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2800

WESTERN UNION (31)

RA

R. B. WHITE
PRESIDENT

NEWCOMB CARLTON
CHAIRMAN OF THE BOARD

J. C. WILLEVER
FIRST VICE-PRESIDENT

SYMBOLS

- DL = Day Letter
- NL = Night Letter
- LC = Deferred Cable
- NLT = Cable Night Letter
- Ship Radiogram

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20 PM 12 35

JA170 (28) DL=JASPER IND 26 932A

C U GRAMELSPACHER=

HOLD FOR ARRIVAL CARE BEN FRANKLIN HOTEL PHILA=

AMERICAN CYANAMID REPORTS PHILCO CABINET LACQUER CL-519"
EXTREMELY SATISFACTORY" WITHSTOOD 15 CYCLES COLD-CHECKING
MACHINE WITHOUT FAILURE. NO SHRINKAGE AFTER 30 DAYS
AT 110 DEGREES F
CLYDE.

CL-519" 15 30 110. F.

The Jasper Lacquer Company

❖ Jasper, Indiana

REPORT ON PRODUCTION RUN ON LACQUER MATERIALS AT SMITH CABINET COMPANY, SALEM, IND.

SEALER

SE-145----Sanded easily in 30 minutes--lays close to wood--builds excellent body holding out lacquer coats --very tough--poured on glass and film not brittle after several months. Results were equal to 27% Licensed Sealer from Spruance.

SE-142 NON-LICENSED SEALER. 18% Solids. Satisfactory in every respect. Sands easier than SE-142 that is to say it sands in 10 minutes. Toughness comparable to Spruance but not equal to SE-145.

CL-519 GLOSS RUBBING LACQUER 21% Solids. Sprayed very freely without orange peel. Lays very close to wood. Total absence of "Knitting." No pin-holes. Rubbed quickly and fast after overnight dry. Rubbed with Minnesota Milling & Mining compound to a high polish. Polish came up very fast and did not fade after overnight. Total absence of shrinking after week of watching.

Conclusion: CL-519 equal in all respects to Spruance L-133 but rubbs better and polishes easier and holds its polish longer. Occasional shrinking noticed with Spruance absent in CL-519. "Knitting" absent in CL-519--present in Spruance. No blushing in CL-519--Spruance blushes on humid days.

Conclusions reached by:

MR. GEORGE NEWLON , SUPT.
MR. OTIS SHIELDS, FINISHER.
MR. ERNIE KNUCKLE, POLISHER AND INSPECTOR.

The Jasper Lacquer Company

Jasper, Indiana

SE-145 LICENSED LACQUER SEALER:::~::~:

1/20 Waterloo

Formula Breakdown:

66% $\frac{1}{2}$ Second Nitrocellulose---(No $\frac{1}{4}$ second or lower used)

33% Plasticizer (Non-evaporating , permanent)

1% Zinc Stearate

Solvents:

60% Solvesso #1

20% High Test Amyl Acetate

10% Butyl Acetate.

10% Isopropyl Acetate.

The high percentage of plasticizer and the total absence of resins make this sealer very cold-check resisting. The sealer adheres to the filled wood and lays closely to it. This sealer sands in 30 minutes.

CL-519 GLOSS RUBBING LACQUER:::~::~:

1/40
1/33
1/30

Formula Breakdown:

3 Parts $\frac{1}{2}$ Second nitrocellulose

3 $\frac{3}{4}$ Parts Pure Synthetic Alkyd Resin (To insure easy rubbing with no shrinkage)

1 Part Permanent Plasticizer (Remains in film indefinitely)

Solvents:

50 % Solvesso #1

30% High Test Amyl Acetate

15% Butanol (Butyl Alcohol)

5% Butyl Cellosolve

Report of Mr. Ernest Nuckle, Smith Cabinet Company, Salem, Indiana.

Lacquer sprays easier than Spruance L-133 and shows no foaming on the edges of tops called "knitting". Spruance knits badly necessitating additional coats during humid weather.

Lacquer rubs quickly and does not soften under oils, kerosene or naphtha. Lacquer polished better than any lacquer he had ever tried. That is it polished rapidly and held the polish. Cabinets observed for thirty days without any evidence of shrinking. Spruance gave occasional shrinking trouble needing another coat of lacquer to satisfy Smith inspectors.

Mr. Nuckle thought that CL-519 was the best all around lacquer they had ever used, easiest working with least trouble.

CL-519 GLOSS RUBBING LACQUER

Formula Breakdown:

3 Parts 1/2 Second Nitrocellulose

3 1/2 Parts Pure Synthetic Alkyd Resin (To insure easy rubbing with no shrinkage)

1 Part Permanent Plasticizer (Remains in film indefinitely)

Solvents:

30 X Solvesso #1

30 X High Test Amyl Acetate

15 X Butanol (Butyl Alcohol)

5 X Butyl Cellosolve

The Jasper Lacquer Company

❖ Jasper, Indiana

SE-145 Lacquer Sealer is a 100% licensed product although it does not come under the price-fixing clause of the Du Pont patent. We are enclosing a photostatic copy of a letter we received from Du Pont verifying this. This sealer is made with nitrocellulose and plasticiser ^{making} ~~make~~ up all the solids. It contains 66% nitrocellulose and 33 % plasticiser. This high proportion of cotton and the total absense of gums result in a tough durable film free from danger of cold-checking.

