Southland Papermills, INC: The South's Pioneer Newsprint Manufacturer

Bob Bowman
During the weekend of January 20-21, 1940, Lufkin's coldest weather in a decade slammed the community with blasts of icy air, a five-inch snowfall, and bone-chilling temperatures. People trudged through the snow to reach the town's downtown drug stores to buy cameras and film, anxious to record the rare winter scenery.

The *Lufkin Daily News*' edition on Tuesday, January 23, took note of the weather with a front-page, eight-column headline of the bold-and-black type usually reserved for wars and disasters: "MERCURY PLUNGES TO 10 HERE."

Below the headline, four photographs and a smaller, one-column headline recorded another event that occurred that morning in the *Daily News* pressroom. The story reported: "This issue of *The News* is printed on Roll No. 1 from the Southland Paper Mills, Inc., Lufkin. The paper you hold in your hand is off the first run of commercially produced southern pine newsprint in the world."

While the roll of newsprint was the first to be used in printing a complete daily newspaper in Texas, the first paper supposedly produced at the Southland mill came off the mill's paper machine in the early morning hours of Wednesday, January 17. The paper had some defects and Southland's managers waited a week before delivering what they felt was "printable newsprint" to the *Lufkin Daily News."

The 1,445-pound roll of white paper trucked to the Lufkin newspaper in late January, 1940, carrying a label stamped "No. 1," was symbolic of the enormous changes that subsequently occurred in America's newsprint and newspaper industries, the economy of East Texas, and Lufkin's own industrial economy. It was the first time newsprint — the basic commodity of all newspapers — had been made commercially from the southern pine trees that have existed for centuries in the southern United States. It was the first time paper of any kind had been produced in an interior East Texas community. It was the first time the interior of East Texas had a significant market for pine pulpwood, or "cordwood," as loggers called the wood. And for Ernest Kurth, the beaming barrel-chested lumberman shown holding a freshly-printed newspaper in one of the front-page photographs, it was the culmination of a challenge that had consumed him for more than a decade.

Kurth was the second oldest son of Joseph Hubert Kurth, a distinguished, spade-bearded German who arrived in Angelina County in 1888, purchased a small sawmill from Charles Louis Kelty and James A. Ewing, and planted the roots that would in forty years sprout a far-reaching lumbering empire in East Texas.

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As he began to age, Kurth turned to his son, Ernest Lynn, a piano-playing sawmill manager with a keen intellect and good business mind. Ernest gradually assumed the helm of a lumbering complex that at its peak included dozens of sawmills, almost 100,000 acres of timberland, and a collection of other businesses ranging from hotels to insurance companies.

Kurth and his father had made considerable fortunes for those who had invested with them. From Angelina County, Kurth-led businesses spread throughout East Texas and western Louisiana. But by the late 1920s, Kurth knew the lumber business was changing in a significant way and was considering the construction of a paper mill.

The great timber boom of the late 1800s and early 1900s had left much of East Texas with forests cut over by gypsy lumbermen. Capitalizing on cheap timber and a demand for lumber in places such as Houston and Dallas, the gypsy loggers cut broad swaths through East Texas' virgin forests, left behind millions of stumps and dozens of abandoned sawmills, and moved on to other timbered states.

Eventually modern forest management developed as a result of far­sighted timbermen such as those in the Kurth, Temple, and Kirby families, who hired professional foresters responsible for changing the way the forests were harvested and regrown. The Kurths and other lumbering families acquired thousands of acres of cutover lands and replanted them with young pines or encouraged natural regeneration, but they would not be lumber-sized for another two to three decades.

To grow properly, the young forests needed periodic thinnings. The thinnings were the right size for use as pulpwood in paper mills, but there were no such mills in interior East Texas.

Paper mills in the South were also few and far between before the 1930s. By 1920, there were only six kraft mills in the South. Eight more were added in the 1920s. After long sales pitches to northern banks, the money began moving south in the 1930s and soon mills developed from Virginia to Texas. Fifteen kraft mills were completed in the 1930s.

Texas had a few paper manufacturing operations on the fringes of its timber belt in the 1930s. A mill at Oak Cliff made paper from used paper and some wood fiber. Another mill in Orange made paper from southern pine residues. But neither bought sufficient amounts of timber in the heart of East Texas.

By the 1930s Kurth was a promising and aggressive lumberman in his late forties, as well as a commanding figure in the industry and within Texas' business and political circles. Despite the gloom of the Great Depression, Kurth began promoting the construction of a paper-manufacturing complex in interior East Texas. At first, he felt the production of kraft paper — a heavy brown paper used principally for paper bags, wrapping and packaging — held the greatest promise for East Texas. Blessed with abundant timber and cheap labor, the Southern United States had become attractive to kraft manufac-
turers. East Texas, Kurth reasoned, had the same potential, plus promising markets in Texas' expanding cities.

Aware that there was little, if any, newsprint production in the South to compete with Canadian newsprint made from spruce, balsam, and hemlock trees, Kurth flirted with the idea of building a newsprint mill to serve newspaper publishers in the South and Southwest. Jack C. McDermott and C.S. Boyles, Jr., publishers of Kurth's hometown newspaper, the Lufkin Daily News, made him aware of the problems and costs incurred in importing newsprint from Canadian and Scandinavian manufacturers.

