made absolutely no sense to us and assumed it wouldn't work on our trees.

TK: No, you've got limbs. Ya'll know some limbs.

MC: And they don't fall off.

TK: And they don't fall off.

PM: What was the name of the other machine? Was it the Alan harvesting machine?

TK: No, a Hahn, H-A-H-N. It was a device that worked, you cut stuff and skidded it to it and put it through a, put it through like a trough and something took the limbs off and then cut it into short lengths.

MC: [Inaudible. Voices overlap]

TK: There is a gimmick now that I have seen and I went back and visited one of our logging crews about three or four years ago. It is a field chipper that you set up that debarks some of the wood. You feed the entire tree through it and it debarks the bowl part, makes chips out of it that goes to the, and this is pine, chips out of it that goes to the paper mill and then the spout switches and it turns the rest at the energy chips and blows it, you feed two trailers at one time. You get some remarkable, you get some remarkable volume increases in that because you're using all the limbs, all the tops. In fact, the thing I saw seems to me, they were picking up thirty percent more volume than the volume table said was on the land in pure tonnage. But now that and I know those things were in operation because I saw two or three of them. I think they cost sixty grand, something like that. And, of course, that made everything go in chips. You brought the whole tree in there. You brought the bushes in there. You turned the bushes into energy chips. You turned the tops into energy chips. You turned the regular into regular chips. And some how or other and I don't know how in the hell it does it but the bark it takes off it blows it in the energy van. You could do some good with that. Now that wouldn't help you a damn bit though in buying timber from individual landowners in four or five hundred cord lots. If all you had was thirty-year-old plantations that averaged nine inches in diameter and five thousand acres in of size you could come up with a gimmick as big as this building that would do it. But when you got to bounce around and in this state and in Mississippi and I don't know about Georgia, but in this state and in Mississippi there are two hundred and fourteen thousand forestland holders in Alabama. Only five percent of the land is public. The rest of it, the average holding in the state I think is something like two hundred and ten acres or two hundred and twenty acres. So you've got to be able to, these guys run the world and you've got to be able to bounce around with small stuff, just mobile as hell, mountain artillery rather than two forties. [laughter]

MC: Pack seventy-five.

TK: Pack seventy-five, that's right. See that's what we did with the helicopter. All of the work that's done with helicopters was done on the west coast and it was a great big helicopter hauling one massive big

high value stick. We went all the way to the other end, raggedy ass little old ex-military helicopters hauling three sticks at the time. The lifting capacity of that chopper was forty-five hundred pounds and that includes the thing, that includes the chopper itself. That's everything under the fan, wood, machine, pilot, and all. And this timber up on the river runs about four trees to the cord. It's about, it probably is a twelve-inch average so you're talking two trees.

MC: And why did you go to a helicopter? Is that the only way you had to do it?

TK: No roads in there at all. The two kinds of river swamps until you get about thirty-five or forty miles inland and a lot of them on the east coast is what's called black water swamps, low bank, a mixture of Tupelo, some Carolina ash, a little bit of oak and stuff out on the natural levees but Tupelo pine after Tupelo pine after Tupelo pine and bulk like that. You can stick a surveyor's range pole in there and just push it all the way back.

MC: Muck.