1.20
any quantity

SE-115 Lacquer Sealer is made along the lines of regular licensed lacquer. However the nitrocellulose used is entirely of $\frac{1}{2}$ second viscosity. We have found that lacquers containing even a very small percent of lower viscosity nitrocellulose are much more prone to cold-check and so have formulated this sealer with 100% $\frac{1}{2}$ second cotton. This sealer also contains a high proportion of pure Alkyd resin to increase its cold-check resistance. This sealer also contains the maximum amount of plasticiser possible without sacrificing its sanding time.

1.40 Size
1.20 25 mm
1.20 carbon

CL-519 Rubbing and Polishing Lacquer contains exactly 21% solids and is made up of 100% $\frac{1}{2}$ second nitrocellulose also. The remainder of the solid content are body-building alkyds and plasticiser. Care has been used in the selection of resins to insure maximum durability, alcohol resistance and ease of rubbing. The danger of the film shrinking has been minimized. This lacquer is very pale and is free from after-yellowing making it suitable for use over bleached veneers.

Same

make as many copies as you
can on one run
by now

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E. I. DU PONT DE NEMOURS & COMPANY
INCORPORATED
WILMINGTON, DELAWARE

August 1, 1940

FINISHES DIVISION

Mr. C. Clyde Warren, President
The Jasper Lacquer Company
Jasper, Indiana

Dear Sir:

You are entirely within your rights in selling at any price you choose, a nitrocellulose lacquer that comes under our patent and is formulated in accordance with Claim 1 of our patent; that is, low viscosity nitrocellulose, plasticizer, but no resin. Royalties are due us, of course, on the sales of any such lacquer.

Very truly yours,

H. E. Lackey
H. E. Lackey

HEL:TMR



E. I. DU PONT DE NEMOURS & COMPANY
INCORPORATED

WILMINGTON, DELAWARE

August 1, 1940

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Very truly yours,

H. E. Lackey

H. E. Lackey

HEL:TMR

The Jasper Lacquer Company

❖ Jasper, Indiana

CL-519 21% Solids Gloss Lacquer . Rubs overnight. Extra pale in color and non-yellowing. The materials used in formulating this lacquer are all film-building and the dried film will retain its depth without shrinking into the wood. This lacquer is formulated to give maximum resistance to cold-checking. The durability and life of this lacquer is such that it is used on the highest quality furniture after having been tested and approved by such concerns as Wieman Cabinet Company, Rockford, Illinois, - Steger Furn. Company, Steger, Illinois, - Superior Furniture Company, Rockford, Illinois, - Indiana Desk Company, Jasper, Indiana. This lacquer has also been approved by the Globe-Wernicke Office Equipment Company, Norwood, Ohio who employ their own chemist. This lacquer holds up remarkably well on exterior exposure.

SE-115 21% Solids Lacquer Sealer

This lacquer sealer sprays easily-lays close to the wood-sands in 30 to 60 minutes. It is formulated along the same lines as the CL-519 Gloss Lacquer and is equal to it in durability and toughness. These two lacquers used together give a lacquer finish of the highest quality and superior to most finishes . This combination has shown better build than 27% lacquers in two particular cases with the increased toughness usually found between 27% and 21% lacquers. PRICE \$1.40

SE-145 NON-PRICE-FIXING LACQUER SEALER

This lacquer sealer is 100% licensed containing nitrocellulose in all proportions covered by Du Pont patent reissue # 16803. It is by far the toughest most durable lacquer sealer so far developed. Its ability to build a full finish without shrinking far surpasses any regular licensed sealer. It has absolutely no ingredients that might cause cold-checking being composed of nitrocellulose and plasticizer and no resin. This sealer has been approved by every company in Jasper. Price \$1.15 Ready To Spray
Fine Finishes for Wood or Metal

THE JASPER LACQUER CO.

Gals.	Pts.	Lbs.	Oz.	Grs.	Material
		3	8		alcohol
		1	8		Water
		4	8		Powdered Tego.

Mix all three to-gether and heat until Tego is dissolved.

Remarks

Made For

Cost Total Solids

Weight Viscosity Yield

Article

Date No.

28 # Water

7# Hide Glue

7# Alcohol

2 1/2# Glycerine

Keep warm to keep
liquid

Lacquer sealer —

21% Solids

Reduces - 2 parts sealer to
1 part thinner —

Sand in 30 minutes,
freely.

Builds good body and
resultant film shows
no orange peel.

Cold-check test - no
checks after 10 cycles —

Excellent base coat
for lacquer.

Varnish knits to ^{this} sealer
same as a lacquer would.
(over)

NEILL-LAVIELLE SUPPLY Co.