Because of increased demands for newsprint during and after World War I, newsprint production increased from 800,000 tons in 1920 to 4,000,000 tons in 1930. But most of the expansion was in the Canadian industry. Because American paper manufacturers could not obtain wood from the Crown lands of Canada, they had constructed paper mills in Canada. As a result, Canada provided two-thirds of the newsprint tonnage consumed in the United States by 1930.

In 1934, a ton of newsprint cost $40 in New York and Canadian suppliers took full advantage of their near-monopoly. Southern newspapers seized every opportunity to criticize the Canadian manufacturers openly; they contended that the Canadians had allowed a shortage to develop, caused by rising prices. They saw themselves as being penalized by a shortsighted policy on the part of Canadian producers.

Southern publishers were especially hard hit by the rising cost of Canadian newsprint. Their greater distance from the Canadian mills made it necessary for them to pay several dollars a ton more in freight than did publishers in the Northern U.S. Some of the paper from western Canada had to be shipped by a long and circuitous route through the Panama Canal to ports on the Gulf of Mexico, where it was transferred to freight cars for inland deliveries.

Canadian newsprint manufacturers and New York brokers tried to discourage the development of Southern mills. Southern pine, they said, contained too much pitch and resin to be converted into newsprint. Even if the paper could be made from pine, they argued that it would not be satisfactory for modern, high-speed presses.

If the United States was to free itself from Canadian dominance in newsprint production, American paper producers knew they would have to find supplies of cheap wood in the states as well as suitable mill locations. With its rapidly growing forests, cheap labor, low-cost transportation, and ideal mill sites, the South was a logical place for paper mills.

Kurth, like other American newspaper publishers and paper manufacturers, was discouraged by conversations with paper company executives and scientists who believed southern pine wood fiber contained excessive amounts of pine pitch that would gum up paper machines and discolor the newsprint, making it unusable for newspapers.
In 1927, Sidney D. Wells and John D. Rue of the United States Forest Products Laboratory conducted a series of experiments in pulping four varieties of southern pines (loblolly, slash, longleaf, and shortleaf) by four separate pulping processes (soda, sulfite, sulfate, and mechanical). The work indicated that pines would not make newsprint acceptable to newspaper publishers because of their pitch.

When Kurth began to consider building a paper mill, there were no production-integrated paper mills in East Texas and few throughout the state.

In March 1863, the Ninth Texas Legislature chartered the Texas Paper Manufacturing Company to produce paper in an attempt to relieve the acute shortages of newsprint and writing papers during the Civil War. Although the company was incorporated and sold stock, it apparently was soon terminated.

Other attempts were made over the next several decades to produce paper from rags, cornhusks, hemp, cotton and cotton linters, Spanish broom, silkweed, flax, cane bagasse, rice straw and any other fibrous material that was available.

Several efforts to establish paper manufacturing facilities were made in Texas around 1900, including a mill near Houston using bagasse, a byproduct of sugar cane production, and a mill in Orange that made limited quantities of paper from yellow pine. Neither mill was successful. A small Dallas mill made paper from wheat straw, but the founders' inexperience defeated their dreams. John G. Fleming of Philadelphia took over the mill and put it on a productive basis. The mill prospered and its output grew from about eight tons a week to more than 1,000 tons a week by 1943. The mill chiefly produced cardboard, egg cartons, wallpaper, and a variety of building-grade papers.

In 1902 a small Pensacola, Florida, paper mill was moved to Orange, where it became the Yellow Pine Paper Mill. After several experiments, Edward H. Mayo developed a method of making a strong wrapping paper, used to make bags, from pine fiber in 1911. It was the first chemical pulp mill that used southern pine, and marked the first large-scale effort at papermaking in Texas.

The first proposal for a Southern newsprint mill, based on the experimental work by Dr. Charles H. Herty at his Savannah, Georgia, laboratory, emerged in 1934. That year, Major George Berry, president of the Printing Pressmen and Assistant’s Union and an official of the National Recovery Administration, outlined a proposal for a mill in the South, a plan endorsed by President Franklin D. Roosevelt, to supply the needs of southern newspapers.

In 1936, at a chemurgic conference in Detroit, Michigan, Wirt Davis, a Dallas banker, and Victor Shoffelmayer, the agriculture editor of the Dallas Morning News, were honored for their efforts to promote more commercial use of East Texas pine, for newsprint in particular. Also in 1936, Champion Paper and Fiber Company began construction on a pulp mill in Pasadena. Pulp from the bleached-sulfate pulp mill was shipped to Ohio, where it was manufactured into fine printing papers. The mill later began manufacturing paper at the site in 1940.
Ernest Kurth was already worth well over a million dollars. More than any other man, he had made Angelina County one of the most industrialized counties in Texas. By 1936, he was restless for a new challenge. As Kurth pondered the possibilities of a paper mill in East Texas, the most significant step he took came in March 1936 when he traveled from Keltys to Beaumont to attend a Chamber of Commerce meeting in which business leaders, scientists, and agriculturists explored ways to use Texas' resources to overcome the Depression. Kurth talked with one of the speakers, an aging but crusading Georgia scientist named Charles Holmes Herty, who described his theory in which the onerous pitch problem could be resolved and newsprint made from southern pine fiber.

Fired by Herty's enthusiasm and ideas, Kurth returned to Keltys convinced that there was a way to build and operate a newsprint mill in East Texas. His conviction forever changed the economy, the paper industry, and the newspaper business of Texas and the South.

