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The Dallas Morning News

BUSINESS • EDITORIALS • FEATURES
FINANCIAL • OIL • FARM

SUNDAY, JANUARY 12, 1964—SECTION 3

LUMBER-BASED ENTERPRISES KEEP GROWING

Temples Build East Texas Empire

By FRED PASS
East Texas Bureau of The News

DIBOLL, Texas—In the Deep East Texas timber region, where today often looks very much like yesterday, crews of painters and printers are at work changing signs on billboards, trees and autos, and resetting type for stationery letterheads.

Like make-up and costume artists working on a character actor in the theater, they are doing their part to change the image of a venerable timber company so that its new appearance will fit more closely the updated role it plays on the industrial stage today.

The firm is the 70-year-old Southern Pine Lumber Company which now wears the new, all-encompassing name of Temple Industries, Inc., following action of stockholders last week.

Founded in 1894 by Thomas Lewis Latane Temple, the company for more than half a century devoted nearly all of its energies to making and selling lumber.

Today, under the leadership of a youthful, optimistic, fast-stepping grandson, 43-year-old Arthur Temple Jr., the company has branched into so many different enterprises that "lumber company" suits the firm's general title about as well as a top-hat suits a tree cutter.

Today the diverse interests of Temple Industries or of its president include office buildings, luxury hotels, shopping centers, housing developments, golf courses, lakeshore retreats, mortgage and loan companies, insurance businesses, gypsum mines and railroads, among other things.

Manufacturing Methods Refined

These are in addition to companies making directly connected timber products, but with refined methods of manufacture, such as wood flour for phonograph records or Early American furniture.

And progressing in another direction are companies that build schools, churches, hotels, courthouses, special beams for buildings without pillars, special floors for railroad boxcars, or soil conditioners for flowers and shrubbery. All wear the Temple label.

Then, in the "dreams" drawer of the planning room are the partially assembled ideas for such things as a new 40-million-dollar paper mill, or a Disneyland-type railroad ride for tourists into the backwoods, or sidings coated with film so that they will not need paint for a quarter century, or a retirement center for the elderly overlooking Corpus Christi bay on the Gulf Coast.

All of this is a long way from the sawmill that grandfather Temple brought to the wilderness when he purchased 6,000 acres from the Diboll famil[illegible] in 1894 and founded a town by that name.

By the time he [illegible] 1935, T. L. L. Temple had acquired 300,000 acres. Under a[illegible]ons of Arthur Temple Sr. and now the younger Arthur Temple, the company owns 400,000 acres of timberlands in 21 East Texas counties.

And while the whirl of business carries Mr. Temple and his associates into almost every phase of business life today, the base of this industrial empire rests squarely on that land, which covers more ground than any one of several states or a few foreign countries.

Worth 80 to 100 Million Dollars

Temple Industries, it has been estimated, has a value of somewhere between 80 and 100 million dollars. Annual sales of products it and affiliated companies make run close to 50 million dollars, it is reported, and are expected to touch 100 million dollars before the decade is out.

The vigor and imagination which the firm seems to put forth with regularity surprises and, in some cases, shocks some who are used to seeing the timber and lumber industries in a state of decline, with old men left to run many of the businesses and with its future apparently behind it.

But Arthur Temple Jr., who likes to puff on a cigar, throw a leg over the arm of a chair and talk about the many fronts of his industrial complex, explains his company's operations this way:

"If you want to have fun in your work, just get yourself involved with 400,000 acres of timberland. It will open doors you never dreamed of. There will be a potential toward almost any kind of business—whether you like it or not. That's why we have to surround ourselves with experts on so many different things.

"We have the damndest group of bright young fellows who are not looking for the country club in the afternoons. They want to stick around to see what's going to happen next. They're having too much fun here because none of us ever knows where the business will lead us."

Founder Practiced Conservation

Mr. Temple's grandfather, the company founder, seemed to get a similar kind of fun out of the business. But that was in the day when lumber was the only thing, and his pleasures came in buying up the land that adjoined land he already owned. As a result, he left behind some financial extensions when he died in 1935, and the country was in a depression.

Besides establishing the land nucleus for the company, T. L. L. Temple achieved yet another thing that was far ahead of its time. Either through his far-sightedness or by accident—nobody knows quite which—he began a practice of selective cutting of his timber, always making sure to leave part of the stands for the tomorrows that were bound to come. He did this in a day when clear-cutting was generally practiced by the big companies in the belief that the country had more timber than it could ever possibly use.

Today, because of the grandfather's practice, the company has had to replant almost none of its vast acreage, and the tree-stands each year produce more wood than is removed.

When Arthur Temple Sr. took over the company, he performed the role of conservator and undertook the job of liquidating debts. As his son describes it today, he sort of weeded the garden of things which had been accumulated and were not pertinent to the mainstream of business.

"My father's philosophy was to pull in and have a completely debt-free company," said Arthur Temple Jr. "I like to think that I learned something from the good sides of the two extremes of my grandfather and my father.

