

THREE MEMOIRS ON ST. REGIS PAPER COMPANY HISTORY

Interviews with Eunice Remington  
Wardwell, Louise E. Richter,  
and Harold S. Sutton  
conducted by Elwood R. Maunder  
and John R. Ross

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## INTRODUCTION

For nearly one hundred years the lumber and paper industries, respectively, dominated the north country of New York state. Here pioneers in lumbering and papermaking created fortunes and family dynasties that have continued to the present. The families who learned the essential art of papermaking were an exclusive group within their industry. The privilege of interviewing a member of one of the more prominent papermaking families afforded an exceptional opportunity to get a personal view of both this group and the industry itself. At Sackets Harbor near Watertown, New York in May 1975, Dr. John R. Ross interviewed Mrs. Samuel Wardwell, daughter of C. H. Remington. Remington was a noted papermaker of the area and created a series of mills which eventually became part of St. Regis Paper Company. Her interview provides the opening section of this volume and gives a perceptive view of the conditions through the 1920s.

The 1920s were crucial years for the industry and for St. Regis. The industry had to shift from newsprint production to making other grades of paper, and, as Mrs. Wardwell indicates, many papermakers were unable to make the transition.

Roy K. Ferguson became associated with St. Regis in an official capacity in 1925 and was named president in 1934. He was able to bring St. Regis through the Great Depression and turn his company into a dynamic contender for leadership in the industry. His private secretary, Ms. Louise Richter of Scarsdale, New York, and his associate in the firm of F. L. Carlisle and Company, Mr. Harold S. Sutton of New York City, were witnesses to the events of those difficult years. Their interviews which were made in June 1975, recapture some of the flavor of those days and reveal the qualities that made Roy K. Ferguson a successful executive.

The recollections combined in this volume of oral history provide insights into Twentieth Century men who were important leaders of the American business hierarchy and into the history of the St. Regis Paper Company. Available documentary sources frequently fail to provide such insights and this fact serves to justify the investment of time and money to obtain tape-recorded interviews conducted by professional historians. The three memoirs reproduced here are but the first in a much longer series being made by the Forest History Society under a special grant from the St. Regis Paper Company. Additional volumes in the series are expected to be published in 1976 and 1977. All interviews are being used in the research and writing of a history of the company the form, length and publication of which will be determined later in the Bicentennial year 1976. It is the purpose of this enterprise in American business history to make a contribution to the nation's celebration of its two-hundredth year as a democratic republic.

Mr. James E. Kussmann, St. Regis Vice-President for Public Relations and Public Affairs, was most helpful in arranging interviews and has been frequently consulted by the interviewers in their search of corporate records which were studied nearly a year in preparation for making these and other interviews. We appreciate also the cooperation extended us in this work by Mr. Homer Crawford, Secretary of the company.

The reader should recognize that this is the first product of a research and writing project which will extend for at least three years and that any errors of omission or commission noted in these pages will be corrected as further research is made possible. Under my direction, Dr. Ross spent many months searching company records in New York City and at Watertown and Deferiet, New York. In the course of his research a card file of questions was created for use in the oral history interviews which have subsequently been made and which continue to be made. Transcribing of interviews, audio editing their first typescripts, preparing indexes, arranging for review of transcripts with respondents, collating and final typing each interview, and publishing this resultant hardcover volume was largely done by Forest History Society staff in Santa Cruz, California, with important help of Forest History Society Project Secretary Mrs. Carolyn A. Hernandez in New York.

Elwood R. Maunder  
Executive Director  
Forest History Society

Santa Cruz, California  
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C. R. Remington, above, and C. H. Remington ca. 1909, grandfather and father respectively of Eunice Wardwell.



INTERVIEW I

Eunice Remington Wardwell  
Sackets Harbor, New York  
May 12, 1975

John R. Ross: You were a member of the Remington family, the original family of papermakers, in Watertown, were you not?

Eunice R. Wardwell: Right.

JRR: And your father was Charles H. Remington.

ERW: Right.

JRR: From my research on St. Regis I discovered that he built some mills which he sold to International Paper and then decided to build some more.

ERW: Yes. He and his father together built a mill down in the Glen Park region which they eventually sold to International, my father continued as local manager for several years but hated every minute of it. He had been his own boss too long and so decided to build another mill up in Norfolk.

JRR: So after selling to International Paper he discovered that he didn't like working for somebody else.

ERW: Not at all.

JRR: I see. Who was his father?

ERW: Charles R. Remington.

JRR: I've had some problems keeping them straight. C.R. and C.H.

ERW: C.R.'s father was Illustrious, a beautiful name.

JRR: Illustrious Remington.

- ERW: Yes. And he had three papermaking sons, all of whom functioned around Watertown. Hiram, Alfred D., and C. R.
- JRR: Howard Palmer, a reporter for the Watertown Daily Times, did a series on the paper mills. One of his articles is about the Remington mill.
- Now who was O. E. Martin?
- ERW: Oh, the Martin who was with Remington--Martin in the Norfolk mill?
- JRR: Right.
- ERW: Well, I really don't know very much about him. I knew him, but he lived up in either Norwood or Norfolk, and put money into the mill. Eventually he got out of it since he was not a papermaker. He was interested in the investment angle.
- JRR: Well, how long had the Remington family been in the Watertown area? How long had they been in the paper business here?
- ERW: They were papermakers in Manlius" New York first. And they came here in the very, very early days. Knowlton Brothers has a few years on them as far as time is concerned. We have one more generation in our family. So we're friendly rivals on that score. They have two or three years and we have an extra generation. And let me see, I don't know who came first. Hiram had a mill along the river, A. D. was the real pusher in that generation, and C. R. was the youngest, very much liked and very capable too. But A. D. had the name in that generation. Then in the next generation my father had the push and go. Most unfortunately he died in 1911, when the paper business was at low, low ebb.
- JRR: Is that why the Remington mills all of a sudden found themselves with financial problems?
- ERW: His death?
- JRR: Yes. It seems his death came at a time when the paper industry was really hurting financially.
- ERW: Well, everybody was hurting. St. Regis, Remington, the whole bunch of us were hurting. Then World War I came along and saved everything. But it was too late for us.

JRR: Yes, my research has indicated that the Remington mills prospered until the death of your father, C. H.

ERW: They did:

JRR: And then everything went wrong and even a group of papermakers put together to manage the mills couldn't save them.

ERW: They were not very good papermakers. Grandfather Remington was alive but he died in 1913. He was an old man and not well. My brother was working, but he was a very young man, too young for the responsibility. And the group who went together to try to pull it out were honestly not papermakers, any of them. It was just hard luck on the Remington family, that's all.

JRR: Do you remember some of the members of this group?

ERW: Well, Frank Hugo was very active in it.

JRR: Frank Hugo.

ERW: Yes, and perhaps Stanley Hunting.

JRR: Stanley Hunting. These names are not familiar to me. You're telling me something I don't know.

ERW: Hugo was the most active. He had been in the office for a long time; but as I say, he was not a papermaker. He was not really a very big man. He was a very pleasant man but not a very big man.

JRR: When did Mark Wilder get in this?

ERW: Mark Wilder was always a stockholder and I think he did what he could, lending advice and so forth. I can't remember whether he actually took a turn at running the mills or not.

JRR: Just before he bought them actually.

ERW: And then the Hannas bought them from us? There was so much conversation as to who was going to buy.

JRR: As I understand it, the Pulitzer interests were negotiating for the mill and the stockholders refused to sell. Wilder came in and said, "I'll give you \$1.5 million for the mills."

ERW: I can't remember.

JRR: And the stockholders said okay. They sold to Wilder because he said if he bought them the money and the benefits would accrue to Watertown.

ERW: Well, it's very possible. There was a great deal of bickering. A great deal of hard feeling. I'm glad to say I don't remember very much now. It was a very tough break because we would have been in fine shape had my father lived another year or so. As it was we practically lost our shirts.

JRR: Supposedly S'ears, Roebuck & Company was behind Wilder. They wanted to get the mills and were helping with finances. Do you know whether or not that was the case?

ERW: No, I don't. That doesn't mean anything to me.

JRR: As it turned out the Hanna interests were connected in some way because Wilder promptly sold them the mills.

ERW: I knew the Hannas pretty well--I mean, I knew them after they came to Watertown.

JRR: Were they papermakers?

ERW: I don't know but I think they had had some paper connections. I think they had a newspaper and they therefore knew prices and grades of paper and that kind of thing. But that's not really being a paper-maker.

JRR: No. Not if you've been in the business as long as the Remington and Knowlton families had been in it.

ERW: Of course the Remingtons and Knowltons didn't have Syracuse College to go to. They had to start in working on the beaters, and learning the trade that way.

JRR: They learned it from the ground up.

ERW: Which they all did.

JRR: We've discussed mills up to 1915.

ERW: Yes. My father died in 1911. My grandfather died in 1913, and the sale was probably 1915--along in there somewhere.

JRR: I'd like now to go back to the year 1899 for your recollections of George Sherman and David Anderson, founders of St. Regis Paper Company. Were you acquainted with them?

ERW: Very, very well. Strange thing, the three daughters in the Knowlton, Anderson and Sherman families were probably the three best friends I had in Watertown. I knew all of the families very well indeed.

JRR: Do you remember when they started the St. Regis venture?

ERW: Certainly.

JRR: Would you consider them papermakers?

ERW: Well, not as the Remingtons were. Mr. Sherman lived across the street from us, and his daughter was my very closest friend. She was exactly my age and we were back and forth the whole time. He was a super salesman, really he was not a papermaker. But he was a awfully bright man and a super salesman. Personally I didn't like him as well as I liked some of the others but that hasn't anything to do with it.

Mr. Anderson had come up from New York believing that the future lay in papermaking. He had worked (I don't know what he had done) but he had worked hard and had saved a thousand dollars. So with his Wife and young baby he trekked up to northern New York, maybe you know this story about Mr. Anderson, to get where paper was made. He was in on the ground floor of St. Regis. Just how that happened I don't know. But I have heard many times about his working by day and then going down to Glen Park to watch the Remington mill being built. He became acquainted with my father who knew a lot more about practical papermaking than Mr. Anderson. Mr. Anderson was highly interested in the practical papermaking and while he hadn't been a papermaker he was learning to be. Now David [C. Knowlton] tells me that Mr. Knowlton [George W. Ir.] was brought into the St. Regis venture because he was a practical papermaker. I have a sneaking idea he was brought in to furnish capital.

JRR: I think you're both right.

ERW: They were an old paper family but I don't think Mr. George Knowlton was much of a papermaker himself. Now I could be wrong on that.

- JRR: Well, David tells me they had to find somebody who had a name and a reputation for being a papennaker in order to raise capital.
- ERW: That could easily be. And he had money to put into it. But then of course a good deal of the money invested in St. Regis came from the Taggarts. Did you know that?
- JRR: I understand that's how Shennan got into the paper business. He married the daughter of William Taggart.
- ERW: Right.
- JRR: Of course, I don't know what prompted him to become a papermaker. He also had a bank.
- ERW.: Well, the Taggarts were very successful papermakers. And the Shennan bank was just so-so. And the Taggarts were very professional, very successful papermakers, they were for many, many, many years.
- JRR: Can you straighten me out on the difference between the Taggarts Paper Company and Taggart Brothers?
- ERW: Byron Taggart was a brother of William Taggart, and I think William and Byron were Taggart Brothers Paper Company. But I really don't know.
- JRR: As I understand it, Sherman, and the Taggarts established Taggarts Paper Company apart from Taggart Brothers. And of course, William Taggart helped Sherman and Anderson get the mill at Deferiet started.
- ERW; That all sounds right.
- JRR: What about William Taggart and B. B. Taggart, Sr.? Would you consider them papennakers?
- ERW: Oh, I think so. I think so. Of course, they're my grandfather's generation. I never knew B. B. Taggart. I knew Flo Adams's father B. B. Taggart pretty well, but I never knew his father.
- JRR: You didn't know B. B. Sr., then?
- ERW: No. I don't know that I ever saw him. William Taggart I did know pretty well because he lived at the George Sherman house in the

late years of his life, and he used to play cards and chess and checkers with us little girls.

JRR: Well, did these people get along well together?

ERW: Oh, I think they got on surprisingly well. I wouldn't say that they always saw eye to eye, but I think there was a strong family loyalty. My father and Mr. Sherman did not like each other one tiny bit, but I think they thoroughly respected each other. When my father died, the Shermans immediately came over offering any help they could give us and I think there was general respect all along the line with all these people. You don't have to always be congenial with a person to respect him.

JRR: No. Did you know a man named A. C. Pagenstecher?

ERW: I knew his son, Rudy.

JRR: Well, I think it was A. C. He helped George Knowlton sell St. Regis bonds in 1900 or 1901 when they were in a bind for money. And while I know a little about him I can't really pin him down. I know he had been in the paper business for a long time with International Paper and how and why he got involved with St. Regis, I'm not sure.

ERW: They used to come up here. The paper industry wasn't very big and everybody knew everybody else. Rudy used to come up here. and sell our paper for us. We were very good personal friends. Rudy and my father both played cello and when my father went on business trips and he was going to see Rudy he took his cello along, and they would work and then they'd have a pleasant evening together. I don't remember father Pagenstecher; I'd always heard about the man but I don't ever remember seeing him. I know they were paper brokers. I think it is also said that they were the first people to make paper with the wood pulp process. It's also claimed that A. D. Remington was.

JRR: Pagenstecher brought over the Voelter process for grinding wood pulp.

ERW: Well, A. D. Went to Europe and came back fired with this interest. And that's the detail I know.

JRR: (A. D. began to manufacture paper from wood pulp and sulphite pulp in 1884-85 after learning in Europe of the sulphite pulping process.)

Well, speaking of selling paper, the companies usually had somebody sell it for them, didn't they?

ERW: Yes.

JRR: Do you remember any names of these selling agencies?

ERW: Oh there was a man I remember very well but I can't remember what his name was. I don't know that; it was all sold through an agent. In fact I'm sure George Sherman sold a lot of their paper.

JRR: He tried, but I think he finally gave up and just hired selling agencies to do it because it was expensive, having salesmen and keeping an office. They even went up to New York and opened an office.

ERW: Yes, I remember that.

JRR: And kept it open a year and closed it down. I think they turned selling over to the H. G. Craig & Company.

ERW: Yes, there was an H. G. Craig, I remember that. And there was a man named Tom Waller, does that ring a bell?

JRR: No.

ERW: He was related to Mr. Anderson and worked for Craig Company. I think he came here to Watertown. This is very, very vague. But I think he came here to Watertown to work here in the mills somehow or other. And I don't think he did very well. He was a darned nice man. Everybody liked him. But I don't think he was a papermaker, and I think he was with Craig & Company and did very well later on.

JRR: Do you remember log drives on the Black River?

ERW: Certainly. I say I do--I remember stories. My father was a very interesting person because he did everything. He not only was a papermaker but he drove logs, and if one went to buy wood one went to the lumber camp and stayed a while and watched the operation to see if it was any good or not. So he did all these things. Now I don't think any of the St. Regis people did. I think they always sent somebody on these rather dirty jobs because they were a different type of people, a different type of man.

)RR: They were mainly managers and financiers.

ERW: Yes. There's an old, old picture that one of the boys had of a mill in Brownville or one of the **C. R.** mills. And there is my grand-father standing out in front with the derby on his head and a beard and there is my father standing with all of the men looking just as tough as the rest of them.

)RR: What about the Goulds?

ERW: Oh yes, George H. P. Gould.

)RR: They were men who got their hands dirty.

ERW: I'll say they did.

)RR: The story I get is that they worked with the mill workers.

ERW: Oh absolutely. And the way that the sons and grandsons grew up they were sent out in the mill and they became lumberjacks first of all and strangely enough, the way life works out, a grandson of GHP's became a very, very close friend of my son in college. They had the same language for background. Except that GHP had a vocabulary we didn't have. He was very good on his vocabulary.

)RR: I understand that he was described as having the bark of a lumberman or something like that.

ERW: He was very tough. Another one was Buffalo Bill Herring.

)RR: I've heard of William P. How did he get the name Buffalo?

ERW: I don't know. But he was Buffalo Bill.

)RR: Well, he was apparently a tough customer too.

ERW: Very tough. His word was law, period. A darned good person. Tough as they grew.

)RR: I don't know too much about him except that Regis bought some mills from him in 1912. When his son died, he apparently gave up. Is that the story?

ERW: Yes, I think so.

JRR: He became discouraged.

ERW: I think so. He had only the one son. He had one son and one daughter. And the daughter's husband--I never knew much about him--definitely was not a successor to Buffalo Bill. And actually 'the son wasn't either, although I think Mr. Herring hoped that he would be. That all makes sense.

JRR: Sure. What I've read says that the son encouraged W. P. to go into paper making. Buffalo Bill (and this may be where he got his name) was ranching in the West; he was in the cattle business. His son asked him to come back and investigate the paper business, and he came back, liked what he saw, and decided to put up a series of mills. He started but his son died and he quit.

Well, speaking of characters, did you ever know T. B. Basslin?

ERW: Yes.

JRR: He apparently was a character too.

ERW: Couldn't have been nicer to me. My husband was also in the paper business and worked in Carthage always. And when we were married we went to Florida on our wedding trip and we went to Daytona and there was Mr. Basslin, spending the winter at Daytona. I don't know whether we were told to look him up or he heard we were coming, I have no idea of where the connection was, but he was delighted. Here were a bride and groom and he would show us the sights of Daytona. He had a car and a chauffeur, and a nurse whom he kept busy all the time. We had a great time. I'd always heard about him but I didn't know him until then. I have very happy memories of that gentleman. I always knew he was tough as they grew but he couldn't have been nicer to me.

JRR: I heard a story--heard one of the men who worked for him was repairing a roof on a building at his mill, and somehow, either in fun or in anger, the worker tossed him off the building and then assumed that he was fired. But Basslin said, "No, you're not, anybody with that kind of spirit can stay here."

ERW: Sounds just like him.

JRR: I think his mill burned a couple of times and the last time he called it quits.