The son of a pharmacist and Civil War soldier, Herty was born in 1867 at Milledgeville, Georgia. When his father died in 1878, following the death of his wife two years earlier, eleven-year-old Charles and his nine-year-old sister became the wards of their grandmother, Frances Lawler Herty. Herty attended Milledgeville's public schools and the Middle Georgia Military and Agricultural College, where he was graduated in 1884. He then spent two years studying chemistry at the University of Georgia. With the chemistry classes overcrowded, Herty was graduated from the university with a bachelor of philosophy degree. At the urging of his hometown pastor, he decided to continue his education at John Hopkins University in Baltimore, Maryland. On his application, Herty said that he wanted to become a teacher, but he was becoming increasingly intrigued by research. He changed his study fields and completed his Ph.D. in 1890.

In 1891, the University of Georgia hired Herty as an instructor of chemistry, allowing him to focus on research and the publication of several scholarly articles which attracted attention from chemists as far away as California and the Netherlands. Herty spent a sabbatical year in Germany and Switzerland, furthering his training as a chemist. In one of the papers he wrote in Europe, Herty noted that industrialists had used the sulfite process to make paper in parts of Germany where the "tannenbaume" flourished. Perhaps, he speculated, southern pine fiber could be used for a paper industry in Georgia.

When he returned to Georgia, Herty was convinced that the South's existing industries could be improved and expanded to improve the economy. His belief blossomed into a crusade. In 1915, when he was elected president of the American Chemical Society, he continued to raise the possibility of making paper from southern pines and indicated the need for laboratory work on the problem of controlling pitch. By late in 1928 Herty, who had reached the peak of his prominence as a scientist and innovative thinker, began working for the Savannah Industrial Committee. He concluded that timberland owners, if they wanted a perpetual income from their properties, needed a profit-making use for the thinned young pines.
As he traveled around the South, Herty was moved by the plight of farmers whose lands lay idle from the Depression. Young pines were growing naturally as a result of seeds blown from older, adjacent pines. “The development of a white-paper industry in the South could mean the salvation of many farm families,” he said.

In 1930, aware of the widely-held belief that southern pine contained too much resin to make newsprint, Herty began his own research. He found a resin content of about 1.38 percent, nearly the same as spruce. Enthusiastic and excited, he persuaded a paper mill in Pennsylvania to make a small-scale sulfite cook of slash pine. The pulp was bleached easily to newsprint whiteness, adding support for Herty’s beliefs. Herty next arranged to have groundwood pulp made from young slash pine at a paper mill in South Carolina. Again Herty’s experiment was a success and refuted the old contention that pine had a yellow color which would affect paper quality.

Supported by Herty and his Georgia friends, the pulp and paper industry, and Francis P. Garvan’s family-operated Chemical Foundation in New York, in 1931 the Georgia Legislature approved legislation providing $2 million for the establishment of a laboratory in Savannah to conduct research on wood pulp and cellulose under Herty’s direction.

The most important experiment conducted by Herty and his staff took place in the winter of 1933, not in his laboratory, but in a Canadian paper mill. Herty’s Savannah crew prepared a batch of twenty-five tons of air-dried loblolly pine pulp, containing one-fourth sulfite pulp and three-fourths groundwood pulp, and shipped it to Beaver Wood Fiber Company of Thorold, Canada. Herty felt the southern pine pulp should be tried on a fast commercial paper machine before it would be acceptable to the paper industry.

On November 1, 1933, after scrubbing every trace of spruce pulp from a paper machine and loading it with a mix of southern pine sulfite pulp and groundwood pulp, the Thorold crew prepared the crucial test. The milky pulp traveled over the paper machine’s fast-moving forming wire at the machine’s “wet end” and soon a 155-inch-wide sheet began traveling through the machine’s steam-heated drying rolls.

Unable to stay still, Herty followed the sheet as it made its progress through the machine. “My heart almost stood still,” he said as he watched the acid test of years of work.

Finally, the first sheet of southern pine newsprint emerged pure and white, moved from one roll to another, and finally wound on the reel at the “dry end” of the block-long paper machine. Thorold plant manager John Ball examined a piece of newsprint torn from the reel and remarked, “We’re going to lick it, Doctor.” Herty asked that Ball give him the scrap of paper, on which he wrote Ball’s words.

Near midnight Herty was told that the Savannah pulp was almost gone. At 1:45 a.m., the last bit of paper came over the reel and Herty grabbed it for a souvenir. He wrote on the paper two other comments by plant superintendent
Henry Zieman: “Not a break in a carload” and “No sign of pitch anywhere.” The paper was shipped to Georgia and distributed to nine daily newspapers in Georgia, who ran simultaneous editions using the Thorold paper on November 30, 1933.

Other Southern newspaper publishers began rallying to the Southern newsprint project. James Stalhman, publisher of the Nashville Banner, was named chairman of a Southern Newspaper Publishers Association (SNPA) committee to explore newsprint production in the South. The committee was organized on June 25, 1934, at Herty’s Savannah laboratory and hired an engineering consultant.

Herty traveled to Dallas on May 23, 1935, to address 250 East Texas leaders about the opportunities presented by chemistry. He wrote that the audience was interested in “hooking up chemistry and agriculture, and the possibilities of papermaking” in East Texas. The meeting was arranged by Victor Schofflemayer, who had written a series of articles describing extensive acreage of low-cost pulpwood in East Texas. The articles quoted Ernest Kurth, who contended that East Texas was ripe for a pulp-and-paper mill that could use the younger trees as pulpwood.