TK: That's just pure muck, that's right. The stuff don't erode, it [accretes?]. Now we did, N.C. State and we had, we had a hundred thousand acres like that, or nearly a hundred thousand acres like that and I calculated we had five million cords of wood on that hundred thousand acres. So we had five million cords of wood within twenty miles of the house that there wasn't any way to get. And we sent, hell, I even went for three days to the balloon logging school and you talk about weird. Balloon logging works opposite. [laughter] There are two kinds of balloons. There's one that's shaped like a wing and you get aerodynamic lift when you pull that thing in towards you until you slow it down. And you got to slow it down enough to land it right out there and not land it right in here. But when you get a round balloon in balance you can raise and lower it with your hand, except it cost as much to fill a balloon with helium as does the fuel bill in a skidder in a year. And I don't know how you stop the kid with the 22 rifle that's out there squirrel hunting. And what the fuck do you do with it when the hurricane comes? And if you go into towing it up the river, what do you do when you come to a bridge? [laughter] There are two or three little things we ain't figured out yet so we dropped balloon logging pretty quick. But I said we were either going to figure out a way to get this five million cords or we were going to give the land to the government to grow ducks on or something. Our guys absolutely were the ones that did that. We sent a couple of guys out to the west coast and looked at that great big heavy helicopter and his name was Buddy Hastings. Buddy said Tom, what about if we got one of these little old bitty helicopters. And everybody went ha, ha, ha, ha, ha. And then everybody quit laughing and started thinking and that's what we did. We bought two surplus, we bought the goddamn helicopters for three hundred and fifty thousand dollars apiece. A new helicopter is two million dollars. And we had to take nine jillion pounds of wire and junk out of them, all the armament you know, and you've got to have two to keep one running. And since the guy never gets any more than a hundred and fifty feet or two hundred feet off the ground, we had time and motion studies. The way you have it instead of having metal chokes you have nylon chokes and you got two guys. You cut down everything with a feller buncher to start off with. You've got a feller buncher. It runs on a pad like the oil company does and he cuts down and lays it down and then he reaches back behind him and picks up the pad and puts it in front of him and then runs on it. He cuts everything down ahead of time. And you cut everything down whether you're going to use it or not. Then you got two guys over here and two guys out here and they are all choke servers. And then you've got, the chopper pilot trips it from the chopper and then you've got a machine on the back to put it in nice, even piles so that when the barge gets there he can load it. And the chopper goes to these guys and they hook up to and he comes back and when he goes by the guy on the bank he just goes. He don't ever stop. And then he goes to the next set and while he's out there these guys choke two more. And he goes back and forth. We got time and motion studies for an hour of a turn every sixty-two seconds, the speed. It is the liveliest goddamn thing you have ever seen in your life. That's how you can do it for twenty-one dollars a ton here. It's so intensive that a pilot, you got to have two pilots because two hours is all a guy

could stand. It's that, he's down there in the instant death zone all the time. But what you cut comes back beautifully. We've got some pictures of stuff that at six and seven years after cut, we got some stuff in there that's that big around, good looking stuff. Now we never did, the trouble with it, sixty thousand cords a year was just about what one helicopter would do. You couldn't, you'd have to add on in helicopter units. You couldn't go to seventy or you couldn't go back to thirty. It would be sixty, sixty, sixty, sixty.

MC: Or else the helicopter cost would get you.

TK: Oh, it would get you and it would get you if you didn't have, all you had to do was in effect you are using the helicopter as a skidder. That's all in the hell you were doing. The loading and the transportation, there was no trucking. When you put if off the bank and put it in the barge the next stop was the mill yard and it was a dollar to the mill yard and a dollar, two dollars to load, and you could swallow all of that backwards and forth. And in that narrow window it worked. Get out of that, it won't work worth a damn.

PM: Not only intensive for the pilots but also intensive for the choker men as well.

TK: Oh, yeah. Ain't no fat boys out there. Ain't no fat boys out there at all.

PM: Because they'd have what, three times sixty-two? Would that be right [to prepare]?

TK: Un-huh. Well see, what he'd do, when he started in the morning he'd carry a bundle of chokes out there you know with thirty or forty chokes in it to this set and then a bundle to the other set. And then there's two of them out there.

MC: But they had to be ready when he comes back.

TK: Oh yeah, when he comes back they got to be ready and he's got a loop at both ends and he drops that thing down and one of the grabs it and hooks on and jumps back and then he's gone. It is fast. We've got some pictures of it. It's a real, it's a flashy looking operation.

PM: One of the things that's began to impress itself on me is just how much improvisation has gone into development of tree harvesting systems.