- ERW: Yes. You probably read that book on mills and the Black River and that goes into great details of his kingdom up there which was finally done away with. I have a picture of him somewhere taken way back there in 1913 .
- JRR: To get back to the log driving, how long did they continue?
- ERW: I don't know. I can't tell you that. I was pretty young. We moved out of a modest brick house when I was twelve and moved into the so-called mansion that A. D. had built. I would say that the logging and the lumber camping part of our lives was well over before I was twelve. In fact, I would say perhaps by the time I was ten. I was born in 1888; that would make it '95 or '98, somewhere in there.
- JRR: That part was over.
- ERW: I think so. And as I say, I remember being taken to see logs, too, but it's a very vague memory and didn't mean an awful lot to me.
- JRR: My understanding is that by 1900 any mills that survived had to pretty much have their own supply of timber. Was the wood supply gone that early?
- ERW:q Well, until Taft was president, wood came in from Canada pretty well and I know the Norfolk mills had a railroad up there. Logs were shipped from Canada by water and taken by our own railroad to the mills.
- JRR: Was the railroad built specifically for that purpose?
- ERW: Oh, absolutely.
- JRR: To supply the mills?
- ERW: I went to a talk on railroading a little while ago and that was cited as a small line railroad that is still successful and running well. And I thought about all the stories I could tell you about that. Right from riding on the cowcatcher on.
- JRR: You actually rode on the cowcatcher?
- ERW: I didn't, but my brother and sister did. It was a favorite sport for them. It went right past our house. The mill was here and the company house, which was just a very small frame house, was here and the railroad went right by. We thought it was great.

JRR: Did you live in Watertown?

ERW: Yes. My father always went up to the mill on Monday or Tuesday and came back Friday or Saturday. He had a housekeeper and lived up there. He said he could go to sleep at night and if it was quiet, he knew something was wrong so he'd get up and go and see the mill.

JRR: Did you ride on the railroad?

ERW: Oh sure.

JRR: Apparently the railroad carried passengers as well as wood.

ERW: Oh yes, passengers from Norwood to Norfolk and on to Waddington. It had one car as I remember, one passenger car pretty battered, and people rode on it.

JRR: They brought the wood from Canada by ship and transferred it at Waddington, I assume.

ERW: I think so. I know Waddington was the terminal.

JRR: When St. Regis bought the mills they also bought that railroad, and used it to help get wood from its lands in Canada.

ERW: Oh, it was a good way to do it.

JRR: Now let's go back a bit to Sherman and to all the papermakers in the Black River Valley. Do you remember anything about the strike that occurred in 1915? I think it started in April of 1915 and went until late 1916?

ERW: Was there one a few years earlier or was that the strike?

JRR: Well, this was a big strike that hit the whole Black River Valley. There were other strikes earlier and there were labor problems but I think this was the big one.

ERW: I remember one strike and it's probably the one but I can't be sure about it. Oh, now I'm not so sure. I remember an earlier one. I remember there was one that hit the mills in Carthage where my husband was, and that must have been about 1915.

JRR: Well, that would have been the big one.

- ERW: I just remember that it was pretty bad, and that he drove back and forth with a large club sitting in the car in case of need and never had a particle of trouble. And I remember when the men came back to the mill because one of the men came to him and said, "I want a job," and my husband said, "But you're out on strike." "Mr. Sam, the union be damned. I want to come back." I know that was one that lasted a long time. Also my husband landed in jail in Maine that strike because he went up looking for laborers and didn't know that there was a state law that you had to advertise that there was a strike on. He put an advertisement in the paper and the labor unions discovered it. And to his great surprise he was clapped into jail for something like four or five hours'. He said it was not a pleasant experience.
- JRR: You mean he advertised in the paper for laborers.
- ERW: I think so. There was an earlier strike about 1909 when the Norfolk mill was pretty new. When that mill opened, showers were put in for the men and they were on three tour system, and at that time the burning question was to get everybody on the three tour system. So the organizers came up and since they were striking hither and yon they decided to strike at our mill. They'd been told to strike, but couldn't find anything the matter up there because we were on three tour and we had conditions which were extremely good for the time. But we furnished towels for our men when they took showers and since they were not washed by a union laundry, they struck. That is a very true story.
- JRR: International Paper at this time apparently had signed a contract with the union, and so had Taggart's Paper Company, Taggart Brothers, and Knowlton Brothers. They didn't have any problems during the big strike. But most of the other mills did as your husband did, and hired strikebreakers.
- ERW: I don't remember when it ended.
- JRR: It ended for St. Regis in March 1917 when they signed a contract with the union. It had been Gould who wouldn't give in. He refused to make the plant at Deferiet a union shop. It was an exciting time with violence on both sides.
- ERW: Well, there certainly was fear of it, that, I can remember.
- JRR: There was a lot of gunplay, as they say, and there was some property damage as well as physical violence but I don't remember anyone being seriously hurt.

ERW: I know that the wife of Ed Sterling, president of the Carthage mill, died during the strike, and beautiful flowers arrived with a card from the former employees of the mill. Excellent feeling existed between the employees and the employers.

JRR: That's why I brought that up. Because time and time again you find that people like Sherman were really well respected by the men who worked for him. I assume it was true also for St. Regis, as long as Sherman was in there.

ERW: Well, Mrs. Sherman took a very active part. And she was really loved by the people. She was a very wonderful woman far better liked than he was. I don't know how the employees felt.

JRR: Sherman instituted a profit sharing plan for his employees in 1914.

ERW: Yes, I remember.

JRR: He also instituted John Fitch's Industrial System in 1920 to encourage production through profit sharing.

Well, let me ask you about a situation that's something of a mystery and will probably remain such. Do you know why the board of directors of St. Regis virtually kicked Sherman out of the company?

ERW: I think he was probably very hard to get along with.

JRR: I gathered that he could be.

ERW: I don't know. It always amused me looking on from the outside. I don't know anything about this. This is just plain impression. But the Shermans and the Andersons were society people. They liked parties, liked to dress up and do the right thing, and all that kind of thing. Yachts were stylish on the St. Lawrence so they had a yacht together and they took turns using it, and Mrs. Sherman and Mrs. Anderson always got on very well I think. But I don't think that they were awfully congenial. They were different types of women. That's all. And I don't know, their friendship could have been more or less based on expediency and style and that sort of thing.

Now after my father died, and of course we were in bad shape for money, and then I married and came down here Summers and never have I known people lovelier to anybody than the Andersons were to me. And they were on the other side of the camp as far as business was concerned but a very likeable couple with a lot

of the milk of human kindness in their systems. And Mrs. Sherman, I never would put anybody above Mrs. Shennan. Mr. Sherman I admired, I respected him, just as I think my father did. I didn't like him especially.

JRR: Sherman and Anderson apparently got along well, or gave that impression at least. Then in September 1914, Anderson sold his stock in the company to Gordon Gould, and in the next meeting they kicked Shennan out, saying that he was doing things detrimental to the company.

ERW: Well, I remember there was a lot of trauma in the family but I didn't know what it was all about.

JRR: The press reported that Sherman was advocating a new policy on running a paper mill which involved slowing the machines to save sulphite. That may be, but I'm not convinced that that's all there was to it.

ERW: I wouldn't know anything about that. I wasn't getting much paper mill gossip at that time.

JRR: Newspapers were not getting a lot either. Let me go back just a bit more now. In 1908 George Knowlton resigned from St. Regis saying he had stayed with the Company until his investment was protected. I remember your saying that he was not much of a paper-maker. Well, when he resigned he said that he had been ignored while serving as president of the company.

ERW: There was ill feeling there. That I remember distinctly. I wouldn't know why or what, but I know there was ill feeling.

JRR: He said decisions were made without his being aware of them.

ERW: I don't doubt it. It sounds very logical.

JRR: I gathered that he didn't spend a lot of time in terms of managing the company anyway.

ERW: I don't think he did.

JRR: It was left to Sherman and Anderson. They probably went ahead without consulting him.

ERW: Oh, I don't question that a bit. I think it's almost certainly so. I don't know how capable George Knowlton was as a matter of fact.

JRR: All I know is that he was well known.

ERW: He was very well known in the industry. They had been in the business for a very long time. I know a nephew, who has since died, who considered Mr. John Knowlton vastly brighter-and vastly more capable than Mr. George. But that's what the nephew thought-- how do I know? I don't. And then Knowlton Brothers fell on pretty difficult times too and then finally Dave's father came along and he was the man who really saved their necks I think.

JRR: This was Theodore?

ERW: Theodore.

JRR: Well, Theodore apparently pulled St. Regis out of the fire too in those early days when they were building the canal. He finished it for them.

ERW: Theodore was an engineer and he was bright. But I don't know any details.

JRR: He helped finish that canal. Apparently it was a very complicated engineering problem and he was able to finish it. Three companies went bust trying to build it. And he was working for the last company that failed and when they failed Sherman and Anderson asked him to finish it and to direct the work. And they got local talent-- equipment and machinery to do it. As a matter of fact they got horses and mules from Basslin to finish it.

ERW: Kind of like a jigsaw puzzle.

JRR: It is.

ERW: I'm awfully glad I lived and knew all these people.

JRR: They may have been ordinary people, but. . .

ERW: Oh, they were interesting people.

JRR: From this distance they look like giants, some of them.

ERW: Well, I think they were--they weren't robber barons but they had a lot of stuff in them, a lot of stuff.

JRR: I'm sure they did. I want to check your impression of something with my own about why the newsprint industry was moving to Canada.

ERW: Wood.

JRR: Yes, wood. But the paper industry because of World War I was flourishing and profitable.

ERW: Yes. The paper business flourished. Qh, I can remember the conversations--if only we had 2-cent paper. (We had L 85-cent paper.) If we had 2-cent paper we would be all right; our worries would be over. Along came World War I and I think it 'shot to four cents almost overnight. I don't know where it went after that but--well, I was busy with a lot of babies by that time and I did not have my father coming home and telling all these stories.

JRR: What do you mean by 2-cent paper?

ERW: Two cents a pound.

JRR: Two cents a pound, two dollars a hundred.

ERW: For newsprint.

JRR: I don't recall the price.

ERW: Anyway the newsprint industry went to Canada, but not all at once.

JRR: It was a gradual process.

ERW: The Great Depression came in 1929 and by 1927 the paper people were having a darned hard time, a very hard time. And I remember this very vividly because this bothered us terribly and I remember people said the Wardwells have plenty of money; they're just worrying about living on a budget and so forth. These were people who were not in the paper business. They didn't know what the paper business was doing. Pretty soon they knew all too well what was happening in the world's business. But that's quite a long way from 1917 to 1927. Newsprint had gone and various mills had adjusted, and of course Knowlton Brothers' skin was saved because they were such a very small mill.

- JRR: The Taggarts had been in the bag production business for a long time.
- ERW: Yes.
- JRR: So they didn't have any problems.
- ERW: No, they didn't for a long time, and then things got so bad of course they landed in trouble. But they were in bags, yes.
- JRR: Well, the Taggart Brothers under B. B. Taggart, Jr. did well in the twenties apparently because he incorporated a new company, and then late in the twenties St. Regis formed a company, Taggart Corporation, a holding company" to take over Taggart Brothers and B. B. build a mill up in Oswego--the Taggart Oswego Bag Company. Now I'm wondering how or why Taggart sold out. How did he lose control of these mills. Why would he have been interested in affiliating with St. Regis?
- ERW: I wouldn't know. I just plain wouldn't know.
- JRR: I can't find any reason for it except that he got along well with Floyd Carlisle.
- ERW: Floyd Carlisle was a very, very sharp operator. He is, I think, probably the one robber baron northern New York has ever produced.
- JRR: He was quite a fellow.
- ERW; Well, he was an industrialist. He was not a papermaker, he was an industrialist, plain, pure, and simple. And he was darned bright. Give him credit for that; he was, darned bright, and he was very likable personally, if you didn't have too much to do with him. But I don't think that man had a grain of conscience in his system. I think it was--get the money if you can get it; that's what I call a robber baron.
- JRR: He bought St. Regis from Gould late in 1916. Gould said Carlisle bought it to make money. It was a good time for the paper business and Carlisle and a group bought the company to make money. Gould said he sold the company to Carlisle and his group because, "They're our kind. They are Watertown people. And if we sell it to someone else it won't be good for Watertown. "

ERW: I think our friend Floyd squeezed people to the nth degree and I wouldn't at all be surprised if the Taggarts were being squeezed. Now I don't know this. I just plain don't know.

JRR: Well, somebody may know it but I haven't heard anyone spell it out. The reason I'm interested in that is because in 1929 or 1930 St. Regis bought the Bates Valve Bag Company, which had plants and business in this country, in Canada, and in other foreign countries. I was just trying to figure out how St. Regis knew about this company. It had to come through B. B. Taggart because B. B. knew Bates and Bates and Taggart had some patents together. They even started a company. But so far I have yet to find anything or anybody who really puts it together for me.

ERW: This is B. **B.**, *lr.*

JRR: Yes.

ERW: Well, you know he was an alcoholic.

JRR: No, I didn't know that.

ERW: I don't know whether he was actually an alcoholic but he certainly got on most horrible, horrible drunks and would be lost for good periods of time. He was smart; he was a very smart man and a very likable man, and he was a very good father strangely enough. The children were devoted to him. But he would get so roaring drunk and he would get into such troubles when he did. Now that could all enter this picture.

JRR: Yes.

ERW: I don't know it.

JRR: In the late twenties he more or less drops out of the picture. He's not involved in anything.

ERW: Well, ~~he~~ wasn't any good toward the end of his life.

JRR: He eventually comes back in as a director or something in the St. Regis organization. Apparently he was not very active.

ERW: Well, that's your trouble.

JRR: **It's** tragic actually.

ERW: It's always tragic and when the person is nice potentially it's more tragic.

JRR: Speaking of Carlisle, his interests were more in power than in paper. He developed quite a system of holding companies, beginning with the Northern New York Utilities Company which he bought from John B. Taylor. Do you remember anything about Taylor?

ERW: Oh yes. Indeed. I don't know anything about the business end of Northern New York Utilities. I knew him and I know lots of stories about him. He was a bright man and a very capable man.

JRR: Why do you suppose he sold his company?

ERW: He could have gotten tired of it again. He married a very wealthy woman, and I think it was her money that got the thing started. Of course they separated eventually, he remarried, and he never lived here very much after that. Oh yes he did too. He lived here quite a while. But I suspected he really was not terribly interested, and he perhaps got a good price for what he sold. I don't think he was ever hurting financially. He came from nothing--I don't think he had a cent of money, and he and his brother, two very bright, handsome and likable young men, married cousins. Maybe they were second cousins. Both wives had a lot of money, and both men were bright and they were not lazy. And a great many good things can be said about that Taylor family. Some of them aren't so good but a great many good things can be said.

JRR: Today I was reading an article on Taylor, actually an obituary, and it went on to say that he was generous with his time and money, gave a lot of charities that no one ever heard about.

ERW: Absolutely true.

JRR: I'm just curious as to why he sold his utility company which he had worked so hard to put together. It was doing well. In any case, it seems the papermakers were interested in it because they were using the electric power to convert their plants from hydraulic to electric power.

ERW: Oh my, yes. I remember that.

JRR: By using electric power the mills were able to diversify production.

- ERW: All winter long we worried about ice shutting down the mill and all summer we worried because we didn't have enough rain. And electric power was a beautiful thing.
- JRR: Didn't you have to supplement that hydro power with steam power, especially in the summer when the river level dropped?
- ERW: Yes.
- JRR: Something I read tells me that Taylor didn't retire from the power business when he sold out to Carlisle; he continued active in helping Carlisle. Do you know anything about that? I think he sold it in 1920.
- ERW: No, but I think they were very friendly. One thing that you do when you're old as I am unfortunately, you get your generations mixed up. You remember people all right but you get your generations mixed up. J. B. Taylor's son, Fred, married Floyd Carlisle's niece and she died when one of her babies was born. And grandmother Carlisle and grandmother Taylor had a great deal to do with bringing up those children. There was good friendship; there was good feeling between those families. Now that doesn't tell you a thing about the business but there was good feeling between the families, no question about that.
- JRR: It tells how the two might have gotten together.
- ERW: And of course there was a group in the Northern New York Trust Company. My family were in the other bank, the National Bank.
- JRR: Sherman was a trustee.
- ERW: It had been his bank. Well, then he went over to the other.
- JRR: The Taggarts were in it I think.
- ERW: I do too. And D. C. Middleton very decidedly. Well, anyway, they all worked together. There was good feeling all around. And of course Floyd Carlisle was the bright boy. Whether we like him or whether we don't he was darn bright. Darn bright. He had all these schemes and he had the push and the nerve to carry them out. I liked his Wife, very, very much. I didn't happen to care about him. But I certainly would hand it to him for being a very brilliant man.

jRR: Based on what I read about him, the plans that he made, and the plans that he carried out he was undoubtedly bright. Of course, he didn't do anything that somebody else hadn't started. Taylor had already gotten the utilities company started, so you can't say it was his. He didn't come up with the idea by himself.

ERW: No, he didn't know how to run it himself but he knew how to put things together and make money.

jRR: Fred Rogers told me that Carlisle knew how to pick men who could accomplish things. If a man was a success in one venture, Carlisle thought he would be a success at anything he tried. That's how he selected his associates.

ERW: Well, H. Edmund Machold comes in this picture somewhere too, and although I never knew him from what I know he was again a very capable, decent and nice sort of a man.

jRR: He helped run the power interest.

ERW: Maligned by the newspapers because he was one of those wicked power people. But I always thought he was a pretty nice person.

jRR: I'm not sure that he should have been maligned.

ERW: The local paper was "agin" him. I don't know why.

jRR: They were "agin" him all right. Their editorials make that obvious. They were against Carlisle too.

That brings up something else I want to ask you about. The paper business and the power business were both based on water and timber.

ERW: On water and what?

jRR: Timber. Trees. And beginning back about 1912 J. B. Taylor started a reforestation program because he thought it was essential to have trees on the watershed of the riverbanks so it would keep the water flow even, year-round. So he started this program and hired a forester to supervise reforestation and tree clearing for the power lines. Do you remember anything about that?

- ERW: No. I go way, way back. I think my father was the first reforester anywhere around these parts and I was again very little, but he was worried about the depletion of wood and he ordered a whole shipload of young trees from Germany.
- JRR: Oh, I didn't know that. That's good to know.
- ERW: But they all died.
- JRR: Oh, they died.
- ERW: But he made the effort, he tried. He saw it. He saw it and the trouble is he didn't know enough. It sounds awfully easy to plant a tree.
- JRR: Well, it is easy to plant a tree.
- ERW: Yes, but it's not always easy to make them grow.
- JRR: You not only need the right variety of tree, you've got to know what kind of soil you're sticking it in.
- ERW: Yes and the right time of year and the depth--a lot of things. Anyway, we bought a shipload of trees and tried and it didn't work. And I often heard that talked about. But as far as reforesting--well, that does not surprise me. I must have heard about it. Because it sounds perfectly normal as if it would have happened.
- JRR: All of them were interested. You mentioned your father. I know Sherman was interested way back. But it wasn't profitable for him so he didn't do much with it. But as soon as the state established nurseries, they could buy trees for two dollars a thousand.
- ERW: Oh, yes, the trees themselves cost very, very little.
- JRR: And then you had to transplant them.
- ERW: Yes. I can't bear it when I hear that you mustn't use a paper towel because it cuts down a tree because the papermakers have tried very hard to preserve wood.
- JRR: More than anybody, because it's in their self-interest.
- ERW: Yes, and they were aware of it sooner.