INCORPORATED

GENERAL MILL SUPPLIES
POWER TRANSMISSION - MACHINE TOOLS

505 WEST MAIN STREET

LOUISVILLE, KENTUCKY

Price on Sealer

1-¹⁰~~8~~ drums \$ 1 30

¹⁰~~6~~ or more \$ 1 25

Thinner - 65¢

all - prices delivered

Call WAbash 3146



E. I. DU PONT DE NEMOURS & COMPANY
INCORPORATED
WILMINGTON, DELAWARE

FABRICS & FINISHES DEPARTMENT

February 1, 1940

Jasper Lacquer Company
Jasper, Indiana

Attention Mr. C. Clyde Warren

Gentlemen:

At our conference on January 30th in Cincinnati, it was the understanding that a license under our low-viscosity lacquer patents would be granted with the provision that there would be no stockholders in your company who own stock or participate in the management of any consumer of lacquer.

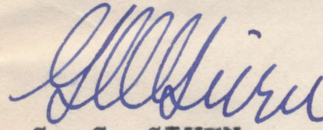
In order that our files may be complete, it would be helpful if you would write us a letter confirming this understanding as to both the present and the future.

We would like to have this letter in our hands before we make the final execution of the Agreement which we have forwarded you.

Very truly yours,

FABRICS & FINISHES DEPARTMENT

BY:


G. C. GIVEN

GCG:MRH

February 3, 1940

E. I. duPont de Nemours & CO.

Wilmington, Delaware.

Attn. Mr. G. C. Given.

Gentlemen:

For your information and records we wish to state here that The Jasper Lacquer Company is a partnership business the partners being G. Clyde Warren and W. C. Cosgrove only and that there are no other persons connected either directly or indirectly with this company and that the company has no relations with any competing company either in fact or implied.

Very truly yours,

THE JASPER LACQUER COMPANY

By:

C. Clyde Warren

G. CLYDE WARREN, PRESIDENT.

PHILCO CORPORATION

PHILADELPHIA
PENNSYLVANIA

April 8th, 1941.

Jasper Wood Products Co.,
Jasper, Ind.

Attention: Mr. C. U. Gramelspacher

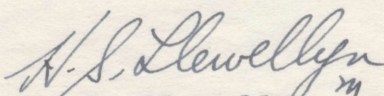
Gentlemen:

As per our telephone conversation today you will find enclosed a copy of our laboratory report on the samples submitted by Jasper Lacquer Company. You will note from this report that the Sealer SE-115 and the Gloss Lacquer CL-519 appear to be satisfactory from a laboratory standpoint.

We are also arranging to send a copy of this report to Fred Rombach at Watsonstown and we can discuss with him next week the possibility of further tests at his plant.

Very truly yours,

PHILCO CORPORATION


H. S. Llewellyn
Purchasing Dept.

HSL:GM
Encl.

PHILCO RESEARCH LABORATORIES, INC.

ENGINEERING DEPARTMENT REPORT

DWG. NO.

PART NO.

DATE 3-31-41

SUBJECT: LABORATORY EXAMINATION OF TWO SEALERS AND GLOSS LACQUER SUBMITTED BY JASPER LACQUER COMPANY.

ANALYSIS	TOTAL SOLIDS	VISCOSITY @ 80°F No 7 PARLIN CUP
SEALER S E - 145	14.9%	46"
SEALER S E - 115	22.3%	56"
GLOSS C L - 519	22.6%	57"

PAINTING OF THE LACQUER WAS O.K.

PRINT RESISTANCE WAS EQUAL TO OUR STANDARD GLOSS LACQUER

	RATING	POSSIBLE RATING
APPLICATION, O.K.	7	7
SANDING SEALER, O.K.	10	10
SANDING LACQUER, O.K.	10	10
COMPOUNDING & POLISHING, EQUAL TO STD.	10	10
BUILD OF FINISH (SHRINKAGE), EQUAL TO STD.	9	15
COLD CHECK RESISTANCE, FEW GRAIN CHECKS.	22	25
MOISTURE PRINT RESISTANCE, O.K.	10	10
TOUGHNESS - ADHESION, GOOD	9	10
SOLVENT RESISTANCE O.K.	3	3
	<hr/>	<hr/>
	90	100

REMARKS: THE SEALER S E - 145 MUST BE REJECTED BECAUSE OF ITS LOW SOLID CONTENT.

CONCLUSION: THE SEALER S E - 115 AND GLOSS LACQUER C L - 519 IS SATISFACTORY FOR A PRODUCTION TEST.

LLEWELLYN 2
MR. HAMPTON
MR. BLOOM

COPY TO

WRB
W.R. BLOOM

SIGNED _____

J.C. HAMPTON

APPROVED _____

STATE OF INDIANA

DIVISION OF SUPERVISION OF STATE FARMS AND PENAL INDUSTRIAL SALES

141 South Meridian Street

Indianapolis

April 23, 1941

C. Clyde Warren, President
The Jasper Lacquer Company
Jasper, Indiana

Dear Mr. Warren:

In reply to your letter of April 10 relative to your furnishing lacquer products to our state institutions, I wish to advise you that the Indiana Reformatory at Pendleton, Indiana, is going to buy lacquer within the next few days. This institution uses Royalty licensed lacquer, both flat and gross. It is applied with a spray and we do use a lacquer thinner or reducer. We also use lacquer sealer.