TK: Hell yeah. I said it earlier this morning. The real trick is to have enough of it going with enough good numbers to let you be able to screw around. Then you can buy stuff and try it and if it don't work you can put it on the back of a wood yard and feed it to the briars and buy something else. But you're successful enough to be able to experiment. If all I'm going to do is log forty thousand cords a year with company logging crews I've got to find one system. It's got to work and I've got to do that again and again and again. You get up to six fifty, which we got to, and you can fiddle around and try this and try that and try the other thing and try variations of this and then if you have established a climate where nobody gets pissed off and screams if you're wrong. You've got to let a kid be wrong.

MC: That's the way to learn.

TK: Right.

MC: But it does seem that one of the keys to making your company operations was just how to motivate people, how to please them, how to make them feel loyal, how to reward them.

TK: Every bit, every bit, every bit of that. If you do that, if you do it, everything else falls in place. If you don't do that you've got garbage. You log with people not with equipment. You do that when you fight wars with people.

MC: [Static on tape] where the administrators clearly do not use things to try to motivate people.

TK: I know that. Kimberley-Clark, this was one of the real troubles that Danny had with Kimberley-Clark. Kimberley-Clark is one of these extremely centric companies. Their opinion of empowerment stops at the threshold of the accounting department and on the inside threshold, not the hall side threshold. Danny could not. I am, of course, by nature a free swinger but I would do things like kiting from one job request to another. Go on and buy it and I'll charge it against this thing when that job request comes through and I've got enough money to pay for it. It's all illegal as shit but it gets the job done. At Kimberley-Clark you don't dare do that. Danny could not write a check for anything. It was done at higher headquarters. It was done at higher headquarters and that is destructive to ingenuity. When you get caught up in the routine of carrying on and worse when you get caught up in the routine of carrying on because it says so on page sixty-two B/.4, then the worse goddamn thing you can have happen is for a guy to do exactly what you tell him to do. That's the road to the pompous hole. [laughter]

MC: What was it that your daughter said?

TK: She said Daddy, you ain't got a job. You got a goddamn fiefdom. [laughter]

PM: But you made it work.

TK: Yeah, yeah. There is no, there were and are still there are seventeen pulp and paper mills that drew from the same wood drain area that we drew from with Scott. And I knew all of the guys. They were woodsmen. There was no single guy that was a woodlands manager of any of those mills that had not come up through operations and or procurement. The tree grower, the conventional, you know, friendly forester who with their hat and the Smokey bear sign is just not got the temperament to run massive organizations for some reason. I don't know whether it's because people of contemplative natures elect contemplative jobs like that. It may be. But none of those guys came up through land management. All of those, all seventeen of them, came up through operations.

MC: Through logging itself?

TK: Logging or procurement or sales. I used to tell the sales guys my job is exactly the same as yours. You convince a guy that don't give a shit about Scott Paper Company or any of its works and pomps to buy your toilet paper. I convince a guy that don't give a shit about me or anybody else to sell me his trees. The check flows in the opposite direction. You are responsible for things over which you don't have any control. In a lot of instances you really are because a salesman he can't make a guy buy stuff but if he don't get enough guys to buy stuff they go get another salesman in.

PM: Who actually controlled the wood dealer producer system?

TK: Well, the mills did it. The mills did it and each individual mill did it in his own way and a lot of them are still doing it just like that. A lot of this old fashioned you are the wood dealer, he is the mill, I am the worker, is going on right now, right this minute. International Paper Company appears to be wedded to it.

MC: And they're the biggest player.

TK: And they're the biggest player. I have always said that it was a mistake to think that the competition was stupid except in IP's case. It ain't a mistake. They truly are stupid. [laughter]

MC: [Hyphen?].

TK: They do some of the most unbelievable things. They, I mean now they got a rulebook. My woods accountant had been with IP and they offered to transfer him to Texas, from here at the mill to Texas, and he didn't want to go. We had an opening at that time and he knew somebody in the accounting department so he came over there. And under our system the woods personnel type, the woods system of people, the woods accountant, all reported to the woods manager. And you had to be real careful because you're not in this guy's line function but he went through a period of time when he reported. Like a battalion commander is supposed to write the efficiency report of the battalion chaplain and the battalion surgeon and all in the shit you can do is say makes a material contribution to the physical welfare of the command and for the chaplain it's spiritual welfare of the command. [laughter] That's all you can do see so you got to be real careful. But he was just astonished. He said oh, you can't do that. I said of course we do it. We do it all the time. In IP they've got a rulebook and you go by that rulebook. Well, when Kimberley-Clark took over and Danny had, see I took Danny right out of school. I mean we were the first job he had and he had come up in a climate like that. Go do it and shut up and tell me about it later to all of a sudden switch around.