JRR: Well, the other side of that problem has to do with reservoirs--the Still Water Reservoir?

ERW: I know nothing much about it. Of course, I know it exists. And I know there's been lots of controversy about it. But I have had no connection with that and I can't tell you anything about it--I knew all about mills. As a girl I could talk learnedly on the subject of paper mills (didn't know a thing but I knew what the machines looked like and thought I knew a lot).

JRR: Part of the St. Regis investment was in paper in the twenties but most of their money came from the power.

ERW: Of course power--I do remember hearing people say the real money is in power and that kind of thing.

JRR: And all the papermakers were interested. The ones who helped Carlisle buy Northern New York Utilities. J. P. Lewis, the Warren-Parchment Company, the Harmon Paper Company, and the Hanna mills were in there, were they not?

ERW: Of course, the J. P. Lewis family, we had good interaction with them too but that hasn't anything to do with your St. Regis.

JRR: After 1929, the power investments became almost worthless and St. Regis had to sell most of them.

ERW: St. Regis had a bad time in there for awhile.

JRR: Yes, I think so. Can you tell me anything about that?

ERW: No. I really don't know very much.

JRR: So you can't remember too many things about the paper industry in Watertown in the twenties.

ERW: No, I can't.

JRR: By that time I don't think there was much newsprint production there and I think they began to close down mills that were not economical.

ERW: Yes.

JRR: After 1929 St. Regis became a papermaking; venture. They sold everything else. Do you remember meeting or seeing Roy Ferguson?

ERW: Oh yes, I knew him. I felt very badly when he died, as a matter of fact.

JRR: He didn't start out as a papermaker but apparently he became a very good manager of a paper company.

ERW: Yes. He lived very near us, on Ten Eyck Street. He and his wife and children. And I didn't know them awfully well but when his daughter came back a few years ago she called me and said her father had said to get in touch with Aunt Eunie. So I knew her fairly well.

JRR: She married James E. Kussmann.

ERW: Yes. Roy Ferguson was a very nice man. Had a very, very nice wife.

JRR: Well, he came here in 1917, I believe. Carlisle brought him here. Do you remember anything about his work here? What he did?

ERW: No, I don't. Of course, he was with St. Regis and people liked him. That's just about what I know.

JRR: One thing that's universal--everybody I've talked to about him has had a good impression of him.

ERW: A very pleasant memory.

JRR: Yes. Apparently he ran the paper company and Carlisle and some others ran the power business. But I need to pin that down some more.

ERW: Well, I just knew that he was here with St. Regis. I knew him as a neighbor.

JRR: I'm interested in the kind of man he was.

ERW: Well, I don't remember parties. I don't remember anything of that kind at all. I just remembered that he was awfully nice. Now I had six children and they're very close in age, and of course the paper business fell apart. We were in a very comfortable state of

affairs and then the paper business as far as we were concerned fell apart in '27 and so from that point on, I was so busy washing, ironing, cooking, and scrubbing.

jRR: What happened in 1927?

ERW: Well, mills began losing money and my husband had become involved in the mill up in Gouverneur and that went wrong. Anyhow we just lost everything and the mill was sold. And so money was very bad for us. You certainly didn't come back much after '27. Things got worse all over the country. So you did not come back. The Fergusons were here when?

jRR: I think they came here in 1917 first. They moved to Watertown.

ERW: '17. And well, there was ten years; in there. I certainly knew them quite well as just friendly people on the street. But I really can't tell you very much beyond that. I think I was so tied down with little children that I didn't get out much to parties and I'd gotten more and more tied down.

jRR: Well, with six I guess so.

ERW: But that didn't mean that you didn't walk up and down the street with your baby carriage, and become very friendly. Mrs. Mark Hanna was one of my best friends for a long time because she was pushing baby carriages. We were having very good times together. She lived on the same street.

jRR: And what's the name of this street?

ERW: Ten Eyck. But you get memories like that. You know people are nice and you like them. But you really don't remember details very much.

jRR: I guess from this distance impressions are all we can do. I'd be curious to know what happened in 1927.

ERW: I think that what happened in our particular case was of course the news had all gone so long ahead, we weren't doing very well with other kinds of paper. We were news people and we were not doing very well with other kinds of paper and in our case, this Oswegatchie Paper Company was starting in Gouverneur, and my husband supposedly was head of it and he was sick three-fourths of the time.

And it just went completely flooey. And we lost it, that's all. But business wasn't very good. It just plain wasn't very good. We were not profiting by the great stock market boom.

JRR: Well it was reaching its peak along about then.

ERW: I can't remember whether any other people were having difficulty at that time or not. I know a lot of people weren't, because they couldn't understand why we were. But I think things were kind of slowing by that time.

JRR: St. Regis, for example, was not producing newsprint. It was producing other things--catalogue paper.

ERW: Yes.

JRR: Directory paper.

ERW: Well, yes, that was your only hope--these cheap magazine papers. And I know we had a contract at one time for subway transfers, that kind of stuff. And Sears, Roebuck catalogue was another thing that was a prized contract if you could get it.

JRR: St. Regis had one, I think. They bought the Diana Paper Company in Harrisville and turned it into the Harrisville Paper Company. Well, that company had had a Sears contract which they lost. But I think St. Regis bought it in order to get that contract. And they did. They got one from Montgomery Ward, just a bit earlier.

ERW: Well, those were prizes.

JRR: Did you know Mark Wilder by the way?

ERW: Yes. I didn't know him well but I knew him. I knew his daughter pretty well.

JRR: He founded Diana Paper Company.

ERW: Yes, I think he did. He was on my father's board of directors and I knew all the Wilder family but I didn't know them awfully well.

JRR: Do you remember anything about Mark?

ERW: Nothing special. I know my father liked him. He also liked Stan Huntington very much and the two of them associated together because

they were there at the same time. Where did they come from? They didn't come from here originally. They came from Carthage or Harrisville, or somewhere. They weren't far away but they hadn't grown up here. They were foreigners.

JRR: Would you say there was that kind of feeling in Watertown?

ERW: No, I really don't think there was that kind of feeling but if you have always known people--if you've never known life without them, you never thought--the doors were all unlocked and you walked in. It's a lovely story that I have of the Shermans--the Shermans had the first shower bath. It was very exciting. People were lucky to have bathtubs when I was very little, but they had the first shower. I remember it distinctly. That kind of thing only happens in a small town where you've known grandfathers and grandmothers and fathers and children.

JRR: A comparable situation would have been being the first family to have a television set in the community.

ERW: Yes. Same idea but showers were more exciting. Water splashing ~~hither~~ and yon.

JRR: I want to check this impression too. I think some of the paper mills survived because, as I said, they had timber and they also got into other lines of work rather than newsprint. Some small mills survived without wood because they specialized or were very innovative, like Knowlton Brothers. But most of them were gone by 1946 because the wood was gone.

ERW: Oh yes. That of course was based on natural resources and it was gone.

JRR: When you were growing up around here was this open farmland like it is now?

ERW: Yes. Of course I grew up in Watertown but this is just like it was there. This house is 150 years old.

JRR: Well, where was the timber coming from? The Adirondacks?

ERW: You mean for the paper mills?

JRR: Yes, in Watertown. In other words this open farmland has been here for 150 years.

- ERW: Yes. We bought our wood when I was little and it came from the Adirondacks, and I really can't tell you where, but I know that my father went to the lumber camps and stayed; stayed to see that it was coming out and that it was what he wanted and all that kind of thing. And then it came from Canada. And of course the Goulds had their own and that's what I know.
- JRR: Did your father own timberland in Canada-or just buy the wood from Canada?
- ERW: I think he bought it. West End Paper Company, Carthage, owned timberland up there. Incidentally have you ever seen a virgin forest?
- JRR: I've seen a virgin forest but not here. The small one I've seen is down south and it was mainly hemlock.
- ERW: Well, I went way up in Canada on a trip to look at pulpwood (this is 55 years ago). I don't know that you want to waste tape on this but when I hear about not cutting down trees I think it's the greatest thing in the world to cut it down. I never saw such dreary country in all my life, black with spruce; that's what they wanted: Nothing growing until you got way up to the top and the trees packed tight in, and then the sun couldn't get through so the ground was always soggy. I had a very interesting week up there. It's lots of fun to talk about it. Boy, I wouldn't live there.
- JRR: Thoreau said the same thing. He loved wilderness but he wouldn't live there.
- ERW: It 's'nowed in September and rained every day. We were on a canoe trip.
- JRR: The papermakers and the foresters wanted to plant trees and cut trees and apparently certain groups in the state wanted to save them, Like the Adirondack Preserve. That was a battle that was going on back then.
- ERW: Yes.
- JRR: Maybe it still is, I don't know.
- ERW: The conservationists are certainly very unrealistic sometimes.
- JRR: Well, you've answered a lot of questions for me and you've given me some insight into things and companies and people.

ERW: As I say I'm glad I grew up in that age.

JRR: My story right now is up to about the mid-thirties and there are other questions I'd ask you, but I don't know the questions yet.

ERW: I doubt that I could help you much from that point anyway.

INTERVIEW WITH

Harold S. Sutton  
New York, New York  
June 6, 1975

Elwood R. Maunders: Perhaps we could begin by tracking your own personal history a little bit. Where did you come from originally? What was your home base?

Harold S. Sutton: My home base was northern New York. I was in World War I, and on my way home from World War I, I stopped in Watertown, New York and got a job at the Northern New York Trust Company. Mr. Carlisle was president of the company, and Roy Ferguson had just been there a year and had set up a bond department. He wanted to expand the scope of that bond department. The point was that the bank had acquired a lot of long-term securities which were not a proper holding for the bank. Mr. Carlisle realized it. Then the problem was to divest the bank of those holdings and get the money put into repeating short-term loans, as is a bank's proper function. So that was my job: to go out and try to sell those securities.

All the time Mr. Carlisle was saying, "Well, someday we are going to enlarge this operation. We are probably going to New York." He at that time was president of the St. Regis Paper Company as well as being president of the bank; he was very powerful. This bond department in the Northern New York Trust Company was a relatively new thing in banks in those days. I think there was one in Syracuse and maybe one in Utica and several in New York City. But as you have probably gathered from the reports you have had so far, he was a remarkable man. He was just a world-beater. People liked him as far as I'm concerned. He was always thinking ahead to what could be done and how this thing could be expanded. He realized right off the bat that the paper companies with the water power they had, you see, were not utilizing that water power efficiently, so he dreamed up this idea of the Power Corporation of New York which you've heard about no doubt. Then the thing was

to finance that. He said, "Who's better at financing it than we are? So let's organize a company." He was fortunate in having people in Watertown with considerable means, who overnight put up half a million dollars for him to start F.L. Carlisle Company.

ERM: Who were some of these people?

HSS: There was C. C. Burns and there was Frank A. Empsall. The thing was that he was surrounded by a group of men who were pretty affluent for those-days--D. M. Anderson, B. B. Taggart.

ERM: Some of those men had made their fortunes in paper already, hadn't they?

HSS: Notably Anderson and Taggart. George Sherman was here and I don't recall exactly, but I don't believe Sherman was active. I think he must have been on the sidelines, I remember the name but I can't remember any activity.

JRR: He was president of one of the banks that Carlisle consolidated into the Northern New York Trust Company, but how active he was I'm not sure.

HSS: He must have been out by the time I got there because I have no recollection of him being there.

JRR: He probably had died by the time you got there. He died in 1920, I think.

HSS: I got there in 1919.

ERM: What kind of man was Anderson; you must have known him personally?

HSS: In the first place- he was what you might call the old type of business tycoon. He was a very quiet man. Never had a hell of a lot to say, at least in my presence anyway. He dressed very well and he always knew what was going on and, of course, had a good deal of money. I can't really tell you much more about Mr. Anderson than that.

JRR: Did you ever meet Gordon Gould, G. H. P. Gould?

HSS: There were two Goulds--George H. P.: Gould was the old man. He was either dead or he was inactive, I never met him. I met his son. In fact we had some of the Gould Paper Company bonds in the bank, which I had a part in disposing of.

JRR: You mention this group who helped Carlisle and I've wondered about this. Was there, in fact, a group in Watertown whom you would call industrial leaders?

HSS: I may be wrong. My impression is that he was far ahead of most of them in his thinking. You see, he was a young man in those days. He had this terrific personality. He could persuade people to do things for him and make it sound very attractive. These fellows just sort of hooked to him, that's all.

He made them money.

HSS: He certainly did.

ERM: They all profited immensely by their investments with him; is that right? In a way, you might say that Carlisle was representative of a new breed that was emerging in a business world quite different from the old nineteenth-century buccaneering type of operator who played the game very close to the chest and largely operated alone or in concert with only a few partners. Carlisle was of the new business era.

HSS: You are absolutely right about that.

ERM: Carlisle seems also a man capable of taking in the wide scope of what was happening in the country rather than just focusing upon a little, narrow strip and trying to develop that. He was looking at the big picture and he was reading the signs of the times and seeing what they portended. I wonder if you could perhaps tell us anything that would illuminate that particular quality in Mr. Carlisle; any anecdote or story that you remember about him that would support that view.

HSS: No, I can't think of any particular thing. I do know that he used to come to New York a great deal. He was in pretty constant touch with the First National Bank, for example, which was a very powerful institution in those days, and with the National City Bank. He was constantly being exposed to this larger picture that you are talking about.

ERM: What was he like as a person? Can you describe him physically?

HSS: He was a big man. He must have been six feet one or two. Quite heavily built. That face of his was extremely expressive. It could

be and would be just as blank as he wanted to make it. I would say he had a genial personality and, on the other hand, he had a short temper at times and he'd curse and swear with the best of them.

)RR: How would you compare him to Roy K. Ferguson?

HSS: I would say, if you could classify it by stages, he was a stage beyond Roy in, let's say, his personality and his bearing. Of course, there was his size and that wonderful smile that he had on his face when he wanted to use it. They made a good pair together, but Roy was always very careful never to do anything which would in any way detract from Mr. Carlisle's obvious leadership qualities. That is not to say that Roy didn't give him a great deal of good advice and many times, I know, changed his mind on things. Roy was a little more down to earth. F. L., as we used to call him; was inclined to kind of get expansive at times. Fortunately, he had people like--you don't mention Middleton here, who was the vice president of the Northern New York Trust Company. He was a wealthy man and had a powerful influence in the Carlisle circles. I would say that he and D.M. Anderson and C. C. Burns were maybe the three most important people from the standpoint of the contributions they made. I could be wrong about that but that's the impression I got.

)RR: Middleton and Burns were in this group that Carlisle put together to buy St. Regis from Gouid.

HSS: That's right.

)RR: And Frank A. Emsall.

HSS: That's right.

)RR: Not mentioning his name there is an oversight. He does come up a lot, and in terms of Carlisle's vision, I've read some accounts that would say that Carlisle really didn't see all this in terms of buying the bank and the utility companies nor in terms of buying St. Regis; that others had started it and he came along and picked up on it.

HSS: I don't know if that's true or not. I really don't. Of course, I am probably terribly prejudiced in the man's favor and maybe I give him credit for things that he didn't do, or that he wasn't truly responsible for. But I tell you the guy had such a personality that you would be inclined to possibly allocate things to him that maybe were somebody else's idea.

JRR: I tend to agree with you from what I've read. I give him every credit for seeing all this while somewhere along other people dropped out. If they had the idea, they never followed through, but he did.

HSS: That's right. He had these ideas and he had the personality to persuade people. He didn't have any money particularly, in those days, you know. But he had this group around him that had access to money, and that's the way it worked out.

ERM: He was probably more interested in utilities and their development than he was in the paper industry, was he not?

HSS: I've been giving some thought to that and I'm not sure. I think there came a point when he figured, "Well, gee, I can't do both these things. This utility thing is going so fast and it has such tremendous possibilities and the paper business, well, that's only three mills in northern New York." He was inclined to go the public utility route and said to Roy, "See if you can do anything with St. Regis." That was about it. They had McMillan in here, as you know, as president. I never knew the man well at all, but I always gathered he was kind of a round peg in a square hole.

ERM: You came out of World War 1 service, did you not?

HSS: That's right.

ERM: Wars usually have profound impacts upon society. I wonder if you've ever given any thought to what changes were wrought in our business society probably as the result of World War 1.

HSS: My answer to that would be, I think, that we realized what a vast potential this country had for development. We had really done some marvelous things in getting our boys outfitted and getting the materiel and the goods of war that were necessary. My impression is that it really opened the eyes of the business community as to what could be done.

ERM: The potential.

HSS: Yes.

ERM: The wealth was dramatized by what they had seen happen in World War 1.

HSS: You put it very well.

ERM: And Carlisle was one of those who grasped that in its fullest potential.

HSS: I think that's right.

ERM: And ran with it.

HSS: I think the greatest thing that I'd say (it is awfully hard to say the greatest thing), but one of the things about Mr. Carlisle was that he sensed the importance of the development of the electric power industry.

jRR: Apparently he saw too the potential of the paper industry, because Gould himself said that Carlisle and the group bought St. Regis because they saw that it was developing into a profitable industry. The war increased the business.

HSS: Oh, my God, yes.

jRR: It was the time to buy in late 1916 or 1917. You know, you said you had wondered about whether or not Carlisle was more interested in power than paper. I have too. I have never decided. Certain things tell me that he was very much interested in paper.

HSS: I think possibly you could say up to a point, but at the time that Roy Ferguson came up to St. Regis, the developments in the power industry were coming so fast that Mr. Carlisle really didn't have the time to devote to the operation of the company. And in the electric power industry, of course, he was coming in contact with all these leaders throughout the country, and that was a stimulating thing to him. He saw the vast potentialities in the Niagara-Hudson in the New York state. He even had a little flurry with New England Power as you probably know--a very profitable one.

jRR: This jumps ahead a bit. Who actually ran the papermaking part of his interest and who actually ran the power production?

HSS: I guess you'd have to figure out what dates you are talking about here.

jRR: Let's say from 1923-24, whenever F. L. Carlisle and Company was organized, up to 1934. For example, what was Roy K. Ferguson's role? What did he do?

HSS: I think that maybe the best way to put it would be to say that F. L. Carlisle was the idea man and R. K. Ferguson was the execution man. This is not to discount a bit his contribution by way of ideas and so

forth. I think that I sensed--this is only sensed, nobody ever told me this--that time and again Roy was kind of holding F. L. down on some of his more expansive ideas. One case, Roy frequently mentioned where he didn't hold him down and which Mr. Carlisle, I'm sure, came to regret, was the purchase of the Bates Valve Bag Company. Do you remember that?

JRR: Yes, I was going to ask you about that.

ERM: Why was Ferguson hesitant or negative about getting into Bates?