I would suggest that you bring with you one gallon samples of these items and call on Mr. R. W. Martin, Superintendent of Industries, Indiana Reformatory, the first part of next week, and I believe it would be well for you to wire him in advance of the day you plan to be at his office.

If I can be of any further service to you, please do not hesitate to call upon me.

Very truly yours,

R. A. Wall, Supervisor
State Farms and Penal Industrial Sales

COPY

April 8th, 1941

Jasper Wood Products Co.,
Jasper, Ind.

Attention: Mr. C. U. Gramelbacher

Gentlemen:

As per our telephone conversation today you will find enclosed a copy of our laboratory report on the samples submitted by Jasper Lacquer Company. You will note from this report that the Smiler SE-115 and the Gloss Lacquer CL-519 appear to be satisfactory from a laboratory standpoint.

We are also arranging to send a copy of this report to Fred Hombach at Watsontown and we can discuss with him next week the possibility of further tests at his plant.

Very truly yours,

PHILCO CORPORATION

H. S. Llewellyn
Purchasing Dept.

HSL:GM
Encl.

PHILCO RESEARCH LABORATORIES, INC.
Engineering Department Report

ENG. NO. _____

Part No. _____

Date 5-31-41

SUBJECT: Laboratory examination of two Sealers and Gloss lacquer submitted by Jasper Lacquer Company

ANALYSIS	TOTAL SOLIDS	VISCOSITY @ 80°F NO 7 PARLIN CUP	
Sealer S E - 145	14.9%	46"	
Sealer S E - 115	22.3%	56"	
Gloss C L - 519	22.6%	57"	
Patching of the Lacquer was O. K.			
Print resistance was equal to our Standard Gloss Lacquer			
		RATING	POSSIBLE RATING
Application, O. K.		7	7
Sanding Sealer, O. K.		10	10
Sanding Lacquer, O. K.		10	10
Compounding & Polishing, Equal to Std.		10	10
Build of Finish (Shrinkage), Equal to Std.		9	15
Cold Check Resistance, Few Grain Checks.		22	25
Moisture Print Resistance, O. K.		10	10
Toughness + Adhesion, Good		2	10
Solvent Resistance O. K.		3	3
		<u>90</u>	<u>100</u>

REMARKS: The sealer SE-145 must be rejected because of its low solid content.

CONCLUSION: The sealer SE-115 and Gloss Lacquer CL-519 is satisfactory for a production test.

Llewellyn S
Mr. Hampton
Mr. Bloom

COPY TO

SIGNED W. R. BLOOM

APPROVED J. C. HAMPTON

CL-539 Flat Lacquer - 21% Solids.
 Same formula as CL-519 but
 higher percentage of Cotton. Flattening
 agent used is diatomaceous
 Silica. Will rub & polish as
 can be left flat.

This flat Lacquer can also be
 made clear and without cloud
 giving no haze on Cabinet.

	\$
✓ .06 blue	1.33
✓ .13 - Commission	27
✓ .08 Freight (8)	931
✓ .36 - Oil	266
✓ .02 Sugar D	2591
.05 Drex Cost	
.70	1.33
	.70
	.63

\$1.33 - 6¢ blue
 10 over head
 4 freight or 8¢ to Watertown
 2 drum
 1 1/2 discount (290 10%)

24¢ - 65¢

1.33	1.33
70	24
63 for material & Profit	1.09

WATSONTOWN CABINET COMPANY

WATSONTOWN
PENNSYLVANIA

July 16, 1942.

Mr. C. U. Gramelspacher,
Jasper,
Ind.

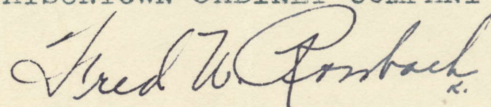
Dear Gramy:

We have sent you today 1/2 gallon each of lacquer enamel and lacquer enamel undercoat that we are using on filing cases. I would be glad to have samples of material which match this and your quotation.

Please keep in mind that we must have an exact match because if used, some would have to be used interchangeably with the material of another supplier. This material is royalty type lacquer of very high quality and would have to be matched.

Very truly yours,

WATSONTOWN CABINET COMPANY



Fred W. Rombach

FWR:KW

WATSONTOWN CABINET COMPANY

WATSONTOWN
PENNSYLVANIA

July 20, 1942

Jasper Wood Products Company
Jasper, Indiana

Attention: Mr. Gramelspacher

Gentlemen:

On July 17th we forwarded to you by railway express one gallon of Lacquer Enamel Undercoat and one gallon of Lacquer Enamel. You should receive this material within the next few days.

Will you kindly advise us upon receipt of same so that we may be sure that this material reached you safely.

Very truly yours,

WATSONTOWN CABINET COMPANY

N.C. Cook

Ned C. Cook
Purchasing Dept.

NCC:CK

Warren
100

August 22, 1956

Mr. H. S. Llewellyn
Philco Corporation
22nd & Lehigh Avenue
Philadelphia 32, Pa.