Two pivotal meetings in the spring of 1936 helped Kurth enormously.

On April 28, he met Louis Calder, president and principal stockholder in Perkins-Goodwin Company, in New York City. Calder, whose company sold newsprint to newspapers, also had a Southern newsprint mill on his mind and had met Dr. Charles Herty and Francis P. Garvan.

In March, Kurth was present when Dr. Hefty spoke to more than a hundred business, economic, and agricultural leaders in Beaumont, Texas, at a chermurgic conference sponsored by East Texas Chamber of Commerce. While it may not have been their first encounter, it was likely the first time Kurth had heard Herty’s newsprint speech in depth.

Hearing Herty in Beaumont altered Kurth’s plans for a kraft mill. Conferring with Calder, he learned that the trend of newsprint prices over a period of years would likely be upward while kraft paper prices would probably fall. In subsequent visits with Kurth and Calder at the Savannah laboratory, Herty complained that he had been unable to find “anyone bold enough” to try building a newsprint mill in the South.

Throughout the remainder of 1936 Kurth met with other timbermen in East Texas, his new-found friend Louis Calder, and a number of banker and financial advisors, and discussed the mechanics of newsprint production with Herty and his Savannah laboratory associates. He also met and discussed Southern papermaking with Francis Garvan.

On January 22, 1937, Herty was invited back to Texas, this time to talk to a Dallas gathering of newspaper publishers, bankers, financiers, and lumbermen, including Kurth and his associates from East Texas. The meeting was arranged by E.M. (Ted) Dealey of the Dallas Morning News. Based on commitments for newsprint tonnage by the S.N.P.A. publishers, the group
agreed to move forward with a mill in Texas. As he left the Dallas meeting on January 22, 1937, Herty said: "I have been in a log jam for several years, but it has now been broken by the actions of you Texans. I am a very happy man over the result of our deliberations."

Herty was apparently back in Dallas on March 25, 1937, when a limited number of copies of the Oak Cliff edition of the Dallas Journal was printed on a roll of newsprint from Herty's laboratory. Although the paper was only an experimental sample, it was apparently the first time any southern pine newsprint had been used by a Texas newspaper.

Meanwhile, through his association with R.W. Wortham, Jr., a friend from Paris, Texas, Kurth met Albert Newcombe, a director of Perkins-Goodwin Company. Newcombe became a key negotiator between Calder, Kurth, the South's newspaper publishers, and paper industry officials because of his vast knowledge about papermaking. Newcombe and Kurth had similar personalities - determined, progressive, and visionary. They became good friends.


Following Kurth's discussions of the proposed mill, those attending created an organizational committee consisting of Davis, Adams, Kurth, Temple, and Republic National Bank executive Fred Florence to work with the Chemical Foundation and Perkins-Goodwin Company to decide on an organization and explore financial options.

George F. Hardy, the paper industry's premier engineer, was asked to investigate possible sites for the mill. He surveyed a number of locations within the timbered region of East Texas, including Hemphill, Jefferson, Liberty, Livingston, Newton, Tatum, Palestine, San Augustine, Jasper, Haslam, Conroe, Beaumont, and Lufkin.

There was apparently some conflict between Kurth and Davis over where the mill should be located. In an April 6, 1937, letter to Calder, Newcombe said the final choice had boiled down to a site near Lufkin advocated by Kurth and one near Livingston promoted by Davis, a large forest landowner and
native of the Livingston area. Newcombe wrote that either site was acceptable, but cautioned Calder that "the present controversy between the two important factors [Davis and Kurth] requires the most delicate handling at this stage to maintain both their continued and thorough cooperation ... this is the first time there has been any evidence of divergent interests between these two."

Hardy's study showed Lufkin to be the best site for several reasons, but his decision was likely influenced because of its proximity to Kurth's hometown of Keltys. Knowing of his dominant nature, it is unlikely that Kurth would have allowed the mill to be built too far from his business base.

The initial plans for the paper mill east of Lufkin called for a facility capable of producing 45,000 tons of newsprint and 30,000 tons of kraft pulp per year. The cost was estimated at more than $5 million. When the original plan did not meet with universal acceptance, a new plan was filed with the initial incorporation of Southland Paper Mills, Inc., on May 5, 1937, with the filing of a charter in Austin.

The corporation's name was taken from the prospects that it would sell paper to newspapers "all over the Southland." The incorporators were Davis, Florence, and Newcombe. Following the incorporation, the first meeting of the shareholders was held May 10, 1937, in Dallas, with the election of sixteen directors: Davis, brothers Ernest and Joseph H. Kurth, Jr., Doty, Florence, Adams, R.W. Wortham, Sr., R.W. Wortham, Jr., Newcombe, John R. Alford, Garvan, Ted Dealey, R.W. Kelley, Temple, J.M. West, and Dr. Herty. The board of directors elected Davis president, Kurth vice-president, Adams treasurer, and R.W. Wortham, Jr. secretary.

While Herty was present in Dallas and was proposed as a shareholder, he had little if any involvement in the early affairs of Southland after the meeting. "With the start in Texas," he wrote a friend, "it has been easy to get things going."