HSS: I think in the first place, it was based upon the patents that Bates had, which were due to expire in--I've forgotten how many years but maybe in eight or ten years. That was one thing. I think that he felt that it was a little too much of (oh, what'll I say?) a kind of a trick thing that really didn't have the potential.

ERM: Yet, in time it proved to be one of the most profitable aspects of the company's business, did it not?

HSS: I don't know about that.

ERM: In the bag production area.

HSS: Yes, but I don't know that that necessarily sprang from the Bates influence.

JRR: Well, the multiwall valve bag is the thing that I suspect got Carlisle interested in bringing back the bag business. The bag packaging industry is what brought St. Regis out of the Depression of the late thirties and the early forties when the defense efforts started. I believe from my reading that it was one of the stronger divisions in St. Regis.

HSS: I think you are right on that.

JRR: But I have been curious as to how Carlisle came to get an option to buy Bates.

HSS: Gosh, I can't tell you.

JRR: I know he was interested in Taggart Brothers, and Taggart Brothers in Watertown had been making bags for decades.

HSS: I can't tell you on that. Do you remember what the date of the Bates acquisition was?

JRR: Yes, 1929.

HSS: Well, of course, things looked pretty good in those days.

ERM: Going back just a little bit, when F. L. Carlisle was set up here in New York, Mr. Carlisle brought Mr. Ferguson with him from Watertown, and you, and who else came down to set up the shop?

HSS: I think that's all.

ERM: Just the three of you.

HSS: I was a year late, you see. Mr. Carlisle actually didn't come to New York to reside until maybe 1923 or 1924. I can't remember just when it was. But he was back and forth on the train in those days. I guess Roy was really running the thing.

ERM: And this was a very small office.

HSS: Oh, yes, very small.

ERM: It took few other hands to do the typing and filing and mailing and all that.

HSS: That's right. Then, of course, Carl Martin. You've run across his name, of course. He moved to New York and I think he was the head man here for awhile. I'm a little uncertain of that.

JRR: What do you mean by head man?

HSS: Of the New York operation of St. Regis. I'm not quite clear as to how he and McMillan fitted in together. You see I was kind of out of the picture by that time and would get these things, more or less by rumor.

JRR: What about H. Edmund Machold? He was an influential man in both St. Regis and F. L. Carlisle and Company.

HSS: Ed, you know, had been speaker of the house in Albany and was a very powerful fellow politically. He had been the one who got the law passed permitting the building of the storage reservoirs. You've heard about that? He was very much interested in the growth of the region

actually because he was from Adams, New York. He had a lot of connections all over the state. He was really a wonderful fellow, terrific personality too. He was kind of in and out. He never had what you'd call a line job; He was a staff man. He worked for F. L. on all sorts of deals and things.

ERM: This was before or after his terms in the legislature?

HSS: After his term,

ERM: Was he what you call today a working lobbyist?

HSS: I never thought of it in that sense. I don't know how you'd define it.

ERM: How did he get this legislation through the legislature?

HSS: I think that was done during his last years in the legislature. You'd have to check that date--that's my impression.

JRR: The Machold Law, the storage reservoir law, was fairly early in his legislative career. The date escapes me but it was something like 1917, it seems,

ERM: That can be established.

JRR: He was doing that because that was the thing the north country wanted. But I have noted that Machold did a number of things in the paper-making business. He put together Harrisville Paper Corporation. He helped Carlisle establish the Taggart Corporation. And I wondered about the division of authority. Who was doing what?

HSS: It's a pretty hard thing to define because here were these fellows--there was F. L. Carlisle, H. E. Machold, R. K. Ferguson, Charles Norris--who were old friends and acquaintances and pals, and there was no question that F. L. Carlisle was the leader, and they worked together beautifully.

JRR: In other words, if they decided to do something, it wasn't really important who did it?

HSS: That's right.

JRR: You mention Norris, Charles Norris?

HSS: Yes.

JRR: What was he like?

HSS: He was really a very delightful fellow, personally. He was a lawyer from Carthage, New York, as you probably know, and very much down to earth. He was probably the most down to earth of any of the group there. One time (this was one story that has always amused me very much) they were sitting in Carlisle's office there and Carlisle said something about he was thinking of doing such and such. Charlie Norris said; "Floyd, you're crazy." F. L. said, "I don't know about that." He said, "You always see the bright side of everything." F. L. smiled and Norris said, "If you were going up to Sing Sing to be electrocuted, you'd find some good things to say about it, wouldn't you?" F. L. said, "Yes, I would say I was glad I was being put to death by electricity." That's a true story. I don't know if you've heard it from others or not, but that's a damn good illustration of the guy, you see. And fortunately he had these fellows to kind of check-rein him a little bit, you see. Norris would say, "God damn it, Floyd, you are all wet on this." He'd say, "Well, Charlie, I probably am." Just like that;

ERM: That's interesting because I think one of the areas that you find it very hard to see very clearly, in looking through annual reports and minutes of meetings and so on, is anything really very revealing about the process of decision making: How were decisions made? And this gives us a little insight.

HSS: Yes.

ERM: I gather that their major decisions were made sitting around together in a small group of friends and hammering it out. And you were privy to some of those discussions. As you look back over the years, Mr. Sutton, how would you say that process of decision making went through change? As the enterprise expanded and became much greater, was there a loss of the intimacy of the small group?

HSS: No, I don't think there was. Of course, when Mr. Carlisle got into Consolidated Edison he was faced with an entirely different set up because there was an unestablished company and an established board of directors and all that sort of thing. But he carried on somewhat the same way with these people--with a small group of people that he could trust and whose judgment he had confidence in.

- ERM: Did he work with a full board usually or did he work with mainly an executive committee?
- HSS: I don't know that it was necessarily an executive committee, but he had a group of people. If he was thinking about anything, he would check with them. Of course, in those days on the Edison board there were a lot of people who didn't know what the hell it was all about.' It was no use wasting your time talking to them even. They'd go along with anything.
- JRR: Let me back up a little and ask you about a reforestation program. Do you know anything about that?
- HSS,: No, I do not. That's long after my day, I think.
- JRR: It started in 1920 on a full scale. Carlisle set up a nursery for St. Regis at St. Regis Falls.
- HSS: Oh, yes.
- JRR: And for the Northern New York Utilities. It went into the early thirties. You know it's really difficult to find out any information on it.
- HSS: It didn't amount to a hell of a lot then.
- JRR,: Yes, it developed into an extensive reforestation program. They were setting out two and three million trees a year in the late twenties; but in 1930-31, they phased it out for some reason.
- HSS: That was so far away as far as I was concerned, I really didn't know much about it.
- JRR: Did you know John Carlisle?
- HSS: floyd's brother? Oh, sure.
- JRR: He apparently was influential in that, because he was president of Northern New York Utilities.
- HSS: That's right.
- JRR: Apparently some of that was his work.
- HSS: I think that was, yes.

JRR: What about Fred Rogers? Do you remember meeting Fred Rogers?

HSS: Oh, sure, I knew him very well. He was treasurer of the various companies.

JRR: He told me more about the reforestation program than anybody so far because he apparently worked in it?

HSS: Fred Rogers?

JRR: Yes.

HSS: Is Fred Rogers still alive?

JRR: Sure he is, He is in his eighties. He's in a nursing home in Watertown.

HSS: Is that so?

JRR: He's lucid.

HSS: I haven't thought of him for years. Now isn't that interesting.

JRR: He's going strong.

HSS: Oh, boy. We used to have a lot of fun with him because he was such a precise fellow, you know. Everything had to be just so.

ERM: Another person who was a member of the team in the early days was our friend, Louise Richter, whom we interviewed at her home out in Scarsdale yesterday. I wonder if you'd tell the story we heard a little earlier before we went on tape, of how she happened to come to work for the company.

HSS: Roy had this girl for a secretary whom Ed Machold had recommended to him and she had moved down from Albany. When she got down here, she was no damned good it turned out. Roy had to get somebody who was good so he said to me, "What can we do about getting a decent secretary?" I said, "Let me speak to my friend Babcock who's with some stock exchange firm (which is now out of business). I know he knows a lot of people and maybe he'd have an idea." I spoke to Babcock and Babcock said, "I've got just the gal for him. I think she's the best stenographer-typist that I've ever seen." So we made her an offer to come to work and she came. That was all there was to it.

ERM: Can you give me a story or two or description of Louise Richter?

HSS: I got awfully mad at her at times.

ERM: You did?

HSS: She was independent as hell at times, you know.

JRR: She still is.

HSS: Yes, but we always got along all right.

ERM: Very independent.

HSS: Oh, yes. I can't think of any particular things about her.

ERM: She was Mr. Ferguson's secretary all through the years.

HSS: Yes, she certainly was.

ERM: An evidently made a great team with him.

HSS: I guess so. I could never understand it because she could never work for me. I couldn't stand her eccentricities. God, you'd be looking for her and she'd be off drinking coffee or some damned thing, but apparently she was so damned good when she was there. She was a remarkable stenographer and typist. She turned out the most beautiful looking letters you ever saw--no mistakes in them, just did it, sitting there, without any trouble at all.

ERM: She's still a very lively lady.

HSS: By gosh. Let's see, how old is she? Have you any idea?

JRR: She's seventy-three. She started in 1924 when she was nineteen.

HSS: That's about right.

ERM: She said that she was employed because the firm wanted a young, experienced, able secretary. She came for an interview, was interviewed by Mr. Ferguson and he told her that he'd let her know--he had some other interviews to make--he'd get back to her. And she got the job. She'd come over obviously on the recommendation you made mention of earlier, believing, she was the one and only candidate for

the job, which indeed she was. But Mr. Ferguson evidently kept her dangling a little while before he actually hired her.

JRR: Let's go back to something I'd like to check out with you. According to my research, Carlisle put together this F. L. Carlisle Company as a way to find an outlet for stocks and bonds of northern New York concerns and industries. It was mainly a way to develop the north country. Is this your impression?

HSS: I think that was the basis, yes, because here he organized the firm and he had certain concerns of northern New York that needed financing and he had the entry of these concerns to get the financing to do it. Things moved awfully fast in those days. The first thing we knew we were right head over heels in the power business.

ERM: At that time, did the north country feel depressed, neglected, underdeveloped?

HSS: If you are asking my opinion, I'd say no. Of course, I was a north country boy myself so I never thought of such a thing, really. We were doing all right.

ERM: Carlisle just saw a much larger potential.

HSS: That's right.

JRR: There is a company that keeps coming up which helped F. L. Carlisle to finance or arrange a lot of stock and bond sales for the utility company, then for St. Regis. The name is E. H. Rollins and Sons. It's a Maine corporation. That's as much as I can find out about it.

HSS: E. H. Rollins and Sons was an investment banking firm in those days. I think the main office, was in Boston, but they had an office in New York. They had done financing--gee; I can't remember whether they had done it for Northern New York Utilities.

JRR: They had.

HSS: Anyway, in that way they had sort of a leg on it. So they participated with F. L. Carlisle and Company in all of the utility financing up to that time. They had one fellow who was a very able investment banker. His name has slipped my mind. We had a very happy relationship with them.

JRR: I do remember reading that they helped John Taylor finance Northern New York Utilities.

HSS: Yes, that's right.

JRR: This was a few years before Carlisle bought it. They sent a lot of people up into the north country to drum up business for the sale of stock. Even then, Taylor had a vision too of developing the north country apparently according to the newspapers. I was interested in that company; I just didn't have any information on it.

HSS: They must have gone out of business some years ago--maybe ten years ago.

ERM: The paper industry was in the stage of consolidating at this time. Many small operations were being melded into large corporations. How did St. Regis fit into the pattern of what was going on in the consolidation process in those years in the twenties? How did it manage to stand apart from the big consolidation that International Paper was putting together"for example, and was there ever any consideration of St. Regis becoming a part of that?

HSS: I can't recall that there was.

JRR: There were rumors in 1926 and 1927 that IP was going to buy St. Regis. They were going to trade its power facilities near Watertown for the St. Regis paper making plant, but then everybody denied it.

HSS: Yes, I have no recollection' of it.

JRR: There was also a story that a group of bankers in New York City were going to make Carlisle the president of International Paper. Again, that might have been just a rumor but it is interesting.

HSS: I never heard that either.

JRR: Do you recall anything about a plant called: Panelyte ?

HSS: Yes, I certainly do.

JRR: Do you recall why it was bought or anything else? There is nothing in the minutes about it.

HSS: A fellow, whose name I can't think of at the moment, came in with this idea and it looked like a very attractive thing. I can't see the

guy--funny, I can't remember his name. Do you have any name connected with that?

JRR: No.

HSS: Anyway, he was in New York at the time and he was in and out, in and out, and this thing looked awfully good. Finally they decided to take it on.

JRR: It turned out to be a valuable addition.

HSS: I think so. I don't know how they finally got rid of it about five years ago or so. It apparently didn't fit into the rest of the operation. I never did understand why they got rid of it.

JRR: It was booming in the early and mid-forties with the defense effort. It was a strong part of the Corporation. But again, there are no details about when it was bought nor why.

HSS: I don't know that it ever amounted to a hell of a lot in the St. Regis picture, did it? What were the, annual sales? Have you any idea?

JRR: No.

HSS: I don't believe it was awfully big. I think any history of St. Regis that left it out, wouldn't be missing much, really.

JRR: Something else about this has intrigued me. Who was really making the policy for the paper company during the thirties? Have you any idea? After the crash, and utility investments were down, they weren't paying dividends. St. Regis comes on some hard days.

HSS: Yes, right.

JRR: Somebody has to take over. I know that Ferguson did in 1934. Does he actually direct the company from that point?

HSS: Yes, that would be my opinion. I think, in fact I know, he kept in constant touch with Mr. Carlisle as to what was going on. He kind of came into his own then, you see, because here was Carlisle down on Wall Street now in the utility business, and Roy was more or less in charge of St. Regis.

JRR: Do you think C. B. Martin was a lot of help?

HBB: Yes, I do. Have you met C., B. Martin?

JRR: No. He passed away a few years ago.

HSS: Did he? I didn't know that. In my judgment, he was a very able fellow but extremely conservative. He was on the other end of the spectrum, and probably a damned good thing to have a fellow like that in the company.

JRR: You mean conservative in terms of business ventures?

HSS: Yes.

JRR: I have heard the story that he actually helped get the company through its darkest days. To meet the payroll, he'd take a stack of securities and go down to the bank to get the money to make the next payroll.

HSS: I never heard that.

JRR: I'm not sure where I heard that.

HSS: I'd check that pretty carefully if I were you.

JRR: Another thing occurs to me. When and where did Roy K. Ferguson learn about papermaking? Why, in 1934, did he decide to go to papermaking, rather than utilities or investment banking?

HSS: I can't answer that question. I don't know.

ERM: What impact did the New Deal have upon this branching off--Ferguson into paper and Carlisle exclusively into utility management?

HSS: I don't know that the New Deal had anything to do with it, really. I think it was just a matter that his interest in, the power business had gotten so great and was taking so much of his time that he just simply felt he couldn't give the time that was necessary to the paper business. There was McMillan--it turned out to be a flop. What do we do? "Well, Roy, you go in and take a crack at it."

JRR: This McMillan, you keep mentioning, is that C. R. McMillan ?/

HSS: Yes.

JRR: How did he flop?

HSS: I can't tell you except that maybe it was the times, I don't know. I never knew the man very well. Never had anything to do with him in a business way. I'm afraid he was just one of these kind of uninspired fellows that gets to be a chief executive.

JRR: You are saying, in effect, that McMillan was more or less managing St. Regis?

HSS: Yes.

JRR: Up until 1934.

HSS: Yes, that's right. That was my impression.

JRR: That's interesting. I didn't know that.

HSS: Your reports would show what years he was in there as president. Can you remember that?

JRR: McMillan??

HSS: Yes.

JRR: But he never was president; Carlisle was president until he retired in 1934.

HSS: Well, what was McMillan??

JRR: He would have been a Vice-president.

HSS: Wasn't he executive vice-president or something like that?

JRR: There was one president. Then everybody else was a Vice-president until recent years.

HSS: Yes, but I thought that McMillan had been--I'm probably wrong about **that.**

ERM: Was he vice-president of manufacturing?

HSS: I think of the whole thing. I believe that's the truth. You better check me on my judgment, on that, 'because as you know I was out of that end of the picture at that time.

JRR: You've given me a clue to look for something, so that will help, His name has come up.

HSS: Do you go through Moody's manuals in connection with a thing like this?

JRR: I haven't yet.

HSS: Moody's industrial manuals. That would easily show you who the officers were, year by year.

JRR: The annual reports do that.

HSS: You've got all the annual reports?

JRR: Yes.

HSS: That will do it just as well.

ERM: Was St. Regis keeping pace in technology in its mills with the rest of its competitors at this time, would you say? Or were they all, because of the difficult times, standing pat with what they had rather than going forward with new developments?

HSS: Here again, I can only give you my impression. My impression is that they were all of them, standing pat. The reason that I think that is when Roy first came into St. Regis he started doing some of these things that we know so well about now. He was looked upon as a bit of a sharp guy, you know. I don't mean sharp guy, but I mean maybe he's taking chances he shouldn't and that sort of thing.

ERM: An innovator?

HSS: An innovator.

ERM: What did he move most dramatically to do when he took over leadership? Do you remember what kind of style he used? How did it differ from what had been the style before?

HSS: I can't tell you. I really can't be of any help to you on that because I was in the other end of the business by that time, you see. In fact, we grew quite far apart at one time because he was so busy up there and I was so busy with the job I had.

ERM: When did you get back into closer association? At what point?

HSS: I would say probably about ten years ago.

ERM: What was the reason for that?

HSS: You've heard about Eastern States Corporation--well I was a director of Eastern States Corporation. I would see Roy at the Eastern States meetings, and in between we'd have lunch together. I would say it started about the time I went into Eastern States as the director which was, I don't know--1954 maybe. You'd have to check that, I can't remember.

ERM: To what men did Mr. Ferguson relate most in the years in which you knew him when he sought advice on matters of business policy within his own company?

HSS: I would say it's the old group there--Carlisle, Machold, Norris.

ERM: For legal advice who did he turn to most frequently?

HSS: What's the date that Randall LeBoeuf came into the picture?

ERM: Pretty early.

HSS: 1929. No, no, let's see--1931. You see, up to that time Sullivan and Cromwell had been the attorneys for all of the Carlisle interests and he was looking for somebody of Randall's type and he came across him. Have you interviewed Randall yet?

ERM: (Not yet.)

HSS: You'll get some awfully interesting information from him.

JRR: What about Horace Lamb?

HSS: Horace was a partner of Randall's. Let's say he was the number two man.

ERM: Louise Richter seemed to feel that Mr. Ferguson in the early days related more directly to Lamb than to LaBoeuf.

HSS: I think that's right because I think Lamb undertook to be very close in the paper picture, and Randall was closer in the utility end of the business.