"I believe, for a number of reasons, that we must have growth and expansion on a sound basis. Growth is necessary to maintain good stewardship on our lands, to create jobs for the people in the 21 counties where our lands are located to avoid wasting the products of the soil, and so that we can bear our fair share of school and government costs."

Careful Study Goes Into Products

But despite the varied and sometimes revolutionary companies and business enterprises that are spawned by this base operation, Mr. Temple said each new project is long and carefully studied, and much of the way is paved for its success—such as finding markets—before the endeavor is ever launched.

"We start a lot of new plants for which people criticize us," Mr. Temple said. "Nobody realizes how much staff work and research goes into each one. We have 5 to 10 major projects under serious study at all times. If one looks like it is right, and the timing is right for it, we go into it."

Right now, Temple Industries is planning a 1,500-acre subdivision, complete with golf course, for south Lufkin. Mr. Temple hopes to start on this project in 1964.

A plant to make plywood should get into production in June. Temple Industries, in partnership with U.S. Plywood, plans to turn out 100 million feet of plywood a year, while most West Coast mills average production of only half that amout.

They had planned to start production earlier. But the machinery available would leave cores of 5-inch diameters. They are waiting for another machine that will cut the tree for plywood and leave a core of only four inches. This would mean the remaining stick would be about the right size of a fence post, which then could be sold.

Plywood is the glamour product of the industry today. In 1951, said Mr. Temple, the national production of it was 2½ billion feet. This had grown to 11 billion feet last year. Mr. Temple's research shows that by 1975 the national plywood market will more than double, to about 30 billion feet per year. He believes the nearness of the Diboll plant to markets will give it a large share of this production.

Another industry utilizes wood that formerly was wasted. It is a $4,000,000 fiberboard plant in Diboll.

A pulping process, much like making paper, is required for fiberboard production. This plant, in operation since 1958, makes 140 million feet of fiberboard products a year from material that formerly was the waste from making 80 million board feet of lumber.

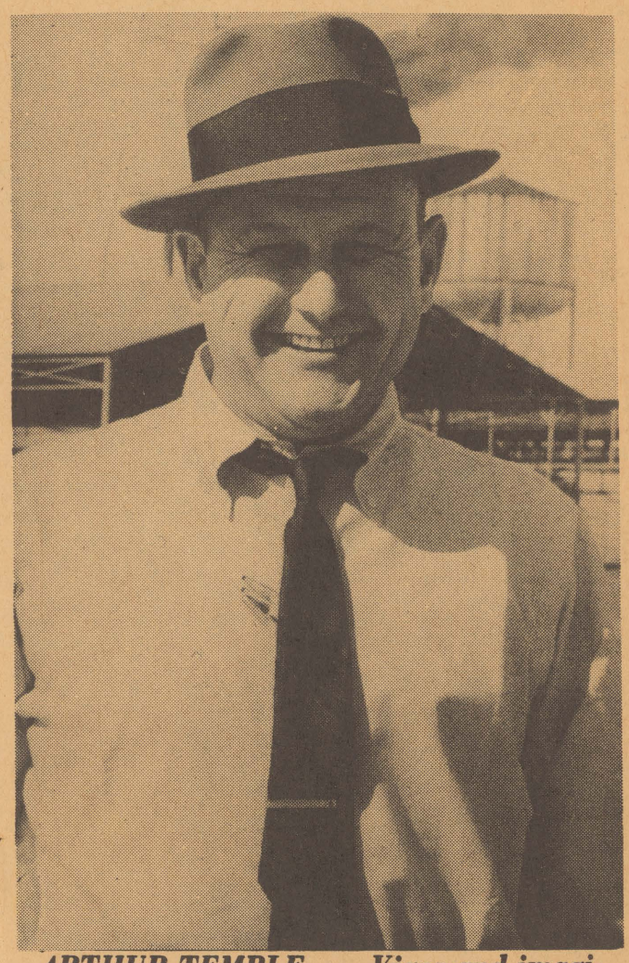
Another Temple industry, developed to turn waste material into cash, is Love Wood Products Co. This company was created to develop a way to utilize wood waste and sawdust for generating steam which was used in the sawmill operation.

Later a turbine was hooked up, and the burned waste materials produced electricity so efficiently that not nearly all the wood wastes were consumed.

Through applied research, more waste materials were ground into a wood flour of various degrees of fineness. Some are so fine that they sift through screens with 300 openings per inch.

They sell wood flour to the phonograph record industry—it provides body for the plastic discs—and coarser flours are used in the manufacture of toilet seats. Another Temple company makes the toilet seats.

Still another Temple firm grinds another waste product—tree bark—and makes a mulch similar to peat moss.



ARTHUR TEMPLE . . . Vigor and imagination assure venerable firm a dynamic future.