Most of the discussion at the meeting in Dallas dealt with plans for financing the company and it was clear that agreement would not come early. Lloyd G. Schenck, who wrote a history of the company in 1943, described the deliberations over the following months: "It became increasingly apparent that there could be no harmonious meeting of minds of all interested parties. But the project was kept alive by Ernest Kurth and his associates." These were Calder and Newcombe of Perkins-Goodwin Company, and several newspaper publishers, including Dealey, Stahlman of Nashville, and E.K. Gaylord of Oklahoma City.

The "closely knit" group Schenck described went on with engineering and financial plans "despite procrastination of others and a growing lack of interest of individuals formerly prominent in the project, and despite many interior obstacles that were seemingly insurmountable." It was not until the opposing interests withdrew from the project that it was possible to concentrate on the details and problems of the mill's engineering and financing.

Because of the "growing lack of interest" by some of the original busi-
nessmen, Southland was rechartered on June 4, 1938, and the original charter was dissolved. The new incorporators were Kurth, his brother Joseph, and Newcombe.

At the first meeting of shareholders, Ernest Kurth was named president, Arthur Temple, Sr. was chosen vice-president, Newcombe was named treasurer, and S.W. Henderson, Jr., one of the owners of Angelina County Lumber Company, was elected secretary. The directors were Kurth and his brother Joseph, Temple, Newcombe, W.C. Trout of Lufkin, Dealey, Gaylord, Dallas attorney Alex Weisberg, and Paul T. Sanderson of Texas Long Leaf Lumber Company, Trinity.

With Southland now a formal corporate entity, Kurth staked everything he owned, except the Kurth home at Keltys, on the prospect of making an unfamiliar product out of virtually untried ingredients in a place where paper had never been made.

The cost of building a pulp mill and paper machine had risen to seven million dollars, a vast sum to raise in the 1930s, even for a man with Ernest Kurth's substantial fortune. "I beat the bushes. And businessmen ran from me as if I were a wounded cougar," he told a Collier's Magazine writer in 1951. "A lot of them said I was a fool ... and would soon be a bankrupt fool."

In 1937, as he began to plan for the paper mill, one of Kurth's first contacts was Houston Chronicle publisher Jesse Jones, who headed the New Deal's Reconstruction Finance Corporation (RFC). Kurth felt he could secure commitments from newspaper publishers and East Texas timbermen for about $3 million. The RFC was asked for a loan of $3.5 million, slightly less than 50 percent of the capital needs, and in a letter dated November 11, 1937, the agency conditionally agreed to the amount requested. But by the spring of 1938 it became apparent that Southland's backers could not raise their pledged commitments, and the RFC was asked to raise its commitment to $4 million, or 57.1 percent of the project's costs.

In September 1938, Kurth and his associates completed a deal with Champion Paper & Fiber Company to supply Southland with chemical-made wood pulp from its mill at Pasadena. By using Champion's pulp, the Kurth team would avoid having to construct its own chemical pulp mill, lowering the mill's capital needs to $6 million. At the same time, commitments for stock subscriptions were assured, clearing the way for a practical financing package.

Jesse Jones said the RFC would lend Kurth $3.5 million to add to his own money, if he could match the sum with Texas collateral. Kurth agreed.

In addition to Jesse Jones, Ernest Kurth needed the support of another powerful Texan in Washington, Lyndon B. Johnson, to win approval for his RFC loan. Johnson, one of the strongest proponents of President Roosevelt's New Deal programs, was on the road to becoming one of the most powerful men in Washington. Because of Kurth's Republican leanings - his father was a solid Republican who had once lost a race for lieutenant governor on the GOP ticket - he was unsure of the reception he would receive from Democrat
Johnson, but at a meeting in Washington, Johnson agreed to help expedite the RFC loan.

Southland’s supporters began in 1938 to put together the components for building the South’s first southern pine newsprint mill. Kurth found his greatest ally in the Southern Newspaper Publishers Association, which for years had tried to generate capital for a Southern newsprint plant. Led by Gaylord of the Oklahoma City Times, Dealey of the Dallas Morning News and Stahlman of the Nashville Banner, the publishers told Kurth: “We’ll take all the newsprint you can produce for the first five years.”


With the RFC loan, Kurth and his associates raised $1.6 million in cash subscriptions. Angelina County Lumber Company, Southern Pine Lumber Company, and Texas Long Leaf Lumber Company provided 108,000 acres of timberland valued at $7.50 per acre. Southland gave the companies 40,500 units of preferred-common stock for the lands. Southern Pine Lumber Company of Texarkana and Diboll gave the largest block of lands, some 40,000 acres. Other large blocks of timberland were added to Southland’s holdings in the 1940s and 1950s.

A construction contract was signed late in 1938 with Merritt, Chapman & Scott Corporation Company, which had built three paper mills in the South. The contract was approved when Southland’s board of directors held its first meeting in Lufkin on January 9, 1939. George F. Hardy was chosen as the engineer and Tom A. Wark, general manager of Watab Paper Company of Minnesota and a forty-five-year veteran in the paper industry, was selected as the mill’s general manager.