JRR: Lamb became a director.

HSS: Yes, he did and very early in the game, didn't he?

JRR: He was a director for a long time. I think it was in the early forties when he was elected. I don't recall the date.

HSS: That sounds about right.

ERM: In matters of political moment, I gather he related more to Machold on that subject, in that area.

JRR: What about technical advice? I've asked you where Roy learned the papermaking business.

HSS: I don't know.

JRR: In the thirties, they were striving to develop markets.

HSS: That's right.

JRR: In 1933 they started some kind of experimental program. I don't know who started it or even what it was.

HSS: I can't give you a bit of help on that.

JRR: I suspect it had to do with bag-packing machinery.

HSS: When did those Bates patents expire? Can you tell me that?

JRR: I really don't know. I think they were to run about eight or ten years.

HSS: I think that was hanging over Royall the time.

JRR: But they bought up every company. They were buying up companies into the thirties, I guess to get those patents. Do you know how Carlisle came to know Jacob Schoellkopf?

HSS: In the first place, they were Cornell men. Mr. Carlisle was considerably older than Fred. I don't think Jacob, the old man, was ever in the picture as far as Carlisle was concerned. In fact, he may have passed on. I don't remember. But Fred was the important guy, and then Alfred who became president of Niagara-Hudson. I don't know under what conditions they met--possibly through Cornell connections.

- )RR: They had an investment banking firm--Schoellkopf, Hutton & Pomeroy. They were in on some of the holding companies.
- HSS: That's right.
- JRR: And they were certainly in the Niagara-Hudson.
- HSS: That's right. They certainly were.
- )RR: Their Niagara interests were consolidated with Northeastern.
- HSS:. That's right.
- JRR: And one other one--Mohawk, is that it? There were three large companies put together.
- HSS: Buffalo, Niagara and Eastern was one, Northeastern was another; and the third was Mohawk Hudson. Anyway, that was the picture. They were fine, fine people--the Schoellkopfs. They got along great. Alfred came down and became the president of Niagara-Hudson.
- )RR: Did you ever hear of a member of the firm or corporation called Niagason?
- HSS: I've heard of it, but I don't even know what it was.
- )RR: I'm not sure either. It's one of those things I picked up out of the minute book. It appears.
- HSS: Boy, if you've been through the minute books, you've been through some complicated stuff.
- )RR: .You can bet that the Carlisle era was complicated.
- HSS: They never put any more in the minutes than they had to.
- )RR: Oh, no. Course not.
- HSS: Very wise. We had a fellow one time who became secretary of . Niagara-Hudson and he thought he'd really do a job as secretary. So he started writing the minutes up, all the flourishes and so forth, and sent them in to Mr. Carlisle for approval. Boy! He ripped them apart and he said, "We'll have none of this stuff. We'll have only the facts. We'll have the votes that were taken and that's the minutes." You can see how you could get into a hell of a lot of trouble with anything but the most concise minutes.

JRR: When newspaper accounts of you in those days flush out things in terms of consolidating companies and buying companies, a lot of the motivations come out that way, which is what we're interested in.

HSS: You've seen the clips, haven't you, in Carlisle's book we used to keep with all these newspaper stories?

JRR: No, I didn't know there was such a thing.

HSS: Oh, sure. God, I wonder where it is?

JRR: A scrapbook?

HSS: Yes, a scrapbook.

ERM: Was that maintained here?

HSS: I'm trying to think what happened to that when the Carlisle Company was dissolved. I'm inclined to think it went to Niagara-Mohawk.

JRR: Niagara-Mohawk told me that in the thirties they sent a lot of stuff over to St. Regis that came from F. L. Carlisle and Oompany. That scrapbook could be filed away somewhere in this building.

HSS: Gosh, if we could find that it would be a valuable thing.

JRR: Yes, I will start looking for it.

HSS: I can see it. It's a big gray scrapbook. I had to do myself with getting it started.

ERM: Who kept it up?

HSS: Didn't Louise Richter mention it to you? It seems to me that was part of her job, I'm not sure.

ERM: It would seem logical that it might be. Mr. Ferguson was a very religious man, a Christian Scientist. He was converted to Christian Science. Do you remember when that happened? In the twenties, perhaps?

HSS: I would think so. When did his first wife die? I went to her funeral and I can't tell you when it was. But I think they became Christian Scientists before she died and he carried it on afterward.

ERM: How did his religious beliefs reflect themselves in his conduct as a businessman?

HSS: Let me say this, that he never forced them on anybody. In fact, he was very loath to talk about it apparently. Once in awhile he would, but not very often, as far as I'm concerned, maybe he did to others. I've always thought myself, that he felt that, "Well, let my actions speak for themselves."

ERM: What were Mr. Ferguson's other interests besides business?

HSS: It's a strange thing, you know. When he first came to New York, he was quite a club man.

ERM: What were his outside interests besides business?

HSS: He used to go to Florida every winter.

ERM: Did he have a home down there?

HSS: No, he'd go down there with a group. Sometimes D. M. Anderson would go and other men that he knew in business. I can't tell you what years those were. I just can't quite trace what the progress was.

ERM: What were his other interests? They say he was 'a golfer.

HSS: He quit playing golf many, many years ago. Then for some years he had a big power boat. And then there came a time when he sold that and he leased a boat, in fact, gee, I would say within ten years: Sometimes he got a boat in Florida no time.

ERM: He enjoyed yachting.

HSS: Yes. But he never was crazy about it, you know.

ERM: Never enough to make it a way of life.

HSS: Oh, no.

JRR: Apparently Carlisle was quite a yachtsman too.

HSS: He was.

JRR: Maybe more so than Ferguson.

- HSS: Yes, F. L. had a boat, as you know, in some of these cup races and so forth. I don't know that he himself was much of a sailor but he was supportive of--let's see who was the fellow he had who was the great sailor? I'm sorry, I can't remember his name. It'll come to me probably at two o'clock in the morning.
- ERM: In the America's Cup Races? Are you talking about the big sailing races?
- HSS: He participated in one of those. And then he had quite a boat there on Long Island Sound--a sailboat. He used to go in it for days at a time.
- JRR: Do you recall the name of it?
- HSS: Avatar--that was one of them and then I think he had another one and he called it the Avatar II. You better check me on that, too. I know one of his boats was the Avatar.
- JRR: Do you remember one called the Michabo?
- HSS: Yes. I can't tell you where that fits into the picture. I'm inclined to think that may be the last one.
- JRR: There was a Michabo Corporation too.
- HSS: Gosh, if you could only find that scrapbook. You'd find a lot of this stuff.
- ERM: Were either Mr. Ferguson or Mr. Carlisle sponsors of various cultural things in this community like the Metropolitan Opera Society or anything of that sort?
- HSS: I don't think so. Not that I ever knew of.
- JRR: They were not actively involved in such things outside of the business world.
- HSS: No.
- ERM: I understand that Mr. Ferguson was keenly interested in Principia College out in St. Louis.
- HSS: All his children went there, I think.
- ERM: Jim Kusmann graduated from there.

HSS: Yes, he did.

ERM: What would you have to say about Mr. Ferguson's influence within the total business community of New York? Outside of his connections in the paper industry? And was he a recognized figure in that business?

HSS: What I give you will have to be totally my impression because I couldn't support it with any facts, but I think that he felt that his job was really just to run St. Regis and to build it up. He wasn't particularly interested in other phases of business activity. For example, he was never on the board of the chamber of commerce of the United States or any of those concerns. Of course, the company was and I assume still is a member of the Paper Institute or whatever it's called.

ERM: APPA [American Paper and Pulp Association] ?

HSS: Yes, and I think--I may be wrong, but I think--one or two times he's gone to the meetings. He may have appeared on the programs. I'm not sure about that.

ERM: He does not seem from our examination of the record to have been a frequent or prominent speaker.

HSS: No.

ERM: He never seemed to seek the platform.

HSS: No, that's right.

ERM: Was he a bit inclined to assign that to other people?

HSS: Yes, in fact up until rather recently, I had the impression he didn't do it very well really. If you sit in the room with him, he was terrific.

ERM: Within a small group, he was wonderful.

HSS: Yes.

ERM: He found it easy to relate to people on an intimate small group basis but not big crowds.

HSS: That's right. I remember we went down to Florida in connection with the opening of one of the mills down there. They had a big public

dinner and he made a speech and he did damned well, I thought. But it was the first I'd really heard him before a big crowd and I was impressed at how well he did.

JRR: When was this?

HSS: I would say it was 1953 or '54. I went on two of those trips. There were several. I guess my claim to go was being director of Eastern States, and we had a good time. He was a great fellow on a thing like that, you know. He'd see that everybody had a good time and everything went well.

JRR: Could you tell us more about the Eastern States?

HSS: Let me see, where'll I start? Eastern States was originally set up with the idea that it would become the American Telephone and Telegraph Company of the electric power industry. Now, the calendar went against us in those days. We had Niagara Hudson stock in there and we finally ended up with St. Regis. Have you been through the Eastern States books?

JRR: No, I haven't.

HSS: They are pretty complicated things. I'm a little hazy on it myself, now that you ask me about-it. But anyway, as you know, they finally ended up with the big block of St. Regis which was finally distributed about a year or so ago to the stockholders of Eastern States.

JRR: Was United Corporation a part of Eastern States?

HSS: Oh, no. There was never any connection.

JRR: St. Regis held a lot of United Corporation stock--two or three million shares--which they sold; they had to sell in the thirties.

HSS: That's right.

JRR: I've seen reference to Eastern States. I just wonder how it related to United and to St. Regis. Do you know when it was established?

HSS: Gosh, it goes way back--it might have been 1924.

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JRR: It doesn't come out in the St. Regis minutes the way the others do.

HSS: You could pick that up quite easily in Moody's. It might be the easiest way for you to pick it up.

JRR: After 1929 and 1930, the utility investments that St. Regis had were not paying dividends. Somebody had made a decision to sell United Corporation. Do you have any idea who decided that? Or what group?

HSS: What year was that?

JRR: They began selling, I think, in 1933.

HSS: Well, it would be Carlisle. He was the decision maker.

JRR: And they continued selling it from time to time, I guess, until they had sold all of it by 1940.

HSS: Some of it they didn't get a very good price for, either.

JRR: No, they took a loss on all of it, which helped their tax liability.

HSS: Yes, that's true.

JRR: Did you attend any stockholders' meetings or anything like that?

HSS: Always.

JRR: I'm curious about this. Were these harmonious?

HSS: Yes, that was in the days before many went to stockholders' meetings. They were usually pretty perfunctory.

JRR: Yes, I gathered that. Were you present in 1944 at the meeting?

HSS: My God, I don't know. What happened in 1944?

JRR: This one was so unusual because there was a man named Randolph Phillips there, and he was opposing on policies of management.

HSS: Is this the St. Regis meeting?

JRR: Yes.

HSS: No, I wasn't there. When you said did you attend the meetings, I thought you meant when I was connected with the various companies I had something to do with.

ERM: Who would you say, Mr. Sutton, are people living here in the New York City area who might be most able to draw out of memory more details of the people and of the events that made up St. Regis history? If you were to pick out two or three people, who would you say were the best possible sources of information?

HSS: A lot of them are no longer here, unfortunately.

ERM: Like Homer Vilas.

HSS: Homer Vilas came with Carlisle Company in 1929. Just in time to participate in the great crash of the stock market.

ERM: I want to go back to the list of other people you might think of. You might keep that in mind and there may be others that you would suggest.

HSS: He'd be a good one. Gosh, I guess he's eighty-five years old or so, but he goes to business every day. He has an office with Cyrus J. Lawrence down on 115 Broadway.

HSS:

JRR: I don't know.

HSS: I heard something that led me to believe that either he was no longer living or he was suffering from hardening of the arteries or something. If he were living and able to carry on, he'd be a dandy. Maybe someone around here can tell you.

ERM: I'm sure Jim would know about that.

HSS: That's right.. I'm afraid that's true. Let me see who else there might be. Somebody at the National City Bank--probably Sheperd who is the former chairman. Either Sheperd or somebody that he would designate. I know that Roy was very close to the First National City Bank. He always felt that that bank stuck by him when sticking 'was doubtful.

ERM: Are there other people in the paper business, not necessarily connected with St. Regis, but in the business and in an important way who were close to Ferguson?

HSS: I wouldn't know. You'd have to ask somebody around here about that. Maybe Lou Richter could tell you. She'd know who he talked to all the time.

ERM: Going back to what you were mentioning a minute ago, the stock market crash on that famous Black Tuesday. That's an event that must be a vivid one in your memory. How did the news hit you and F. L. Carlisle when it came?

HSS: It didn't hit us as being disastrous because we knew that F. L. Carlisle & Company either had no debts or owed very little money. Without checking it, I would say that probably in those days, we didn't owe anybody. We carried on in a very unusual way for Wall Street. There was very little borrowing.

ERM: So you were in a much stronger position than most of the other investment houses.

HSS: Yes, insofar as our assets were concerned, and yet our product which was the sale of securities was out of the picture.

ERM: There wasn't any market anymore.

HSS: That's right.

ERM: Nobody had any money.

HSS: Nobody had any money.

ERM: What did this provoke in the way of discussion within the group? What do you remember about your discussions with Carlisle and Ferguson and others?

HSS: I don't remember anything precisely except that I got the impression, as time went on, that something was going to be done. Meanwhile, as you know, we'd taken the Niagara-Hudson and also St. Regis into our office. So it was Carlisle and Company, and Eastern States as far as it had any employees, which it didn't. All of the Carlisle interests were there on whatever floor was at 15 Broad Street. So we were all busy, you see. But we weren't busy on things we used to be busy on. We all knew that it was just a question of time. Then Homer Vilas, he was the security and stockbroker fellow, left to go with C. J. Lawrence. He just knew it was a question of time before everybody was put into a slot or given an opportunity. There was never any hard feeling and never anything but the most gracious feeling toward the way the people were handling it, as far as I knew. Now there may have been people that were kicked out that I never heard about.

JRR: Let's change tack. I came across the Standard Publishing Company. In 1938 St. Regis had to take some action to protect Machold against liability for taxes in some regard. I think the Standard Publishing Company was a newspaper in Watertown.

HSS: Right.

JRR: It was owned by Carlisle, is that right? It sold out to the Brockway Company.

HSS: The Watertown Times, yes. I don't think that Carlisle ever owned it, did he?

JRR: That's one of the reasons I asked. I think he did. At least that's the story I've heard.

HSS: Now wait a minute. It wouldn't be John would it? Are you sure it was Floyd?

JRR: It could have been John, I don't know.

HSS: I have no recollection of that at all.

JRR: You see the minute books don't help on all these things. It just says that St. Regis is taking action so Machold will not be liable for taxes.

- HSS: That's a thing that was way beyond me. I didn't know anything about it.
- JRR: This may be apart from the interests at the time, but can you recall any years at St. Regis when times were especially bad, or times when you picked up this paper company? I know there were some dark days in the thirties. I'm trying to locate the turning point. When did things really begin to improve for St. Regis?
- HSS: Gee, I don't know. I would have to guess and say it would be shortly after Roy came in here. I always felt that his timing was pretty darned good as it turned out.
- ERM: The minute books show that in 1931 during that fiscal year, St. Regis borrowed ten million dollars for various purposes and in the annual report five years later, 1936, St. Regis showed its first net profit since 1931.
- HSS: Is that so? I'd forgotten that.
- JRR: 1929 was probably its best year, since in 1929 the income was from utilities more than paper.
- ERM: In other words, the company was not making money on manufacturing products. It was making it on its investments in other companies in the utility field, right?
- JRR: Even those weren't. ~~When others stopped paying dividends, it had~~ to grapple with the paper industry, papermaking. This is sort of a general question. During the thirties, Mr. Ferguson had to deal with the debt of the company and take certain other steps. He scaled down investments; they had depreciated on the market and he had to write them off. The subsidiary companies owed St. Regis. He dissolved all the subsidiaries and consolidated them into St. Regis. I'd like to get your opinion of why he was doing this. I know it affected the company, its capitalization, but do you have any idea how it improved St. Regis's financial status?
- HSS: I don't know. I really can't answer that. I assume that he must have thought he had to get down to bare bones here and start over again, more or less.
- JRR: What about the St. Regis Sales Corporation which was put together in 1940?

HSS: Well, that was just a device. I never really did understand why they did it.

JRR: How long did it stay in business?

HSS: Not very long, I don't think.

JRR: But following the dissolution of that company, they didn't really dismantle the organization.

HSS: I don't know why it was done. I can't help you on that.

JRR: My guess would have been it was to sell the products. but I'm not sure. I don't have any opinions on it. Let me ask you one other question. I think that St. Regis developed its papermaking company to sustain itself because it got a lot of timber early and then more in the thirties. Do you think this is a correct impression?

HSS: I don't know that that's the only reason. But I think it had a lot to do with it.

JRR: I think diversification is another reason. They got into different lines of paper.

HSS: That's right.

JRR: Going back to those early days, 1924, could you say that there was one thing that really made a difference for St. Regis? What enabled it to diversify?

HSS: What stage are you talking about?;

JRR: Okay. Let's go back to 1924 and '25. What I'm asking is how important electrification was to the paper industry?

HSS: You mean how important was the splitting off of the power interests in the Power Corporation of New York?

JRR: Well, that, but I'm asking how important was it to be able to run your plant with electric power rather than water power?

HSS: I don't know. That would be a technical question I'm not competent to answer.

JRR: Well, actually, I think it was the turning point you know. That's my opinion, although I'd like to get it from somebody.

HSS: I wish I could help you on that, but I can't.

JRR: Let me ask you one final question. Would you say that the defense effort had a big impact on bringing St. Regis out of the Depression years?

HSS: What's the date you assigned to that?

JRR: Beginning about 1940. That's when it began to pick up.

HSS: I don't know. You see, I was out of the picture then and I really don't know.

ERM: The war created a tremendous big market that had not existed before both from our allies and from the standpoint of our own needs. Packaging was beginning to really go in many new directions.

JRR: Sure.

HSS: Well, it took a lot of guts, there's no question about that to foresee as Roy Ferguson did foresee. You see Mr. Carlisle died in 1941, didn't he?

JRR: 1941 or 1942.

HSS: So Roy was really on his 'own from that point on.

JRR: In 1941 and '42, St. Regis was in much better shape.

HSS: That's right. He'd been in there about nine years then, hadn't he?

JRR: Yes. They were paying off their debts by then. Most divisions were pretty strong in terms of production and sales at that point.

HSS: Well, have we got the story? I hope I've been of some help to you.

ERM: I think you have.

JRR: You've been a great deal of help.

ERM: We thank you very much, Mr. Sutton.

INTERVIEW III

Louise E. Richter  
Scarsdale, New York  
June 5, 1975

Elwood R. Maunder: First of all, we want to identify your relationship with St. Regis. You worked for another company before you actually came to St. Regis, didn't you?