Another Temple enterprise, Temple-White Co., uses what would be waste material from lumber production in manufacturing broom and mop handles and ships millions of them all over the world. The company, in fact, makes one-twelfth of all the world's broom and mop handles.

Investment Companies Aggressive

A new particle board plant is scheduled to begin production at Pineland in February. This plant will use reconstituted wood—specially prepared shavings and chips coated with synthetic resins—to make particle boards of almost any weight, density or finish. Its uses are many.

Because lumber leads to home building, and homebuilding leads to mortgages and insurance, Temple Industries owns controlling interest in the Lumberman's Investment Company in Austin, which has two subsidiaries, for real estate development and for insurance sales. These companies are building a 36-story, high-rise apartment in Houston and other buildings across the nation.

Another Temple investment company is Scotch Investment Co. This firm has an interest in building a $2,000,000 luxury hotel on the Glasscock fill, in Corpus Christi bay. The investment company will own the hotel, but Wilbur Clark, who operates a hotel in Las Vegas, Nev., will operate it.

The hotel will cover about five of 22 acres in the tract which Scotch Investment has acquired. Mr. Temple said he has conducted research on people who come from the Midwest to Corpus Christi for the winter, and this may lead to a retirement center for them.

Topaz Oil Co., another Temple firm, has mapped the subsurface geology of all the Temple lands, and has brought several producing wells into being. It has grown in value from $10,000 to $750,000 in recent years.

Stadium Seats to Beverage Cases

The company has its own division for harvesting timber, another for hauling it, another for marketing the minerals. There is one for making furniture parts, and another company buys furniture parts and makes furniture.

Fleischel Lumber Co. of St. Louis, bought by Temple Industries, sells industrial wood products such as stadium seats, boxcar floors, and reel bats for harvester blades.

Tex-Lam Co. makes laminated beams and engineered roof systems for schools, churches, fancy residences, and large industrial buildings.

Texas Gypsum Co. of Dallas, just under 50 per cent owned by Temple, makes gypsum board for construction and owns mines in New Mexico and Oklahoma. Another firm markets lumber and construction products in retail outlets over the state.

There is a division for making hardwood lumber, another for pine lumber, and still a third for making oak flooring. And Temple Manufacturing Co. of Dallas is one of the largest manufacturers of beverage cases.

The Texas and Southeastern Railroad operates from Diboll to Lufkin. It is owned by Temple Industries, and has figured in industrial developments in Lufkin that the firm platted and sold.

Temple also has leased the Texas State Railroad that runs between Rusk and Palestine. Site for a proposed steel mill, to be financed by the government Area Redevelopment Administration, has been offered by Temple alongside the railroad.

This line may be used some day also to take tourists on a ride in cars pulled by steam locomotives, which now are stored in Temple shops in Diboll.

There are numerous other enterprises. Temple Associates, owned by Arthur Temple and others, is a general contracting firm that builds large buildings, such as courthouses, hotels, hospitals, high rise apartments, churches, and schools.

Shopping Centers, Playgrounds

Temple and two Waco associates built a large, modern shopping center in that city, the Lake Air Center. It was among the first to employ the concept of having malls instead of sidewalks and air-conditioning them.

Diboll Development Co., a firm of Temple Associates, is concerned with developing recreational and playground areas around East Texas lakes.

Also included in the complex are the Angelina Free Press, a Diboll newspaper, and KSPL, a radio station there. The Gulf Coast Lumberman, published in Houston, also is owned by Temple Industries.

There are still others and, according to plans, there will be more. Mr. Temple said he is encouraged over progress his company has made in trying to put together a $40,000,000 paper mill for Diboll. It will not, he said, make newsprint, but some other kind of paper depending on market needs.

Research is under way on feasibility of a manufacturing plant which would make wood siding sprayed with colored plastic film so that paint would not be required on the wood for 25 years.

A luxury motel and restaurant will be built, probably this year, in Diboll, since people from over the world come to do business with "Temple Industries" and "we need good quarters to go with our nice restaurant for them to use," said Mr. Temple.

Another possibility under consideration is a mill for making tissue paper.

Log Receiving, Processing Plant

A development, which Mr. Temple believes will be the most progressive in the wood-using business in a long time, will be applied soon. The plant at Diboll is building a $1,250,000 receiving and processing plant for logs.

In it, trees will arrive from the forest and will be debarked. Then an expert observer, sitting in an advantageous spot, will examine the denuded tree and decide how it should be carved up for maximum dollar return.

In this Diboll operation, with so many different directions it can take, the trees may go into lumber, utility pole, fence post, plywood or some of the other many uses.

The company has its own spray plane for applying chemicals to kill undesirable hardwood trees in pine stands. Mr. Temple said the company has no policy against buying more land, but land prices have limited more such purchases. The goal now, he said, is to get more return per acre of land already owned.

The company also has four transport planes which carry its key personnel around the nation.

They set a fast pace, the men of Temple Industries. But they have to move fast if they are to do all the things that they believe need to be done.