In 1939, Charles H. Herty’s crusade for a Southern newsprint mill was coming to an end. So was his life. In June, he suffered the first in a series of heart attacks. He admitted in a letter to a friend, “I overtaxed myself somewhat during the past two or three weeks.” Just five months before his seventy-first birthday, on July 17, 1938, Herty died of another heart attack. “He died a happy man; he knew Lufkin would build his newsprint mill,” said his former assistant, Dr. Charles Carpenter, who later came to Lufkin to become Southland’s chief chemist. Even though he was no longer there, Herty’s greatest legacy to his beloved South was just beginning. On January 14, 1939, his lifelong dream of a Southern newsprint mill began to materialize as Kurth, Calder, Southern newspaper publishers, and Herty’s colleagues from his Savannah laboratory, gathered east of Lufkin on a 240-acre site once used as a corn field and broke ground for Southland Paper Mills, Inc. Kurth turned the first shovel of dirt.

Construction began on March 14 and the mill was dedicated on May 27, 1939, even though it was only partially finished. During the ceremonies, the site was named Herty and Kurth unveiled a large plaque bearing the likeness
of Herty and Francis P. Garvan, his Chemical Foundation benefactor. The inscription read: "The first plant for making commercial newsprint paper from southern yellow pine. This institution is the fruit of the genius and devotion of two great Americans, Francis Patrick Garvan and Charles Holmes Herty."

In 1939, Texas had only one major paper mill – the Pasadena facility of Champion Paper and Fiber Company. Consequently, there were few experienced papermakers available in the state to operate Kurth's emerging newsprint venture in Lufkin. At the same time, with no newsprint mills in the South, few Southern papermakers had newsprint production experience. For the few who did, Kurth's newsprint project was seen as too risky.

Kurth turned to Norman Lewis Beaudry of River Bend, Ontario, a French Canadian known in the paper industry as an able troubleshooter. "If they had problems, Daddy went in, straightened them out, and we moved to another mill," said his daughter, Norma Beaudry Bennett. "That was what he did best, moving from one mill to another." Beaudry remained with Southland as its first papermaking superintendent until the mill made its first paper and then returned to Canada with his family.

Many Canadians also came to Lufkin to work for Tom Wark. Surrey Slater, who managed a major newsprint mill in Canada, brought in additional Canadian workers. So did Walter McHale, who succeeded Slater. Dick Witherell, Southland's groundwood superintendent, was a native of Minnesota and the son of a Northern U.S. papermaker. Witherell arrived in Lufkin in November 1939, driving a 1936 Chevrolet coupe. "It took twenty-four quarts of oil to keep that ol' jenny running between Minnesota and Lufkin," he said.

The Canadians and Northern papermakers who came to Lufkin in the 1930s were largely union members. "When they came here, there wasn't a union anywhere in Angelina County, and hardly within the state," said retired personnel manager Robbie Warren. "When they started the mill, the men met in the Angelina County Courthouse and organized themselves in a group and started having their first union meetings. They also began negotiating with the company. But there were no bitter feelings between the company and the unions," said Warren.

Most of the arriving Canadians were French Canadians and spoke French. They brought to Lufkin new names such as Coty, Besner, Ballenger, Beaudry, LaBarr, Benoit, and Pelkey. Some applied for American citizenship after living in Texas for a few years.

In addition to the Canadians, Southland hired many of the laborers who had helped build the mill while working for Merritt, Chapman & Scott. Most of these were residents of Angelina County and the surrounding area.

Experienced workers in the paper mill usually were hired for about fifty cents an hour; inexperienced hands received thirty-five cents. Most workers dreamed of eventually getting a job working on the paper machine, which had its own peculiar system of employment. Because the machinery was complicated, six men were required for each of three shifts. They included a
machine tender, a back tender, and four others—a third hand, a fourth hand, a fifth hand, and a sixth hand, the lowest position.

James W. Moynihan, who was seventeen when he began working in the mill, worked the graveyard shift from midnight to 8 a.m., for thirty-five cents an hour. "I was working in the technical lab and soon got a chance to work as a sixth hand on the paper machine."

By the end of December 1939, the paper mill was completed and the machinery was tested. On Sunday, January 20, the first printable rolls of southern pine newsprint were produced at the paper mill and delivered to the *Lufkin Daily News* on Monday to see how it would perform on a newspaper press.

While it pleased Lufkin residents, Southland's decision to run its first commercial rolls on the presses of the *Lufkin Daily News* irritated E.M. (Ted) Dealey, the *Dallas Morning News* executive who had been among Southland's earlier champions. On January 27 he wrote to Ernest Kurth: "I am not mad, but I am terribly hurt. For a year the *Dallas News* was promised the first paper from the East Texas newsprint mill. If I have talked to you and Al (Newcombe) about it once, I have talked to you about it twenty times, and each time I was given positive assurance that the first newspaper in the country to print on the product of Southland Paper Mills, Inc., would be the *Dallas News*. And yet here, the Lufkin paper slips one by us by printing its issue of the 23rd on East Texas pine." Kurth quickly made amends. He had the mill ship two boxcars load of paper to the *Dallas Morning News* pressroom the following week.

Charles Carpenter said while the Southland newsprint's only virtue in the beginning was its ability to stay on the press without excessive breaks, the mill soon began to make improvements in manufacturing a good sheet of newsprint on a high-volume, commercial basis, but only after converting its wood-grinding stones to a finer grit and solving a pitch (resin) problem.

The pine pitch issue plagued the mill for nearly two years. The pitch would accumulate on the papermaking equipment after long, continuous runs. "Day after day, I spent six hours scraping pitch off the press roll," recalled James Moynihan.