Louise E. Richter: Yes. I came to work with Mr. [F. L.J Carlisle and Mr. [Roy K.J Ferguson in 1924, with F. L. Carlisle and Company.

ERM: That was downtown Manhattan?

LER: Right. We started at 49 Wall Street and then we moved to 15 Broad Street.

ERM: Had there been any Carlisle Company before that or was this the very beginning of it?

LER: I think Carlisle and Company was started in December, 1922, as I remember, but I went with them in January, 1924, which sounds like two years but it's really one year and one month.

ERM: Were you just beginning your career in the business world at that time?

LER: No.

ERM: Where did you work before that?

LER: I was in Wall Street.

ERM: So you had some previous experience working in the financial end of things, and you came on with Mr. Carlisle as a practiced person in that field. What had your special experience been up to that time?

LER: Well, I can tell you from the beginning. My very first position when I finished with schooling, was in a law office for a very short time. From there, I went to insurance for about a year and a half. Then I went to the Hanover National Bank and from there I went to a brokerage company called Sutro and Kimbley--not Sutro Brothers, but Sutro and Kimbley which is long since out of business. From Sutro and Kimbley I went to Carlisle and Company.

ERM: Were you a native of New York?

LER: Yes.

ERM: You grew up and went to school here and have lived here then all of your life. How did you first come to know Mr. Carlisle. I presume it was he who hired you, is'tnat right?

LER: No. I was with Sutro and Kimbley and was working for the senior partner, Mr. Sutro, and found that they had put a ceiling on my saiairy. I decided that I had to go elsewhere to have an opportunity to grow. I let it be known to the office manager that I wasn't leaving immediately but that I was going to look for something else. In one of those peculiar coincidences, he came back from lunch one day and said he had met a man on the street whom he had known a long time. They were talking, and this man told him about F. L. Carlisle and Company. It was a new company, a small company. They were comparatively young people, and they were looking for somebody who was young but who had a good education and experience. This was something that they figured was impossible. That's all. He said, "I know just the person for you." So I went over there and saw that man, and he introduced me to Mr. Ferguson who was in charge of the office. Mr. Carlisle wasn't even there; he was away at the time. After a couple of interviews, I was hired.

ERM: Mr. Carlisle and Mr. Ferguson had been associated for how long before that? At least ten years or nearly ten years, going back to World War I, had they not?

LER: I don't think it was that long.

ERM: What's the date, John, that you think?

JRR: It's 1917. That's when Carlisle brought Ferguson to Watertown to work at the Northern New York Trust Company. Does that sound right?

- LER: You've got the record of that, I'm sure, but when I went with them I remember their ages. Mr. Carlisle was forty-two and Mr. Ferguson was thirty.
- ERM: That was in 1924.
- LER: Right.
- ERM: Mr. Ferguson, then, was the man who actually hired you for the company.
- LER: Yes, he was in charge of the office.
- ERM: And you were employed in what capacity then?
- LER: I was then the only one.
- ERM: The only one in the office?
- LER: They had a girl who did the filing and the clerical work, and she also had a very small switchboard in the reception room. She was receptionist too. But I did everything else. I worked for them and I also worked for the treasurer, or cashier as he was then. They didn't have that much. It was a small office and the volume was not great. As they grew, then they hired other girls, but I stayed with those two men.
- ERM: Well now, you've had then a long period of experience in knowing Roy K. Ferguson. You've known him all through those years up until the time of his death.
- LER: Right.
- ERM: As historians, he stands out in our minds as certainly one of the more important figures in recent American industrial history, particularly that which relates to the wood industry field. He's been accorded a good deal of recognition as a leader in his own industry, but I doubt very much whether he is as widely known and recognized in the broader field of American life. I wonder if you could draw a personal picture of Roy K. Ferguson--who he was, what kind of a man he was. It seems that in the last forty or fifty years of this century business leaders have struck much lower profiles than the industrial titans in the nineteenth century and the early part of this century. I wonder if you have any ideas as to whether there were any particular reasons on the part of the businessman for taking a lower profile.

- LER: No, I think that was Mr. Ferguson's own wish. He was never a publicity seeker. Never! He was very well known in the industry, also in banking. There were many people who knew him well and personally, but, as I say, he was not a publicity seeker at all.
- ERM: He wasn't in any way retiring or shy?
- LER: Oh, no. He just didn't wish to be in the public limelight. It was not his nature.
- ERM: I wonder if you could describe his style as he functioned as an important officer and ruler in the company over the years. You know men have a certain style, a way of doing things. This reveals itself in certain habits of work--the way a man deals with assignment of responsibility to other people or his relations with his employees in various ways.
- LER: I think he was particularly keen in choosing the people that he wanted to work in the company and their various positions. I think he was very discerning. He knew how to delegate authority and he expected results, which he got in most cases. But he was low key. He was a very gentle person; a very positive individual. He knew what he wanted, and he managed to convince other people to give what he wanted.
- ERM: But without a lot of histrionics .
- LER: None. I don't think I ever remember him really raising his voice or becoming angry in any way. Positive, low key. He had the ability to make people like him and respect him, and I think because they did, they gave out; he did get results.
- ERM: How would you describe his habits of work as far as his hours and how he employed his time? Did he have a method? Did he plan his day very carefully? Was it different all the time or was there a routine to it?
- LER: Not an unbreakable routine. He believed in an open-door policy. In other words, he didn't work behind closed doors. There were a few times when they did have to have a private meeting or something like that, but mostly his door was open and people could feel, if they had a reason to talk to him, he was willing to listen. He was always gracious"; always.
- ERM: Did that mean that people on the staff could come and go at will to his office?

LER: They could knock at his door and say, "Are you busy? Do you have a few moments? May I speak with you?" "Come in." They were always welcome. If it would take longer than the time he had, he would postpone it and ask them to come back another time.

ERM: That habit was maintained all through his life, is that right?

LER: Yes.

ERM: That's amazing. The complexity of his task grew more and more as time goes on, but he never lost that personal touch with his people, is that right?

LER: Never.

ERM: Can you remember any incidents or anecdotes that might help to reveal that kind of relationship he had one-to-one with his employees? Things that maybe he did that were vivid illustrations of what we are talking about. Perhaps someone who came to him for help, or an emergency situation of some kind.

LER: No. Because as I said, he knew how to delegate responsibility to other people and down the line people would report to other people. It would not come to his attention, particularly. In other words, he listened to no small things. He never had time for interoffice talk, gossip, or anything like that. He was never involved in small things or altercations between people; never took that stand. They had other officers to whom they reported, and those things could be resolved other than in his office.

ERM: In other words, people came to speak with him on matters of purely business, not of a personal nature.

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LER: Yes.

ERM: Did you maintain a regular detailed calendar for him?

LER: No. He liked to keep his own calendar and make his own arrangements. Naturally we checked every day and knew who was to come in and out, but he made his own appointments most of the time. If we made them, they had to be made with his knowledge.

ERM: I'm told that in his early days downtown in Wall Street there was a great deal more formality about the office. Could you describe that formality as compared with later times?

LER: You mean when we were Carlisle and Company?

ERM: That's right, the way the men addressed each other and others in the shop? Weren't they much more formal in their speech to each other and to the other employees of the shop?

LER: No. They were always on a first-name basis amongst themselves, but never with the employees, ~~never~~.

ERM: Everything was Me and Miss.

LER: I can only speak for myself on this and a few around us, but I can tell you I never in all the years I worked for Mr. Ferguson ever called him by his first name. Sometime back, I don't know exactly when, he started calling me by my first name, which is perfectly all right, but I never called him by his first name.

ERM: There was an informality among him and his close associates in the business?

LER: Oh, yes.

ERM: You mentioned he was good in his eye for people, in recruiting people to work for him. This is a great ability if you have it.

LER: I think so.

ERM: In other words, not many failures along the line.

LER: No.

ERM: He was also very able in delegating responsibility and did this freely without imposing too many restrictions, as sometimes bosses are inclined to do who want to hold the strings and yank.

LER: Yes. Of course, he was always in command. He knew what was going on, and the people to whom he delegated authority reported their results to him, but he never, as you said, tried to hold strings on anybody.

ERM: What was his method in getting satisfaction in the area of responsibility assignment? Did he ask always for written reports from people who had been assigned work or did he more often discuss it with them?

LER: It was mostly personal discussion. Of course, he received many reports. As a company grows to be the size of St. Regis Paper Company, there are more and more reports and so forth, and those things were condensed. But he always knew.

ERM: Who was responsible, as the company became more complex, to screen these and abstract them for him? Was that a function of someone else in the office who actually did that work?

LER: I don't know of any one person.

ERM: It might have been different people in different divisions.

LER: I think it was.

ERM: Some men greatly enjoy the role of public speaker. Was Mr. Ferguson one who enjoyed public speaking?

LER: He was an excellent public speaker. I remember all the years that he was chairman and officiated at the annual meetings. That's not an easy task in many cases, especially if you don't have a particularly good year--you know the hecklers that come and try to make life miserable for the executive who is trying to do this. He never lost his cool, always politely answered any questions to the best of his ability.

ERM: Was he one who carefully prepared in advance what he had to say from the platform or did he usually speak extemporaneously?

LER: No. He prepared all his notes which were quite lengthy. Of course, there were many subjects that had to be covered, all of which I wrote, and that was the text. At stockholders' meetings, I sat in the front row just beneath him. We didn't have recordings or anything in those days, and I took down everything he said, as a record in case there was ever a question whether he had or had not said something. Right after the meeting, those notes were transcribed and they were kept. I never remember any time that we had to refer to them but it was a form of protection, what the man said if he did deviate from the text, which happened every once in awhile. He'd think of something while he was speaking and he'd interject something and it wouldn't be exactly the way it was in the original.

ERM: These are public utterances at annual meetings. What about at other meetings at which he spoke, other than company meetings? Meetings of trade associations or bank meetings?

LER: He didn't do that often.

ERM: In other words, he didn't really seek out other opportunities to speak before other groups.

LER: That's true. We had other officers who belonged to different organizations--labor organizations and so on--and they did quite a bit of public speaking.

ERM: He was never the key speaker of APPA "[American Paper and Pulp Association] or any of those meetings?

LER: I couldn't say "never" because my memory isn't that keen. I'm sure there were a couple or three times that he was called upon but they don't come to mind.

ERM: When he did make speeches, did he always write them himself or would he ask for help of speech writers?

LER: He wrote them himself. He might have asked somebody's opinion in editing or perhaps suggestions for subjects, but he wrote them himself.

ERM: Did you keep a file of those speeches he made over the years?

LER: We did for awhile but then I think we just discarded them. You might find a few down in the file. Did you ask Miss Jennings for any material that she has?

ERM: We have some of it, I think. We were wondering if there wasn't one chronological file of his speeches.

LER: I don't think so.

ERM: That might go back many, many years in time.

JRR: Mainly what we have are speeches or remarks made at orientation meetings. Some of them are made in the late fifties; some may be more recent than that.

ERM: You probably remember those orientation series in which he took a very leading part. He seemed to enjoy it very much.

LER: Yes. That was building and, of course, that was what he was mostly interested in.

ERM: He was a very positive man.

LER: Yes.

ERM: Were there certain people that he turned to more often than others for matters of high policy decision in the company or for advice on particular areas?

LER: No, I don't think so. I think in each division and each company that we acquired, he would get what information he needed from the president of that company, or after they became an acquisition of ours, the people who ran that particular division. I think that goes with his theory of leaving an organization intact. It wasn't the way it is with some companies who wipe the old staff out and send in their own representatives. When we acquired a firm, he left the organization intact, answering to St. Regis.

ERM: Taking advantage of a lot of experience:

LER: Yes, and not disrupting it. If he thought that it wasn't efficiently run, then those officers to whom the company reported would see to it that it was put into proper order.

ERM: In better management.

LER: Yes. But he himself did not say, "Out," and start all over or send our own people.

ERM: Were there any two or three men within the organization, in its executive offices, to which he would turn more frequently than others? Perhaps because of their positions! 'perhaps because he looked upon them as his key lieutenants?

LER: Well, he always groomed people for immediately higher positions. In other words, he groomed the next president, Mr. Adams, for when he relinquished the presidency.

ERM: Then I would imagine that he consulted with Mr. Adams a very great deal.

LER: Yes. Well, it goes along with that process.

ERM: Was there anyone or two men, do you recall, to whom he would turn most frequently when he needed legal advice?

LER: LeBoeuf, Lamb and Leiby. I don't know what their name is now. I don't remember all the names, but they were LeBoeuf and Lamb to begin with, and his contact was mainly with Mr. Lamb,

ERM: So Mr. Lamb was a frequent visitor in the office, I imagine, and a person with whom he consulted.

LER: Yes, for legal consultation, surely,

ERM: In matters of financial counselling, were there any particular men whom he relied on for good judgment? Any banker of note that you might have noticed that he paid more court than others when it came to matters of financial decisions?

LER: No. I think our board of directors consisted of representative people, and they gave their advice not only to him but to the whole board.

ERM: What about seeking insights into the changing climate of public opinion? Did he have friends outside the company or inside the company whose judgment he showed a great deal of respect for in gauging public opinion?

LER: Well, I imagine that he had outside contacts with whom he spoke often, but I think he formed his own opinion after he heard what they had to say.

ERM: Did he have any strong friendships with any people in the political realm, either at the state, local or national levels of politics?

LER: Well, many years ago we knew Mr. Machold very well. But that was Carlisle and Company. That was when we were still in the banking business,

ERM: Not St. Regis?

LER: No.

ERM: Mr. Machold did have a very important role in the company's history,

LER: Yes, he was a vice-president of Carlisle.

ERM: Was Mr. Ferguson a man with strong interests of any kind outside of business? Did he have keen interests in the theatre, the arts, the scientific community, any of these other areas?

LER: Well, he liked opera. He had season tickets at the opera in later years. But I think his main interest was Principia College out in St. Louis.

ERM: Yes. Jim Kussmann is a member of the governing body, is he not? This is a denominational school of some kind, isn't it?

LER: It's a Christian Science school.

ERM: Was Mr. Ferguson a strong churchman?

LER: Very. He was a Christian Scientist.

ERM: And what role did he play in the work of that church group?

LER: He was on the board, I think, of Principia for a long time, and he was instrumental in fundraising for the school. After his children had graduated from the school, he still maintained that interest.

ERM: Was he interested in the Christian Science Church movement other than through Principia?

LER: Mainly Principia.

ERM: What focused his interest on that school, do you know? Had he gone to school there?

LER: No. He had not always been a Christian Scientist, but when he became a Christian Scientist, his interest was thoroughly in Christian Science and in the school.

ERM: Had he belonged to another denomination before?

LER: That I don't know. Shortly after I went to work for him he became interested in Christian Science, but what his interests were before that, I have no idea.

ERM: Was this before or after his marriage that he became interested in Christian Science?

LER: This was after his marriage.

ERM: Did he have any strong ties or friendships with people in the media--the newspapers, radio, television, in any of these?

LER: Not that I know of.

ERM: What were his reading interests? What newspapers and magazines did he most often turn to and read--things that came to him in the office, for example?

LER: I think mostly the financial and the industrial news as they would pertain to the company, and the financial interests of the company. He had the Wall Street Journal every day and he received all the other business publications--Forbes, BUSINESS Week, and Barron's, U. S. News and World Report, and all the rest of them.

ERM: Was he, a man of wide reading interests?

LER: I think he did a lot of reading, but mos'tly at home.

ERM: Did he ever keep note files on his reading which he passed along to you to be typed or put in a file for him?

LER: No, Occasionally, an article or something that he thought would be of particular interest to somebody in the company or something like that. But usually the periodicals were screened in other departments and marked for his attention. He didn't sit all day and read through magazines and things like that until he found something that interested him. Other people would bring pertinent articles to him. If he had seen them before, fine; then he would put them aside. Otherwise, into the briefcase and he would take them home.

ERM: Do you know if he had any particular author that he liked to read?

LER: No, I don't.

ERM: He wasn't a devotee of detective fiction as an escape or anything like that?

LER: No, I'm sure he wasn't.

ERM: Did Mr. Ferguson have any outside philanthropic interests which he was concerned about besides Principia College? Was he a strong supporter of other organizations like the Boy Scouts, for example, or the Metropolitan Opera Society? You probably knew what his interests were.

LER: He had along list of contributions, a record of which we kept for our own information and also for income tax purposes, but for a man of his

means, I'd say nominal. He was generous but as you say, particular in his support.

ERM: How did he handle his benevolent giving? Was this something he dealt with only on his own or did he have others help him go through the many, many appeals that are always sent to a businessman? How did he handle the constant flow of hands that were stretched out to him? You were the one that received most of the mail, I presume. How would you handle that?

LER: Well, it was a question of would you like to give to this? Would you like to give to that? And he finally said, "Use your own judgment." So I did.

ERM: I presume he was the target of many causes.

LER: Oh, yes. Aren't we all? I get them all the time--little me.

ERM: How did Mr. Ferguson prefer to communicate with others? Was he an avid letter-writer?

LER: No. He liked to use the telephone, but person to person contact even more.

ERM: He was a great one-to-one businessman in all areas then. Oftentimes, of course, letters would come from distant points. Would he usually reply by letter?

LER: He would always reply, but usually these people would plan eventually to come and visit and discuss subjects that were pertinent--Europe, South Africa, or wherever--"I plan to be in New York at such and such a time, and I would like to discuss with you thus-and-so subject matter"; and a nice reply would go back saying, "I'll be happy to see you and we can take all these things under consideration when you visit." Very, very seldom was something discussed by letter: always in person, if possible.

ERM: Was he the kind of person that would entertain these people both in the city and in his home afterward?

LER: Occasionally, but there were many other people who could do that. He didn't particularly care for outside entertainment.

ERM: Was he a person who carefully guarded the private sector of his life against the intrusion of his business activities?

LER: Yes.

ERM: What would you say about him as a family man?

LER: As much as I know of him, he must have been absolutely wonderful. I know his girls all adore him and they always have.

ERM: How many girls did he have? How many daughters?

ERM: Four.

ERM: Did he usually spend his weekends and holidays with them?

LER: Yes. Not every weekend, but holidays, yes. They were a closely-knit family.

ERM: Did he have any special interest in golf or anything of that kind?

LER: Yes, golf.

ERM: When he was younger.

LER: Yes. And he also had boats. The last one was just before World War II and then that went into the service. You know they bought up yachts and boats and small craft.

ERM: But he once was a boating enthusiast?

LER: Oh, yes. He had quite a good-sized boat. I think it was eighty-five feet and there was a captain and a mate who ran it. He liked the water, not that he lived on it, but he enjoyed it.

ERM: Was he a sportsman? Did he go in big for hunting or fishing?