Dear Herb:

I was just talking to George Klee regarding your box in which you take up your hunting equipment and clothes and would like to say that if you could do the same thing you did last year, express it out to us, it would save a trip into Philadelphia and then North for George.

If we happen to get a moose, which I am very sure we will get, maybe two, we will have George drive with us to Philadelphia and deliver your share on the way back.

Thank you very kindly.

Very sincerely yours,

C. U. Gramelspacher

CUG/mas

COPY

November 26, 1946

Mr. H. S. Llewellyn
Philco Corporation
Philadelphia, Pa.

Dear Herb:

The last time I met you, Mr. Fraunberger and Mr. James in your office, recommendations were to be made to the Executive Committee of Philco to the effect that Philco was to turn over to the Clarkton Gramwood Products Company, logging equipment equivalent to \$14,000 or \$15,000. In addition, recommendations were to be made to the effect that Philco would extend to Clarkton Gramwood Products Company up to \$100,000 for the purpose of purchasing timber tracts to assure a continued supply of logs for the Clarkton operation.

The third point discussed was that I was to draw up some kind of proposal regarding the Watsonstown setup. Complying with my end of the bargain, I immediately asked Seidman & Seidman, our certified public accounts, for their suggestions and recommendations. I picked up these recommendations that weekend, brought them home with me, copy of which is enclosed.

I was under the impression that they would write up the proposal, but since I had mentioned to them the fact that I would like to have a proposal for Watsonstown similar to the one that was drawn up for the Hasty Veneer Company, at Maxton, N. C., they advised that Philco themselves drew up that proposal and, therefore, gave me only their suggestions and recommendations pertaining to the tax setup.

I received these on Saturday morning and called you early Monday morning, asking whether or not I should come over that week. You advised that it was not necessary. However, at about five o'clock our time, you called and asked whether or not I could meet Mr. Fraunberger at Harrisburg Wednesday morning, drive to Watsonstown and discuss the Watsonstown setup with him, which we did.

We looked over the site of the proposed new building and while doing that, met you and Mr. Rombach on the street just west of the proposed new site. I advised Mr. Rombach that I would see him before leaving for home that night. Upon my arrival at his office, accompanied by Mr. Fromme and my nephew, John Gramelspacher, he called me on the phone and asked me whether I only would meet with him, to which I agreed. Upon his arrival at his office upstairs, Mr. Fromme and John left and took a trip through the plant.

I did not know what to expect, but he immediately started to question me on some matters that I refused to answer, one of them

11/26/46

being that he wanted to know whom I dealt with at Philco, or who discussed with me the Watsonstown deal and the timber deal at Clarkton. He probably knows as well as I do who I talked with, but wanted me to tell so he could put the heat on the party at Philadelphia and say that I said so. If he thinks that I would squeal on any of those boys over there, he needs to go to the school of experience, because I wouldn't do that if it cost us our business. I did not know then and I do not know now what official capacity he has in the Philco organization, but I do know that one and one-half to two years ago after we had some considerable trouble with him, I went to Philco and was assured that we would not have to deal with him any more than necessary, and that the final say-so was still with Philco. That is still the way it must be so far as we are concerned because he, as a business executive, has forever lost our respect. It may be good business to hammer down prices, or put the squeeze act to you, which we have taken for a number of years, but when it goes to the point of Shylocking us, then we are through.

During the course of our conversation, he left me under the impression that a new building would not be build at least for some time to come. I told him that if we knew that a new building would not be erected, and we would have to continue operations in that plant indefinitely, we would quit operations. I did not explain anything further to him, but when we say quit operations, it would not mean quit now and leave you out on the limb. We have never done that and we never shall, but unless a new plant is to be erected, perhaps not now with prices so high, but eventually, we want to get out.

The matter of continuing work in the old building came up and as usual, the matter of responsibility came up in the event of an accident due to failure in the building. He immediately asked who was responsible in case of an overload. That's the very thing I told Mr. Fromme would be their excuse in the event of an accident, and by his question, proved it.

Another matter which he brought up, and in all my dealings with Philco, he was the first man to mention it, was the question of what interest rate I was going to pay Philco if they erected a new plant for me. I told him that an interest rate had not been mentioned at any time during any part of our negotiations, and if Philco wants to penalize me for having tried to do a good job, or rate me the same as some of the experiences they have perhaps had with other suppliers, I might as well try to make other arrangements and try to get the money from the bank.

After a few more questions by Mr. Rombach, I got hot under the collar and left. On the way down, Mr. Fraunberger told me that a copy of the letter he had received was sent to Mr. Rombach, and that he was to be in the picture. Had I known that, it might have made some difference, but not much, because as I told you before, we have lost our respect for him forever.

Taking up each individual item, I would like to say that I

11/26/46

C
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P
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wired you from Indianapolis to the effect that if Philco will deliver to the Clarkton Gramwood Products Company logging equipment which would include two trailer log-hauling trucks, a skidder, and caterpillar tractor, valued at about \$13,000 to \$14,000, we would pay off at the rate of \$500.00 per month until the entire amount was paid. Our original plan was that we would pay you a certain amount for all the hauling done with these two trailer trucks, and in that way, pay off at a faster rate perhaps, yet protect Clarkton from making payment in the event we have another unusual year of wet weather as we have had the past two years. However, Mr. Rombach advised that some definite sum had to be paid, so we agreed to \$500.00. We are ready to go ahead on that basis as soon as Philco decides what they want to do about it. We prefer a log-hauling basis, but to show our willingness to cooperate, we are willing to take a chance of paying \$500.00 per month.