While Herty's laboratory work indicated the pitch would not be a serious problem, the problems faced in a daily production environment were different, and Southland's technical crews had to look beyond Herty's research for solutions. Papermakers had to use kerosene to wipe the pitch from the paper machine's innards, and it was such a problem that bucket brigades often carried away pitch accumulating on the paper machine's granite roll and scraped off by a "doctor blade" attachment on the granite roll. "But the mill couldn't survive with this system," said Carpenter.

In kraft pulp mills elsewhere in the South, the pitch wasn't a problem because the digesters used to produced the kraft "cooked out" the pitch and rendered it harmless.

After two years of extensive experimentation, the mill's employees learned to solve the pitch problem by experimenting with the proper use of
alum and caustic soda. Fred Bishop, a Southland chemist, said the control of these conditions with the addition of alum took “a tremendous amount of fine tuning,” particularly because the Southland paper machine was running at speeds faster than other machines in the industry.

As the years passed, Southland’s papermakers grew more proficient in making paper from southern pine, but the Canadian industry was still berating the Lufkin mill as a upstart. Some Canadians, however, were warning that the Lufkin mill should not be ignored. In a paper presented to an industry meeting on October 22, 1948, in Atlanta, Georgia, McHale credited Southland’s work force with solving the mill’s early problems: “The original idea of a newsprint mill was conceived by a few industrial leaders, but the ultimate execution of the project was made possible by the combined efforts of many hands, many hearts, and many minds.”

Pitser Garrison remembers that the paper mill started an economic turnaround in East Texas. “All over the area, there was a tremendous amount of pulpwood timber, but we lacked the manufacturing facilities to utilize it,” recalled Garrison. “The startup of the mill in Lufkin not only provided a market for the pulpwood, but created hundreds of new jobs, both in the mill and in the woods, during a time when they were critically needed.”

Despite the early problems in the 1940s, Southland’s employees were enthusiastic about their jobs, took pride in what they were doing, and worked as a team. Carpenter recalled an example: “One night around three in the morning, we had a breakdown and I was out with the maintenance crew to get the repairs made. Frank Rivenbark, one of the pipefitters, turned to me and said, ‘Doc, we’re all in this together and we gotta make it go.’”

Built during World War II, Southland Paper Mills, Inc. faced a series of unique challenges in its efforts to continue operations at the Lufkin mill. As early as 1941, Ernest Kurth was convinced the mill needed its own chemical (kraft) pulping facilities to lower the mill’s costs. After only one year, Southland’s five-year contract to purchase chemical pulp from Champion Paper & Fiber Company’s Pasadena, Texas, paper mill had proven unsatisfactory. Kurth approached the War Protection Board for permission to build its own chemical pulp mill since industrial projects were being monitored by the government. But on December 16, 1942, the WPB rejected Southland’s proposal, as well as a second newsprint machine, because they were not essential to the war effort.

Kurth suspected that his competitors in the newsprint industry were behind the rejection and sought help from several influential politicians in Washington, including Lyndon B. Johnson, who intervened on Southland’s behalf with the WPB. Southland was able to add a chemical pulp mill and bleach plant in 1944 at a cost of $3 million.

When Southland incurred labor shortages among its pulpwood crews, Kurth began inquiring about using POW labor from internment camps in East Texas. He wrote Colonel J.R. Carvolth, commander of a POW camp in Walker County, and his request for laborers was approved. Southland and Southern
Pine Lumber Company leased a Civilian Conservation Corps camp from the United States Forest Service located four miles north of Lufkin on U.S. Highway 69. The Camp Lufkin POWs began cutting pulpwood early in 1944.

"They sent us Italians at first," said woodyard superintendent Eldridge Ryman. "It was impossible to work them; they wouldn't work, and wouldn't do anything but pout. So we sent them back and they sent us Germans. They were satisfactory. You didn't work them; they worked themselves," he said.

The German prisoners in Lufkin far exceeded the expectations of the people at Southland. They were also used to unload boxcars at the paper mill and worked in the woodyard.

Kurth never forgot Lyndon B. Johnson for his help in Washington during the war years. Johnson repeatedly came through with war-time certificates for Southland when they were needed. Whenever Johnson ran for reelection, Kurth always reminded his Texas business associates and Lufkin businessmen: "Look, you fellahs need to vote for this man; he saved our neck."

In the 1940s, as Kurth was battling the cancer that would eventually take his voice and then his life, he was working on Southland's expansion. In 1943 he asked engineer George F. Hardy to estimate the costs of a second newsprint machine, but the project was delayed during the war years. The project—which consisted of a machine capable of making 210 tons of paper a day—was scheduled for completion in 1947, but strikes in the steel industry, as well as allied industries, caused delays in materials and equipment, pushing the completion date to 1948. The No. 2 newsprint machine began making paper on March 29, 1948. Its production of 190 tons a day doubled the mill's capacity and was instrumental in record production, earnings, and income for Southland in 1948. In March 1953, Southland produced its one millionth ton of newsprint.

Having overcome its struggles to become one-of-a-kind industry in Texas and the South, Southland was now an integral part of Lufkin and East Texas. Lufkinites were so entrenched in the mill's success that they simply called it "the paper mill," a nickname that stuck with the mill for the rest of its life, regardless of who owned it.