LER: No. He wasn't an outdoorsman in any true sense.

ERM: Was he an inveterate world traveler? Did he like to travel abroad?

LER: He did, but I don't think this was any particular interest of his--just to travel.

ERM: Did he do any traveling with his family abroad to any great extent?

LER: If he had to make a trip, for instance to Europe or wherever he had to go, he usually would ask one or two couples of the family group to

go with him. So there were opportunities for the family to accompany him on various trips.

ERM: How much do you know about the early acquaintance of Mr. Ferguson and Mr. Carlisle? I believe they met when Mr. Ferguson was a very young man. . . Wasn't he working in a club or something?

JRR: Lake Placid Country Club.

ERM: And that's where Mr. Carlisle first encountered him, liked him and the relationship grew from that very chance beginning. Do you know anything more in detail about that story?"

LER: The way I remember it, he was working at Lake Placid Club during the summer and he was going to go to Stevens College. As I recall there was some difficulty at the club--personalities amongst the personnel there--and having his disposition (he must have had it even when he was young) he managed to make peace out of chaos. They asked him then to stay on, and he decided he would stay on one year.

ERM: In what capacity did he stay on?

LER: I think he managed the club for a year, if I'm not mistaken.

ERM: But this peace-making role that he had played was not as the manager, was it?

LER: Oh, no. As an individual, as I understood, but because he had the ability, they asked him to stay on. That's the way I thought I heard the story.

ERM: Did he come from a family of means or of modest circumstances?

LER: Very modest circumstances.

JRR: That's why he was working at the club, I think, to earn money to go to college.

LER: To get enough money to go to college the next year, and he decided he would give up one year, and that would give him that much more toward his college education; Then when he and Mr. Carlisle met, and Mr. Carlisle said that he would like him to come to Watertown, he decided to go.

ERM: What do you know about his internship in the business world under Mr. Carlisle? He became an active employee of Mr. Carlisle.

LER: I think he first went to Northern New York Securities Corporation in Watertown. I think that's where he got his financial training.

ERM: Do you know in what capacity he served first?

LER: No, I don't.

ERM: He had a rather rapid rise. Would you say that's a fair statement?

LER: Yes.

ERM: So that by 1924 when you first encountered him in New York, he had become, I presume, Mr. Carlisle's right hand man. Is that right?

LER: Yes, I think so. It was he who came to New York and opened the New York office of F. L. Carlisle and Company.

JRR: Something that has been puzzling me is, if Ferguson was here with F. L. Carlisle and Company, who was running St. Regis Paper Company? When did he actively become involved in managing the paper company?

LER: You can find from the records when he became a director of St. Regis Paper Company. I don't remember when, but when he actively took over the presidency of the company was, I think, I told you that, after the 1929 crash. Carlisle and Company's assets were frozen. It no longer operated as a banking company. In 1929 was the market crash with the bankers and that was the end of that. They carried on for awhile, and then it was decided between them that Mr. Carlisle would go to Consolidated Edison as chairman of the board, and Mr. Ferguson would take over as president of St. Regis Paper Company. That was 1934, so that was the Depression era. St. Regis was then located at 60 East Forty-second Street. They had at one time had office space in 15 Broad Street. Then they moved uptown to 60 East Forty-second Street and it was in that year, 1934, that he and I commuted, as I called it. He would come down to 15 Broad Street (I was still located at 15 Broad Street). He spent part of his time )IP at 60 East Forty-second Street and he would come down one or two days, and whatever I had I took up to him and then came down again. In other words, we worked together in two different places. Then St. Regis moved to 230 Park Avenue in 1935. It was then that we both moved into the office and that was the active headquarters, but he had been the president of the company in 1934.

JRR: In the beginning, about the time you began working for F. L. Carlisle, they began to build a larger paper company and a utilities structure in northern New York. They purchased a lot of companies; they really began to build and develop SLRegis., Back that early, was Mr. Ferguson helping to make decisions about the companies they purchased for the paper company?

LER: What year are you talking about now?

JRR: 1925 was the first big purchase.

LER: I wouldn't be surprised, but I don't know because I really didn't know too much about St. Regis Paper Company except that it was an interest. We did the financing for St. Regis and also for Northern New York Utilities and for several other interests.

JRR: You don't realize who was managing; say the papermaking parts in St. Regis?

ERM: The manufacturing end of it.

LER: I don't know the names of the individuals who were doing this, but I think it was a succession of vice-presidents.

JRR: C. B. Martin?

LER: Mr. Martin was very active. He was one of the later ones I knew. I knew him personally.

JRR: What about Edmund Machold? How much would he have had to do with the manufacturing?

LER: I don't think Mr. Machold had much at all. He was more political.

JRR: And a banker. Apparently in his early career he was a banker.

LER: That I don't know.

ERM: Where? In Upstate New York?

JRR: Yes.

LER: Must have been.

JRR: I don't remember the town, but he apparently met Carlisle through his banking interest.

LER: Don't you think that would have been Watertown too?

JRR: Well, Machold was not in Watertown. It was a small town near there. Something like Carthage, but I'm not sure of that.

LER: They had a mill in Carthage too. But I don't know where Mr. Machold was earlier. I knew him as speaker of the house in Albany. That's when I really first knew of him. He came to the office and I knew him personally there, but I didn't know anything about his earlier career.

JRR: You think then that Mr. Ferguson, until he became president of St. Regis, mainly was doing financial things with F. L. Carlisle.

LER: Yes, I think so.

JRR: Then the obvious question is, where did he learn the papermaking business? Reading?

LER: Oh, yes. From reading, I'm sure, and besides I know he visited the mills.

JRR: He lived in Watertown for a number of years and he certainly had ample opportunity.

LER: He might have visited them casually at that time without the idea that he ever would take over the management of the whole thing. That would have been an early thought before 1934. That would have been a longer time before.

ERM: I'm beginning to see something here that I'm not sure is correct but maybe you can confirm it or deny it. Up until the stock market crash in 1929, I have the sense that both Carlisle and Ferguson were primarily bankers, managers of investments of a wide variety which included the paper business but probably more importantly it involved utilities.

LER: That's true.

ERM: Were there other industries involved in their structure of investments besides utilities and paper? Or was it mainly those two?

LER: Mainly those two. But there was a rayon company, Oswego Rayon, that they were interested in for a time. But that was sold later.

ERM: In other words, these companies that they owned were actually being managed in their manufacturing parts by other men who were working, in a sense, for Carlisle and Ferguson', 'right?',

LER: Would you say they were working for them? Mr. Carlisle was president of these companies but he was not actively interested in running them and making his office there. The management was in the hands of other people.

ERM: That's right. In other words, the president; Carlisle, was the principal owner of this complex but he employed other people to actually run the individual companies at their manufacturing centers.

LER: Right.

ERM: Now along comes the stockmarket crash of 1929. This threw the whole economy and the whole business world into great turmoil. Reorganization, bankruptcy on all sides. How did that event force a change in the structure of things as between Carlisle and Ferguson? Were they obliged to give up their holding company kind of operation and go into specific managerial control or guidance of individual companies? Carlisle went the utilities route to Con-Edison. Ferguson went the paper route to St. Regis. Is that a fair rendering of the story?

LER: Yes.

ERM: In other words, it was the Depression's onset that was the watershed event that moved them in a different direction.

LER: I don't know what their conversations were with each other or how they came to the decision.

JRR: I gather that St. Regis had its problems in the thirties. A lot of the problems came from investments that were made when the market was good. Then after the Depression, the value of those things went down. One of those investments would have been the Bates Valve Bag Company and in the early thirties they revalued the company, the capitalization; they scaled down. The story that I've heard is that Mr. Ferguson did not want to buy Bates Valve Bag and Carlisle did. Do you know anything about that?

LER: No.

JRR: Offhand it seems a good investment, in hindsight, because it made St. Regis an international company. Do you have any idea whose vision that was?

LER: No, I can't honestly say.

JRR: Somewhere, somehow Carlisle got an option to buy that company. Bates invented a multiwall valve bag, it was called, in 1925, and all of a sudden the market boomed for paper bags. They began to build plants and had to borrow money and over-extend'ed themselves and apparently had to sell. Some way Carlisle knew about this and bought it. I'd like to find the tie-in. How did he come upon this opportunity?

LER: I can't tell you that. I don't know.

ERM: Who would be the most likely source of that kind of information? Are there men still living who were involved in the company at that time who might provide that information? Mr. Sutton or Mr. LeBoeuf or anyone of these--Mr. Vilas is it?

JRR: Homer Vilas.

LER: Mr. Vilas, of course, was in securities. He was senior partner in Vilas and Hickey Securities Company. He came to us as a vice-president for awhile. So whether he had any knowledge of it, I don't know.

JRR: During the early thirties, mid-thirties when things were trying for everybody, who did Mr. Ferguson talk with most? He was grappling with some big financial questions. Maybe he decided things by himself.

LER: I'm sure he and Mr. Carlisle always conferred, but I know that he went to the bank, and I think at that time, it was First National City. It was then National City, I guess before it was First National City.

JRR: So Carlisle did play a role in St. Regis.

LER: Oh, I'm sure.

JRR: Up until his death. Did he visit the office ?

LER: No, very, very seldom. After they went their separate ways, he didn't come to visit very often. I don't think he was there more than a couple of times.

ERM: Did Mr. Ferguson go the route of becoming a paper company executive as a matter of real choice and Mr. Carlisle went the utilities route?

Carlisle seems to have had a long-term intense interest in developing a utilities empire in the East and Mr. Ferguson seems to have been more oriented to the paper business and we've wondered if this was a matter of their own personal choice or whether it was done under some other auspices.

LER: I don't know. They decided that between them. What went before, what their ideas were before I don't know, but when they made their decision, that's the way they went, one to utilities and the other to paper. Inasmuch as Mr. Ferguson was taking over the 31. Regis Paper Company, he was going to make something of it, and he did.

ERM: You were present on the scene of Black Tuesday when the crash came. That's an event of rather great historical significance. I wonder what you can remember about that day and the reactions of your associates, particularly Mr. Ferguson and Mr. Carlisle.

LER: They showed no emotional reaction whatsoever, no obvious emotional reaction in the office. We had to eliminate quite a number of people and I think both of them felt badly about it because they were both kindly people, but it had to be done.

ERM: How large had the organization grown by that time?

LER: Carlisle and Company? Oh, I guess we had between twenty and twenty-five people. We were not a large organization, a wealthy organization, because, after all, private banking isn't done in little bits and pieces. It's done in large blocks which doesn't entail a great deal of clerical or small individual people's jobs.

ERM: Did either Mr. Ferguson or Mr. Carlisle indicate any sense of the coming financial disaster, prior to the actuality?

LER: Not that I know of.

ERM: There was no heightened speculation around the office that something dire was about to happen?

LER: No.

ERM: In other words, it came pretty much as a surprise to everyone.

LER: I don't think many people, brilliant people or otherwise, realized what a terrific calamity this was going to be. I don't think anybody realized or could realize.

- JRR: Was there any particular year after 1935 where Mr. Ferguson could sense that the paper business was going to pick up? Were they especially bad years? When did he see the light at the end of the tunnel?
- LER: I don't know exactly when, but the company had been importing pulp from Europe, mainly from Sweden, and somewhere along the line he decided that we should have our own wood supply and that's when he started to invest in timberlands. I do believe that it was a bit difficult to try to convince stockholders at that time that it was a good idea to invest in timberlands.
- ERM: Although it was an extremely good time because the timberland was cheap.
- LER: That was why I said it was so farsighted; that you were no longer dependent on a foreign country for your source.
- JRR: I think I recall three large purchases of either timberland or timber rights in the thirties. One of them was the Moose River Lumber Company. Another, I think was the West Bend Lumber Company.
- LER: In the Northwest and then later on in the South. They did own Adirondack.
- JRR: Well, the Moose River one was in the Adirondacks.
- LER: Yes. And then the West Coast and then later on in the South.
- ERM: Arthur B. Recknagel, the father of the present executive of the company, played some important part in those years in convincing the company of the value of buying timberland. Do you remember A. B. Recknagel?
- LER: Oh, yes. I remember him but I don't know whether he played any particular part in it. That I can't say.
- ERM: What was the role of Mr. Pagenstecher in the industry?
- LER: Don't recognize it.
- JRR: He introduced the process of making groundwood pulp in the country. He supposedly is the man who put together International Paper Company. In the early days he had some interest in St. Regis.
- LER: How early?

JRR: He and his sons were involved in the company maybe up until 1920, I'm not sure. They had some influence in it, but it's hard to pinpoint how much. Their names come up in the minute books.

ERM: I do believe the Pagenstechers and the Recknagels were somehow or other related, by marriage or blood, I'm not sure. I remember many years ago when I did a tape-recorded interview in Ithaca, New York with the late A. B. Recknagel, he introduced me to a Cousin whose name was Bertha Pagenstecher. She lived during the winter months in an apartment on Park Avenue in New York City and during the summer months at a summer house at Cornwall-on-Hudson. You don't recall that relationship or did you not know the Pagenstechers at all?

LER: No, I didn't know them at all. Did you ask Bernie Recknagel?

ERM: I haven't talked to Bernie about this, but I'm sure he would know.

LER: Yes, I'm sure he would know, especially if there was a relationship.

JRR: Do you remember a nursery at St. Regis Falls that was discontinued about 1930, started in 1920.

LER: No.

JRR: It was the largest private nursery in New York state and possibly in the country.

LER: Really.

JRR: It was Carlisle's idea apparently.

ERM: Which is quite an early time for the paper industry to be involved in a forestry operation of that magnitude.

JRR: They did a lot of publicity with it, too. They made film and had meetings in the north country, promoting the idea of forestry and reforestation. Let's get back to the thirties. I noticed two trends in the thirties that maybe you can shed some light on. One was that St. Regis was buying Taggart Corporation stock anywhere they could, but also beginning to buy Skenandoa, Rayon Corporation stock. Can you remember any of the reasons for those purchases?

LER: No. I don't know the reasons. I know that Skenandoa was one of the companies in which we had an interest. I honestly don't know

unless--well, rayon was made from pulp, so I don't know, maybe it was a related thing, but it was sold later on, too.

JRR: Skenandoa was sold?

LER: Yes.

JRR: Well rayon was fairly new. It was new in the twenties. ~~\_\_\_\_\_~~

LER: It was Oswego Rayon, and then later we got Skenandoa Rayon.

JRR: It's not the same company?

LER: No.

JRR: I haven't seen a reference to Oswego Rayon. Maybe it's called something else but I haven't seen a reference to it. Can you remember whether or not the NRA affected St. Regis in the paper industry?

LER: What was that?

JRR: The National Recovery Administration. The Blue Eagle as it was called during the New Deal.

ERM: Were any regulatory controls imposed on the St. Regis Company during the NRA days?

LER: I don't know exactly how or why, but we had to close down Tacoma for quite awhile.

JRR: That was the War Production Board. That was because of the wartime use of timber. In that particular area there was a shortage of logs and they didn't want St. Regis using them.

ERM: That came later in the forties. The New Deal period, of course, was in 1932, '33, '34, '35. Then, the NRA was declared unconstitutional by the famous Schechter [Sick] Chicken Case. Remember? And all of those various codes that had been established to guide various industries in the way they carried on their production and sale of products were thrown out as being unconstitutional. The lumber industry, of course, was one of the most dramatically involved. We wonder if you recall how the paper and pulp industry was affected in this period during the Depression.

LER: No, I can't honestly say that I can.

ERM: This was a difficult time for St. Regis in those years. You were losing money. It was an uphill battle all the way and Mr. Ferguson inherited a very sick economic situation. What do you remember about his response to that challenge? How did he deal with the adversity of the times?

LER: Well, I think that there was definitely an austerity program put into practice in every way, right down to the last person in the office. I'm sure that lots of duplicate jobs were eliminated. I remember that one person at sometime or another had gotten a great many reports of something on his desk and he wanted to know where they came from. "I don't know, but so and so gave it to me." So he went to the next one, "Where did you get this? Did you make this up?" "No. So and so gave me this and I made this and then passed it on." There were too many steps all the way along the line, and I think the whole thing didn't amount to a hill of beans. It was entirely unnecessary but it had been done many, many years or something and it was just a continuation. Well, all things like that were eliminated--unnecessary this, unnecessary that--and I'd say an austerity program was the first thing they put into practice.

JRR: Did they not move the offices back to Watertown? They moved some parts of St. Regis back to Watertown. Do you remember?

LER: Not that I know of. The headquarters offices?

JRR: Something was moved back to Deferiet: I thought that was probably part of the austerity program.

LER: Not that I know of.

JRR: Well, apparently the headquarters was not, but I think something was moved back.

LER: Headquarters was in New York, as far as I know.

ERM: You were a part of it and you continued right through. That's the best proof in the world, I would say, that the headquarters stayed here. Mr. Ferguson continued here: this was his base camp, not Watertown or Deferiet?

LER: Yes, the base was while I was there.

- JRR: In terms of getting the company through the Depression years, someone started an experimental program, and apparently Mr. Ferguson had something to do with it--what can we do to sell more bags or paper products? Do you know of any program like that to make innovations in papermaking or the product to create markets?
- LER: No. That would have been between him and the manufacturing end, and I don't think that would have touched me at all.
- JRR: It seems that at West Nyack was probably the culmination of what they started in the thirties.
- ERM: When did the revolution in packaging of groceries and all kinds of things really begin to take off? Wouldn't that have affected this situation considerably?
- JRR: As far as I know, one of the effects of World War II was the big boom in packaging.
- ERM: The big boom came with World War II.
- LER: Yes. I imagine so.
- JRR: All of a sudden because of the war effort, they found uses for paper bags, that hadn't existed before.
- LER: I do know that along with uses for paper bags, they made many experiments beginning with the product--what was needed in the paper to protect the product. They used to ship cement in jute bags or something like that before.. And if they were in an open truck and it rained, the product was absolutely destroyed. Well, on things like that, they found out what was needed to protect whatever product it was. And I know they did this a lot because they could incorporate in the paper bag a protective chemical or something to see to it that the product inside was not destroyed. That helped a great deal and sold a lot of bags.
- JRR:.. Would you say that the bag division was the strongest division in that period of the forties? Which division was selling more products? Which division was most prosperous?
- LER: I think it's hard to say whether it was the strongest. It kept growing all the time.
- JRR: What about Panelyte?