TIMBER DEAL

C
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Y
I believe that Mr. Fraunberger's suggestion of Philco advancing to the Clarkton Gramwood Products Company up to \$100,000 for the purchase of a timber tract was a very good one. I think it would pay better interest in the long run than interest you get on money in the bank. This would not mean that the Clarkton Gramwood Products should have been advanced \$100,000 with the idea of purchasing that amount of timber at once, but rather buy just enough at the present time to assure continued operations at Clarkton, with perhaps the purchase of a larger tract if a good buy could be made, and save the bulk until such a time when timber values are fairly close to normal.

C
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P
Y
This program would not necessitate placing \$100,000 at the disposal of the Clarkton Gramwood Products, but enable them to look around and purchase whatever timber they need with the assurance that if they could make a good buy, they would have sufficient funds available to make the purchase. If that would go through, I shall be willing to set up the second lathe which is in storage at Clarkton at the present time, put up a new building for the lathe and clipper as well as a new dry kiln, but cannot do that until a permanent source of logs is arranged, which is the No. 1 problem at our Clarkton mill.

C
O
P
Y
I am enclosing a copy of a letter from one of the men whom I dealt with on the timber deal, to show you that it was intended for us to be able to use timber off of Simmons Bay. I am also enclosing part of a report from U. S. Plywood's annual report with reference to their timber purchases and timber holdings, and a copy of a report from General Plywoods as written in the Chicago Journal of Commerce. These are just two companies that are giving us keen competition in the purchase of veneer logs as well as timber tracts. We hear quite frequently and run into competition right along on the purchase of timber rights. They have the money to do it; we haven't, and I believe that if Philco wants to protect its interests in the future, they should follow Mr. Fraunberger's suggestions pertaining to timber purchases by Clarkton.

WATSONTOWN DEAL

C
O
P
Y
At the very outset of our operations in Watsontown which has been

11/26/46

between six and seven years ago, I complained about the condition of the building in which we were operating. On several occasions, I have written Philco, sending them complaints about the building. For at least two years now, perhaps even longer, we have discussed a new building with several of your men in Philadelphia, and it has progressed so far that I even purchased the site at Watsonstown. If you will recall, we submitted several blueprints on the new plant and have costs on same.

I met Mr. Fraunberger, as stated above, at Harrisburg, about a week ago and went to Watsonstown to look over the site with him. Because of the fact that for the years in operation over there during which time we have not made any money, and the affair with Mr. Rombach, the Board of Directors of this company asked me to sell the plant since Mr. Rombach was interested in buying it at that time. After being instructed by my Board of Directors to sell, I went to Philadelphia and advised you and other members of the company of our Board's decision, but because I had the connection with Philco and have done business with them for a period of 15 to 18 years, I made the proposition that Philco buy the equipment and inventory from the Jasper Wood Products Company, put up a new plant and turn it over to me for operation on a basis similar to the contract that was written up by Philco on the Hasty Veneer Company, at Maxton, N. D. This is still what I would like to do. I would like for Philco to buy the necessary equipment and inventory, and put up a new plant, and I would agree to contract on the same basis as the Hasty contract with modifications wherever necessary, and I would put up the necessary working capital.

If this is not the proper time to build, and I doubt very much that it is, I would be willing to go ahead on the same basis, but instead of putting up a new plant at this time, put up a Quonset hut north of the present plant with sufficient capacity to store the veneers which we now have in six or seven warehouses, and thereby eliminate any storage on the top two floors of the present building, which would eliminate any possibility of overloading. I would be willing to go ahead on that basis.

A Quonset hut building is the cheapest I know of for the floor space provided for, and should serve the purpose very satisfactorily. By doing that we could wait until things are back to normal before putting up a new building.

I am ready to go ahead as soon as Philco is and the sooner the better because the building we are now operating in on all floors is not getting any better. I believe that for the time being, if we put up a Quonset hut north of our present plant and take everything out of the two top floors of our plant and seal them so that no one can get into them, it might satisfy Mr. Wilkinson and Mr. Transue on overloading. If not, a Quonset type construction for the new plant would be satisfactory to us. Mr. Fromme is getting together figures on the cost at the present time. As soon as we hear from him, I shall send you the figures.

Thanking you very kindly, I am

Very truly yours,

H. S. Llewellyn

-5-

11/26/46

JASPER WOOD PRODUCTS COMPANY

CUG:AJ

Encs.

C. U. Gramelspacher, Mgr.

COPY

COPY

C

THESE PAPERS SHOW WHAT SOME OF OUR
CHIEF COMPETITORS ARE DOING.

CORPORATION

Grammy
GRAMY

1946

es, more or less, located
e right, for a period of
t and remove trees and
ns, and with the option to
twenty years.