MC: Not results but procedure.

TK: Yeah, he had a tough time. He had a tough time. The job he took is a better job than the one he had. Those guys came and asked me did I know, would I recommend the guy and I told them to go talk with him if he'll take it. And I talked to Danny and I said you got to understand now this is a family lumber company. And Danny is a better soldier than I am. He doesn't bitch about higher headquarters. I bitch about higher headquarters incessantly. But Danny took him and I know he's doing great. They own three or four hundred thousand acres of land. They got a sawmill, a hardwood plywood mill, a pole treating plant. It's a good job. He's doing great at it.

PM: There's one other thing I just thought about. When we were talking to L. O. Wright he said that there was a group of people like him, like he mentioned your name though I'm not absolutely sure associated with the APA, you know, the kinds of meetings that people met to discuss mechanization and machinery and that sort of thing. Do recall that?

TK: There was at one time. At one time the equipment people were really interested in this because the equipment people said that from the time the young guy in the white coat had the light bulb go off over his head and said Eureka, that from then until they had a piece of iron painted red or green or yellow to sell you was ten years. And they were really interested in was the industry, was the pulp and paper industry at that time going to grow it for twenty-five years and cut it down and grow it again. Or were they going to play pitty pat or were they going to thin or were they going to do other things. And they would periodically, I went up to Timberjack a couple of times and talked to people because we were doing so much and I pointed out to them that as far as I was concerned it was academic whether the pulp and paper industry thinned or not. We had to be quick and mobile and little and use pack artillery because of where we were going to buy the wood. Now I don't know whether that did a bit of good and I don't know whether they paid a bit of attention to anything we said. I went up there and shot their ducks and that was fun. [laughter]

PM: Well, you know, I mean there's a big difference between Canadian equipment and it isn't just the trees. Part of it is that we knock down huge areas at a time.

TK: The Scandinavian equipment is absolutely, man, it is the best but you've got to have a doctorate from MIT to change the oil in the goddamn stuff see. There was a bunch of guys that came through here. Let me see if I got that book. Again that's why I think that it is the function of guys like me or guys like I was to take equipment that is on the shelf and put it together in systems rather than get out and saying I want to build a machine that does this or does that. We're over our head doing stuff like that. It's all kinds of stuff out there you can use.

PM: So a lot of the change, improvisation came from people like you?

TK: Yeah. Those guys came here and I am quoted in that thing in two or three places. They came through here and talked at some length.

PM: Like that?

TK: Yeah, they even printed the word fuck in there that I said. [laughter]

PM: They did?

TK: Yes, they did. It's in there plain too. [laughter]

MC: In Scandinavian.

TK: In Indian.

MC: And Canadian.

PM: So just to be concrete, to take one example, the idea of putting a shearer on front of the skidder.

TK: Yeah, yeah, yeah, yeah.

MC: So that was an equipment idea?

TK: No, that's right, that's right.

PM: Where did you get the idea?

TK: I don't remember. [laughter] It's just seemed like such a helluva good idea. What we were trying to do was come up with something that would work that would let us stay in tree length, bounce around because if you start talking, one of those crews would do about a hundred and twenty cords a week. So if you bought four hundred cords of wood after three weeks he was about ready to move and moving is murderous. I mean it is murderous. And that's why I wanted everything in there on rubber tires. I wanted everything in there that you got three guys, I want three pieces of equipment you can get in and drive. I mean we had these parameters. We were going light and we knew it. And so to go on then saying well hell, just hang two things on the same skidder and then one guy can drive it down to the next job. And then there's no telling what you could do, now see, now there's beginning to be but Christ, I've been retired eleven years and there's beginning to be more and more plantation stuff. Now you start talking about things...