- LER: There was a lot of experimental work with Panelyte. During the war they had a lot of use for Panelyte. I remember we went out to New Jersey; we got an E--you know, for excellence. It was one of those things that was a real celebration, a real ceremony and all that. I know that that was the time that Panelyte was very much in use, but after that, I think there was a terrific amount of competition with Panelyte and other products.
- ERM: Everybody jumped in and got into the act.
- LER: No matter what company made material or what name it had, only one was recognized--Formica. Everybody knew that name, but they didn't know Panelyte and they didn't know any of the others.
- JRR: So that's essentially what Panelyte was?
- LER: They were all interrelated. They were all practically the same, different processes but the end result was pretty much the same, and I know it did not prosper.
- JRR: Only during the war.
- LER: ,That's right.
- JRR: Afterward they sold it, apparently;
- LER: Yes. I've even forgotten the name of the company that took it. If you mentioned it, I'd know it.
- JRR: Well, during this period St. Regis dissolved all of its subsidiaries and consolidated. Whereas there had been a Harrisville Corporation; and the Taggart Corporation and the New Hampshire Walnut Company, Bates Valve Bag, Bates International--they dissolved all of these and made them St. Regis. They scaled down investments, the capital stock, in all the companies including St. Regis. Was all that an austerity program?
- LER: I don't think so. It might have been. It was a simplification, of course. A complete simplification.
- JRR: As soon as Mr. Ferguson became president of St. Regis, he started doing that. He wrote off debts that subsidiaries owed St. Regis. He scaled down the stock. It looked like he was trying to get the thing down to a manageable size.
- LER: Let's start over.

JRR: Yes.

ERM: And that included scaling down employees, I would imagine, throughout the whole structure.

LER: In all ways, yes.

ERM: Both in the New York office and all the way through the structure of plants in the field, right?

LER: Right.

JRR: You know along with that idea they began to sell some of those utility investments they had, mainly United Corporation, and they sold them throughout the thirties. I don't know when they finally sold all of them, or if they ever did. Do you know anything about that process? St. Regis had a lot of stock in United Corporation.

LER: Yes, St. Regis was not operating at a profit. It was operating at a loss, and they were paying dividends but they were paying dividends out of their income from United Corporation.

ERM: But then in the middle thirties, Mr. Ferguson turned things around. I'm not sure, was it 1936, that St. Regis showed a profit?

JRR: Late in 1936; '36 was a good year. It began to turn.

ERM: And then there was a recession in 1938 when things went down again, but after '38, the war just began to send things straight up. What do you recall of those days, of the change from struggling to shooting up and becoming more and more successful?

LER: What do I recall about it? Well, of course, I did then and I still do give all the credit to Mr. Ferguson, because he was farsighted enough to be ready when the time came and he accomplished it. Of course, the times helped but he knew enough to take advantage of it when it was there, and it didn't stop him from growing. He just kept right on making it more firm, more stable.

ERM: Was he energetic about getting in and getting contracts of size with the military branches of our government?

LER: He, himself personally? I don't think so.

ERM: This was something that was a responsibility of someone delegated to do that work.

[REDACTED]

LER: I think so.

JRR: That came through the various divisions and certain individuals were authorized to make this contract.

LER: Right.

JRR: There was a lot of that.

ERM: The war had brought a tremendous amount of the new business. As a matter of fact, the domestic uses of paper were being cut back in order to meet the wartime needs, were they not?

LER: Yes. There were demands made. I know that we had a hard time trying to satisfy customers. You couldn't make enough paper to satisfy all these people with those requirements before.

JRR: Was there ever a time when Mr. Ferguson considered selling St. Regis? Do you remember that he or Carlisle, either one, seriously considered selling? The reason I ask, is that were a lot of rumors about that.

LER: Yes, there was a negotiation with RCA, Radio Corporation of America.

JRR: That's fairly recent.

LER: Fairly recent.

JRR: Anything before that?

LER: Not that I know of.

JRR: Back in those early days, late twenties, I think, there were rumors that International Paper was about to buy it.

LER: I don't think that was counted.

JRR: Not really serious.

LER: No. But, RCA--we say comparatively recently, but what's that? Ten or twelve years? Time flies so quickly. But then, no, that was out.

JRR: But it was a serious consideration?

LER: Oh, they had serious discussions, but it fell through, as those things do sometimes. I read them in the paper every once in awhile. You see big headlines-- and so taking over so and so--and then a short time later, they say no, it didn't materialize.

ERM: St. Regis continued to build the pace of its ownership of timberlands too.

LER: Yes.

ERM: What do you remember of that part of the history of the company? Who were the people that were most engaged in finding, and negotiating sales or purchases of these lands? Who do you think of as the architects of that trend?

LER: It seems to me the people who were in the area. Now, for instance, you see, we had made many acquisitions, I think in the Northwest, so when we acquired lands in the Northwest, it was through the people that were so familiar with the area after we had acquired these companies out there.

ERM: That was the St. Paul and Tacoma Company and the J. Neils Lumber Company.

LER: Yes. I think they knew the area and probably they were in a position to judge. As I remember it, the Neils family is a large family. Is that what you have learned too?

ERM: Yes.

LER: As I understood it there weren't any of the next generation or the second generation much interested in keeping this in the family or something, and that's how they decided to sell it and how we acquired it. That is the way I remember it. The'n, of course, we bought the southern company--that was Mr. Allen, Jim Allen. What was the name of that before it became part of us?, Pensacola?

JRR: I'm not sure.

ERM: Was it Savannah?

LER: No. But in any case, those people would have known the area and known timberlands and woodlands that were available.; I think they were the natural ones to scout these things.

ERM: Then Paul Dunn came into the picture too, did he not?

LER: Yes." Paul Dunn. He was in charge "of forestry.

ERM: He negotiated a number of purchases .

LER: I'm sure he had something to do with that too.

ERM: Paul would be a good one to interview and so too would Professor Walter Meyer of Hamden, Connecticut, a retired professor forestry at Yale. He advised St. Regis at one time I believe, possibly in connection with the J. Neils and St. Paul and Tacoma purchases, because he was for a long time a practicing forester, consulting forester, and had/been a government research forester in the Pacific Northwest. I know he has some records and reports in his files on that subject up at Yale. It might be worth checking into. In any case, the company has had a very substantial and steady upward growth in the last two or three decades.

LER: Yes.

ERM: You have been witness to that and a-participant in a good part of it. You didn't retire from your job until what year?

LER: 1970.

ERM: So you have seen a really remarkable company develop.

LER: Yes, from less than nothing to what it is today.

ERM: Do I understand that you think the principal architect of that course was Roy K. Ferguson?

LER: Absolutely.

ERM: I wonder if you could draw a little picture of the personality of Mr. Carlisle. You knew him well, too, not perhaps as well as you knew Roy Ferguson, but you knew him well enough to etch his personality a little bit for us. What kind of man was he?

LER: He was a keen individual. He had the keenest blue eyes that you would ever want to see. Of course, with his own associates he was different; but he had very little to do with the people in the office. He was gracious when he came in in the morning. He would always greet them with, "Good morning," go into his office, and that would be it. Not closed doors, though; they didn't believe in closed doors. But he had, I think, terrific vision. He had farsight that was really something, a very smart and a very keen man. He was also one of those who communicated face to face with people. He had more talks and discussions and so on. He used to give a lot of talks. He did quite a lot of public speaking.

ERM: He was more interested in reaching the general public as well as the industry.

LER: Yes, and he had quite a number of political friends, and he received letters of citation from various and sundry people in Washington. Not that he courted public acclaim or anything like that--but I mean he was much more active that way, a very keen and a very farsighted individual.

ERM: Had he sprung from rather humble origins too, or had he been a person of some inherited means?

LER: I don't know, but I don't think that he had a terrifically wealthy background.

JRR: No. I believe his father was a sewing machine salesman or something like that.

LER: I know he studied law; Mr. Carlisle was a lawyer to begin with. But further back than that, I really don't know.

JRR: I think I'm right about that. I think his family lived rather modestly.

LER: Yes, I think so.

JRR: Incidentally, when did St. Regis begin paying dividends after that traumatic period in the thirties? I have here July 1, 1942. That's the first one I had seen in the minute books for years.

LER: Sounds right.

JRR: It was probably the first one since the early thirties.

ERM: Don't the annual reports show?

LER: Yes, I think they would show. I think you have a file of all the old annual reports. I know we treasured those.

JRR: I have most of them, but I don't have all of them.

LER: Not all?

JRR: No, not some of the earlier ones.

ERM: But you certainly had them through the thirties and the forties?

JRR: Oh, sure. I will check on this and see. If this was the first one in approximately ten years, it must have been pretty exciting. That was an indication that things were better--a lot better, as a matter of fact.

ERM: I would imagine there must have been profits realized before 1942 that would have permitted payment of at least some dividend.

LER: Well, you see, that's why I said it was difficult to try to convince the stockholders that this money should be put back into the company and not paid out in dividends.

JRR: There was some resentment about that.

LER: It takes a lot of explaining in layman's language to tell them why, if you are making a profit, you are not sharing it with the shareholders. But, the wisest thing that could have happened was to put that money back in and reinvest it in timberland and machinery and bringing your mills up to date and being able to compete.

JRR: Were the mills kept in good shape during the 1930s?

LER: Yes, but they were not as modern as some of the others. You had to meet competition. If you can't compete, you can't do anything.

JRR: But he was able to invest that money and pay off some of those outstanding debts.

LER: Yes.

ERM: What did you look upon as your chief competition in the industry? Was it IP in the paper industry?

LER: Of course, IP always was tops and then there was West Virginia, but what's the one out in California?

ERM: Crown Zellerbach?

LER: Zellerbach, yes. IP and Zellerbach and Union Bag and St. Regis and West Virginia, I think, we all took our share.

JRR: Getting back to when we were talking about dividends, do you remember a stockholders' meeting in 1944? Some of the opposition to plowing that money back into the company, I think, surfaced in 1944 at the stockholders' meeting in Watertown.

LER: I was never at a stockholders' meeting in Watertown.

JRR: You never attended one there.

LER: No, only in New York.

JRR: Apparently, there was some opposition to the management of the company at that one, the first thing like that I've seen in all the minute books up to 1944. The real line of contention was that throughout the thirties, these other individuals had drawn salaries from the company and stockholders hadn't received anything. They had lost a lot of money.

LER: Well, I think that was the same story you heard at every stockholders' meeting if they weren't paying dividends. And even if they were paying a small dividend, why wasn't it larger? And why you take such a lot of money and why, why, why? You'd hear that at every stockholders' meeting. Except that recently, we have had very peaceful meetings.

ERM: How widely held was St. Regis stock in the years of the thirties and the forties? Was it a closely held stock ownership among the relatively few stockholders?

LER: I don't know. I don't think so. I think it was widely held.

ERM: Was it on the big board at that time? As a public corporation it was selling stock on the open market?

LER: Yes, I think so.

JRR: I believe St. Regis stock had been on the big board since the mid-twenties, but I'm not sure.

LER: Yes, I think so too.

ERM: So then it could be almost certain that there were a good many rather small stockholders who owned a hundred shares, or less perhaps in some cases

LER: There were always a number of people who kept the faith and had faith in the company and in its management and stayed with it.

JRR: I think I've asked you about Edmund Machold. It's been a problem deciding how much influence he had even at F. L. Carlisle and Company.

He did certain things like apparently put together the Taggart Corporation in 1928. He was a vice-president of St. Regis and I guess he was an official in F. L. Carlisle and Company. He and Mr. Ferguson were in on a corporation called the Michabo Corporation. Did you ever hear of that name?

LER: No, that name Michabo was given to F. L. Carlisle and Company afterward. I don't know what that name means. I think it's Indian, but that was the name of Mr. Carlisle's boat long before.

JRR: Oh, that's interesting.

LER: And then the Carlisle Company name was changed to Michabo Corporatim.

JRR: Some of the stock's St. Regis bought came through that. Some of the Skenandoa stock was purchased from Michabo.

LER: I think so.

ERM: What was that? A holding company?

~~LER:~~ Michabo? Yes, Weil, I mean that was Carlisle; that was Carlisle Company.

ERM: When did it come into being? After Carlisle and Company ceased to exist?

LER: Yes.

ERM: In other words, this was a kind of continuation of the old company under a new name.

LER: I can't tell you why they did it, but I knpw that they changed its name.

JRR: Something that has intrigued me also, somewhere along in the early forties, St. Regis decided to buy stock in, I think it's called the American Pulp Export Corporation, something like that, out in Nevada. Now since St. Regis was importing pulp or buying foreign pulp, why were you interested in a corporation that was exporting pulp?

LER: I never heard of it.

JRR: I'm not even sure that St. Regis bought stock in it, but they were authorized to. It came up one time, but I haven't seen any trace of it since.

ERM: I think the answer to that probably stems from the fact that imports and exports of raw materials don't always continue along the same patterns. If you build up a tremendous inventory of timberland, I can see that you might, especially in some years, conceivably have a surplus of pulp to sell in the open market here or abroad. Did St. Regis ever sell any of its pulp, as its raw material from its land, to other companies, or did it only use it for its own manufacturing?

LER: I don't think they sold any that I know of.

ERM: They didn't produce pulpwood to sell?

LER: No, the trend was to have integrated mills. You grew your own wood and you fed it in and you made your own paper and you fed it in and you made your own bags, cardboard cartons and what not. It was integrated--each mill was integrated.

ERM: And at the same time you also bought on the open market from small woodlot owners.

LER: Yes.

}RR: They did sell pulp from the Tacoma mill to other papermakers, and they bought foreign pulp and mixed the two. For some reason, there was an advantage in mixing two pulps. Does that sound right?

LER: I wouldn't know about it. I would seem to me that if you had an overabundance of supply at one place, as you said, you'd send it to your other mills, unless it was too expensive to ship it. Then it might be in your interest to buy something closer at hand, according to the shipping charges. It's a big product, it costs a lot of money to ship great big things like that.

ERM: And there is the problem of paper chemistry involved in different products too. I'm not sure of this myself, I'm not knowledgeable on this subject, but I suspect that an admixture of domestic pulp of a certain fiber length and so on, mixed with a Swedish pulp produces a paper of a certain grade that you wouldn't get if you just used purely domestic pulp. Maybe that's the reason they did this.

}RR: What about the postwar years? What kind of adjustments did you have to make after World War II? Did their optimism wane?

LER: We always had optimism, Go out and find new products and make the bags, the cartons and everything else that they want.

- JRR: I asked you about the NRA and how it affected St. Regis. Somewhere and for some reason, and I have very little information on it, NRA recognized the groundwood division. As a result St. Regis said, 'We have been making paper to other people's specifications. If somebody wants a certain grade of paper, we make it. Now, let's begin to make a paper with specific grades and advertise this, and let them buy our paper rather than our doing what they say.' Apparently those paper codes did influence St. Regis some way. Someone named Charles McMillan, I think, was involved.
- LER: Charles who?
- JRR: McMillan. Is that name familiar?
- LER: Yes.
- JRR: He was apparently making this pitch, "Let's do something about the grades of paper we make." That's as much as I know because that's all I've seen. DuPont developed something else which had to do with bleaching groundwood pulp. They installed it in the Deferiet plant, I think, during the war. It's sodium peroxide. Does that sound right?
- LER: Sodium peroxide?
- JRR: Yes. So it was a new process in bleaching pulp which they sold during the war.
- ERM: Wars are almost always sort of a stimulus to industry. All kinds of new products spin off as a result that have continuing influence long after the war is past. I wonder if you saw anything to dramatize the evidence of that in your experience ~~during World War II?~~ -
- LER: No, not that I can recall.
- ERM: Did you get into the manufacture of any packaging machinery or did the war provoke the company to get into other service industries that related to papermaking or boxrriaking or bag making or anything like that after the war?
- LER: Maybe Bates sold it later, I don't remember that, but I think they rented the packaging machinery for their bags to fit on this packaging thing, and serviced it. I remember one man who was in the field to service these different places if they had breakdowns or something went wrong. So I think they rented them.

- JRR: Every plant that used the valve bag had to have that sort of machine.
- LER: Yes, they had to have a bag machine.
- ERM: And then they had to have sealing machines too, didn't they, that closed them up?
- LER: Yes. We had a wire tie division.
- JRR: The wire tie division did well during the war, for some reason. I don't know why, but it was doing better. As I recall, the War Production Board let St. Regis concentrate on making a more efficient bag for their machine, because they discovered that was more economical and efficient in terms of saving manpower and materials than anything else. For a while the machine division at Oswego was doing war production. So they took them off that when they saw how efficient these bag-filling machines were, in terms of manpower and raw materials. It was better for Oswego to work on the machine than it was to make guns or whatever they had been doing.
- ERM: You said a little earlier that Mr. Ferguson was a great man to develop talent and to bring along new men to take on responsibilities, that he'd groom the people to rise in the company to new management levels. How would you describe his grooming of William Adams to be the new president? Where did Adams come into the picture for the first time?
- LER: He had been in Watertown. He came down to New York and he was in New York for all of those years, and had progressed in the company. Evidently Mr. Ferguson had decided that he was the man to succeed him, and many times they had discussions of an hour or two at a time, maybe each day or every other day, and this was an educating process over quite a period of time. I think it was a thorough and complete education.
- ERM: There couldn't have been any doubt in anyone's mind who was being groomed to take Mr. Ferguson's place, is that right?
- LER: That's right.
- ERM: Bill Adams was very definitely the man.
- LER: Yes.

- ERM: Now tell me a little about Mr. Adams. What kind of a man was he? Were there points in which he and Mr. Ferguson were quite similar in their personality and in their style and were there some areas in which they were quite different?
- LER: That they were both gentlemen they had in common, but Mr. Adams was not as dynamic as Mr. Ferguson.
- ERM: How do you mean? In what respect not as dynamic?
- LER: He didn't project, let me say. His personality did not project when Mr. Ferguson's did without any effort. You could feel Mr. Ferguson's projection and his strong personality without any gestures or anything else. You just felt it. It was an aura. Everything he said affected you that way. Mr. Adams did not have that particular personality projection--a very lovely man, a very fine man, a very intelligent man, but he didn't have that forcefulness.
- ERM: Yet he took over the company, when in 1950, 1960-something? When did Mr. Ferguson move up to chairman of the board?
- LER: He held both; he was president and chairman of the board for awhile. Then he gave up the presidency to Mr. Adams.
- ERM: When was that approximately? That's a detail we can get from the records.
- LER: I'm sure you can. He was also the chairman of the executive committee and he held the chairmanship of the board until a few years ago, not so many years ago. And then George Kneeland became chairman of the board. He still retained the executive committee chairmanship. He retained that until his death.
- ERM: In the decision-making process, how important has the role of the executive committee been?
- LER: Very important.
- ERM: Very important. This was where the final judgments were indeed thrashed out and decided. Who were the members of the executive committee? They were the same people for quite a long period of time, were they not?
- LER: They were chosen from the board. And the board kept on for a long time unless for some good reason somebody dropped out--resignation

or death. Our board had stayed stable for a long time and different people from the board were on the executive committee.

ERM: Well, Miss Richter, thank you for being so considerate and allowing us to speak with you today. You have been most helpful and the information which you have given us will be of much importance.

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