*On timber
tracts*

onal 2,750 acres, more or
County, South Carolina,
those on which it holds
, excepting that the Com-

pany's rights expire on December 14, 1964, with an option on the
part of the company to renew for an additional period of twenty
years.

Cruises made on these two properties indicate that there are
located thereon approximately 93,000,000 feet of timber subject
to the Company's logging rights.)

At present the company owns sufficient timber lands to supply the
majority of its raw material requirements, Mr. Dulaney said. The
company follows a policy of purchasing additional timber tracts
to maintain a constant balance between supply and cutting.

Washington State Fir
800,000,000 Ft.
450,000,000 Ft.

Ontario - Canada 60,000 Acres

Oregon Fir
280,000,000 Ft.
120,000,000 Ft.

PROSPECTUS

UNITED STATES PLYWOOD CORPORATION

July 1, 1946

CHICAGO JOURNAL

Monday, November 25, 1946

Timber Properties:

The Company holds title to 8,123 acres, more or less, located in Sumter County, South Carolina, with the right, for a period of twenty years from December 1, 1943, to cut and remove trees and timber therefrom, with certain reservations, and with the option to extend the grant for a further period of twenty years.

The Company holds title to an additional 2,750 acres, more or less, of timberlands located in Richland County, South Carolina, subject to terms and conditions similar to those on which it holds title to the timberlands in Sumter County, excepting that the company's rights expire on December 14, 1964, with an option on the part of the company to renew for an additional period of twenty years.

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Fir

800,000,000 Ft.
450,000,000 Ft.

Ontario - Canada

60,000 Acres

Oregon

Fir

280,000,000 Ft.
120,000,000 Ft.

CHICAGO JOURNAL OF COMMERCE

Monday, November 25, 1946

NEW PLYWOOD FIRM NET PUT AT 1.2 MILLION

Estimated Earnings for First Year Would Top 2 Predecessors

By Harry Adams

General Plywood Corp., a company formed a little more than a year ago as successor to two plywood manufacturing concerns, appears destined to end the first full year of its corporate existence with a net profit of at least \$1,250,000, sources close to the company said over the weekend.

At present the company owns sufficient timber lands to supply the majority of its raw material requirements, Mr. Dulaney said. The company follows a policy of purchasing additional timber tracts to maintain a constant balance between supply and cutting.

The company has veneer mills at Tarboro, N. D., Cuthbert, Ga., and Florence, S. C. These plants supply raw materials for its factories at Louisville, Ky., and New Albany, Ind. Corporate offices of the company are in Louisville.

COPY OF THIS LETTER SHOWS THAT WE WERE
TO GET THE USE OF THE TIMBER ON SIMMONS
BAY AND ALSO TO GET FINANCIAL HELP FROM
PHILCO.

Gramy
GRAMY

October 22, 1945

arranged for you to come in
object of setting up a veneer
the Simmons Bay tract, settle-
of this week.

vey of the timber on this
000 Board feet (Doyle scale)
0 feet of this are Black

Gum and Tupelo, the remainder being divided between Red Gum, Red
Maple, and Poplar. This is not the total footage, but the footage
based on what Mr. Blanchard considers veneer logs. On the basis of
our proposed cabinet schedule at Watsonstown, this six million-odd
feet would last us about 175 weeks.

I wish you would give a lot of thought to the time required to
set up a veneer mill in the general vicinity of this tract, possibly
at Whiteville which is only about fifteen miles away.

We talked to Mr. Blanchard about Maxton and he felt that this
was a very bad situation for a veneer mill, the reason being that he
says no one in that locality will sell veneer logs and as you see
from the above, it will be necessary to have more logs available than
are on the Simmons Bay tract. Either we will have to find other
tracts (which we have under way,) or the veneer mill would have to
buy veneer logs from farmers in the locality. Another objection is
that I figure Maxton is over eighty miles from the Simmons Bay tract.

Mr. Blanchard tells us that according to Government figures,
there is a billion feet of standing timber in the area surrounding
Whiteville. I think this is probably more than Columbus County,
but it is within a reasonable radius. I believe it is timber similar
to the Simmons Bay tract. Do you suppose it would pay to try to
buy the machinery at Maxton and set up a mill in Whiteville?
Another consideration for Whiteville is that we may set up a sawmill
operation there to insure our supply of solid lumber for cabinets.
With the shipyards at Wilmington closing down, Blanchard feels that
there is an ample supply of labor for this kind of work.

As you know, we are prepared to help you finance this veneer
mill operation and do whatever is necessary to insure our supply of
veneer. What is your deal at present on the Beck Bros. Veneer Company
at Zebulon, N. C.? That appears to be entirely too far away to make
Simmons Bay timber available.

Very truly yours,

LJP/ES

L. J. PEARSON

PHILCO CORPORATION
PHILADELPHIA, PA.

October 22, 1945

Mr. C. U. Gramelspacher
Jasper Wood Products Company
Jasper, Indiana

Dear Gramy:

I understand from Herb that he has arranged for you to come in a week from today to discuss the whole subject of setting up a veneer mill operation to use the timber on the Simmons Bay tract, settlement for which is to be made on Thursday of this week.