In 1948, Kurth reported sales totaling $13,527,273, compared with $1,461,635 in 1940. The company's net income totaled $2,893,452, compared with a loss of $33,861 in 1940. Southland was on its way to becoming one of America's most successful paper companies.

The company completed a third newsprint machine in 1956 with an output of about 235 tons of newsprint a day and up to 270 tons a day of specialty papers. The machine further established Southland as a serious competitor to Canadian newsprint interests.

Almost immediately after the No. 3 paper machine was completed, Southland began work on a fourth paper machine at Lufkin to meet increased newsprint demands. The No. 4 project brought to the forefront another Kurth at Southland. Melvin E. Kurth, Jr., the only son of Ernest Kurth's attorney
brother in Houston, had worked a few months at Southland in the summer of 1950 to develop his engineering skills. When he finished his college education, he landed a job with Lockwood, Andrews & Newnam, a Houston engineering company. Kurth spent his time in Lufkin creating engineering drawings for the new No. 4 paper machine. Located in a Brown & Root Construction Company shack, he had little contact with his uncle or other Southland executives.

Completed in 1958, No. 4 was capable of producing nearly 340 tons of newsprint a day and was one of the world's most modern newsprint machines.

Southland's success at Lufkin soon precipitated widespread growth in the South's newsprint industry. In the 1950s, other newsprint mills blossomed. Among them were Coosa River Newsprint in 1950; Bowater Paper Corporation, which established mills in Tennessee in 1955 and South Carolina in 1959; International Paper Company, which installed a newsprint unit in 1956 at its Mobile, Alabama, plant and built a new newsprint mill at Pine Bluff, Arkansas, in 1958; and Cox Newsprint, which opened a new mill in Augusta, Georgia, in 1966. "Thus did the Lufkin mill's pioneering work pave the way for a burgeoning of newsprint production," wrote Jack P. Ogden of the Forest History Society, Inc., in 1990.

In 1967, Southland added a second newsprint mill at Sheldon, near Houston, and became America's second largest newsprint manufacturer.

In 2002, as the South's pioneer paper mill celebrated the sixty-second anniversary of its startup, it remained firmly entrenched as an example of the entrepreneurship spirit that has made American industry a model for the world.

The heroes in Southland's remarkable success story are numerous.

• Dr. Charles Holmes Herty spent most of his life trying to convince government and industry officials that quality newsprint could be made from the southern pines abundantly growing from Georgia to Texas.

• Ernest Lynn Kurth, the hard-driving lumberman from Keltys, Texas, also dreamed of building a paper mill, but it wasn't until he met Herty in 1936 that he became enamored of newsprint as a product arising from the young pine forests of his homeland.

• Francis Patrick Garvan, whose family-operated Chemical Foundation made it a mission to free America from its dependence on foreign chemical makers and seized upon Herty's Southern paper mill idea as the means to broaden his campaign for American industrial independence.

• Louis Calder, the New Yorker who rose Horatio Alger-like from the office boy of a paper sales company to its president and principal owner, was convinced that a Southern newsprint mill would broaden the South's paper industry and enhance its economy.

• Newspaper publishers George Bannerman Dealey and his son E.M. (Ted) Dealey of Dallas and Edward King Gaylord of Oklahoma City, who pioneered the newspaper industries in their states, wanted to loosen the stran-
glehold foreign newspaper manufacturers held on the newspaper business in the South and Southwest. Their meetings with Herty, Kurth, Garvan and Calder led to Southland’s initial incorporation.

• Like most people, Arthur Temple, Sr., who had inherited his father’s lumbering empire in Texas, did not have much cash in the Depression, but he gave 40,000 acres of his family’s timberlands — more than any other timberman/investor — and became a founding director and officer. When his son, Arthur, Jr., decided to leave Southland in 1961, the family could have sold its stock to outside interests. Instead, the stock was sold to Southland, protecting the company’s independence for another sixteen years.

• The men and women who came to work for Southland in Lufkin in the 1930s were simply looking for decent jobs during the Depression, but they became heroes as much as Southland’s creators by overcoming the enormity of making Southland’s one-of-a-kind paper mill succeed when the experts said it would not work.

What made Southland succeed?

Melvin E. Kurth, Jr., Southland’s third and last president from 1973 to 1977, believes it was a matter of pride on the part of Southland’s founders and the men and women who constituted the Lufkin work force.

“For the most part, the people who worked at Lufkin were hard-working, honest and dedicated people who had a feeling that they had become part of something different in America,” said Kurth. “They wanted the Lufkin mill to succeed; they wouldn’t accept failure.”

Southland’s founders were men who were willing to risk their fortunes on an unproved industrial process. “The risks were enormous,” said Kurth. “The New York banks, who controlled America at that time, were reluctant to provide any financing, and the people who ran the major paper companies were skeptical that newsprint could be made from trees that had excessive amounts of pitch and resin.”

Charles Carpenter, the mill’s first chemist and former ally of Dr. Herty, had a similar observation in 1989 when he was interviewed by historian Bobby Johnson. Carpenter said that Dr. Herty’s work was done in Georgia, and the scientist had talked to Georgia state officials about a newsprint mill there. “But it took something the Georgians didn’t have...there was something in Texas that was catching. I can’t see the mill being established in any place except Texas.”

Sources

Books


**Interviews**


**Magazine and Newspaper Articles**


**Collections**


**Other**


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