I have gone over Mr. Blanchard's survey of the timber on this tract and it appears there is about 6,737,000 Board feet (Doyle scale) in logs, 16" in diameter, and up; 5,454,000 feet of this are Black Gum and Tupelo, the remainder being divided between Red Gum, Red Maple, and Poplar. This is not the total footage, but the footage based on what Mr. Blanchard considers veneer logs. On the basis of our proposed cabinet schedule at Watsonstown, this six million-odd feet would last us about 175 weeks.

I wish you would give a lot of thought to the time required to set up a veneer mill in the general vicinity of this tract, possibly at Whiteville which is only about fifteen miles away.

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Mr. Blanchard tells us that according to Government figures, there is a billion feet of standing timber in the area surrounding Whiteville. I think this is probably more than Columbus County, but it is within a reasonable radius. I believe it is timber similar to the Simmons Bay tract. Do you suppose it would pay to try to buy the machinery at Maxton and set up a mill in Whiteville? Another consideration for Whiteville is that we may set up a sawmill operation there to insure our supply of solid lumber for cabinets. With the shipyards at Wilmington closing down, Blanchard feels that there is an ample supply of labor for this kind of work.

As you know, we are prepared to help you finance this veneer mill operation and do whatever is necessary to insure our supply of veneer. What is your deal at present on the Beck Bros. Veneer Company at Zebulon, N. C.? That appears to be entirely too far away to make Simmons Bay timber available.

Very truly yours,

LJP/ES

L. J. PEARSON

THESE COPIES SHOW THAT WE'VE WORKED A LONG TIME TO LOCATE A VENEER PLANT IN THE SOUTH, WHICH WAS FINALLY SETTLED BY BUYING CLARKTON BECAUSE OF THE CLOSE PROXIMITY TO SIMMONS BAY TRACT.

Gramy
GRAMY

NDENCE

March 7, 1945

March 14, 1945

John T. Denny, who
ro, N. C. He also owns
formerly operated by a
The Rocky Mount plant
He says he has a 78" Coento
Francis cold press. He
has been operating very
managing two plants, and
t proposition. He is

asking \$100,000, but would be agreeable to accepting settlement over a period of time.

He says that he has a complete organization set-up which we would want to go along with the plant, if possible. I suggest that you might like to look over this setup and, if so, he would arrange to meet us in Rocky Mount at any time to suit our convenience. He wants this offer kept confidential, as he has never offered it to anyone else and does not care for it to be noised about that he is considering selling.

Rocky Mount is a nice city, conveniently located in relation to Watsontown. It is only 240 miles south of Washington, D.C., located on the Atlantic Cost Line. Timber supply comes from the same section that supplies Tarboro, Wilson, and Zebulon. It has a very low freight rate on logs out of the dismal swamp of Virginia. It is only five hours by train from Washington and eight hours from Philadelphia. I think this would be a very excellent location to consider, not only from the standpoint of making plywood and veneer, but also in view of our close friendly relations with the other three plants mentioned above which are all within 25 miles of Rocky Mount.

When you come over next week, we can discuss this proposition along with the others that we have under consideration, and if you think it advisable, we could run down there in a day's time and look it over.

Very truly yours,

George Sellers

(Plant #2)

GS:MS

I intend to go to Lockport, N. Y., March 26-28 and will be back in High Point, N. C. about the 29th.

Very truly yours,

FRANK J. PICK

INTER-OFFICE CORRESPONDENCE

TO: Mr. C. U. Gramelspacher
Plant #1
Jasper, Indiana

March 7, 1945

Dear Gramy:

I just talked a few minutes ago with Mr. John T. Denny, who operates the Denny Veneer Co., at Roseboro, N. C. He also owns another plant at Rocky Mount which was formerly operated by a brother who passed away some time ago. The Rocky Mount plant is a complete veneer and plywood unit. He says he has a 78" Coe lathe and a Coe dryer supplemented by a Francis cold press. He says this plant is now in operation and has been operating very profitable, but that he cannot carry on managing two plants, and would be willing to sell the Rocky Mount proposition. He is asking \$100,000, but would be agreeable to accepting settlement over a period of time.

He says that he has a complete organization set-up which we would want to go along with the plant, if possible. I suggest that you might like to look over this setup and, if so, he would arrange to meet us in Rocky Mount at any time to suit our convenience. He wants this offer kept confidential, as he has never offered it to anyone else and does not care for it to be noised about that he is considering selling.

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Very truly yours,

George Sellers

(Plant #2)

GS:MS

FRANK J. PICK
Field Service Representative
116 $\frac{1}{2}$ Mulberry St.
Statesville, N. C.

March 14, 1946

Mr. A. F. Habig
Jasper Wood Products Co.
Jasper, Indiana

Dear Mr. Habig:

Regarding your recent letter on the two plants listed. I ran into the #1 this morning and that plant is the
Hasty Veneer Company
Maxton, N. C.
Mr. Guss Hasty, Owner

The machinery you have listed coincides with what they have and I asked Mr. Hasty if he wanted to sell his plant and he told me he did as he was getting up in years and wanted to retire. This plant is typical of the type plants in this section, and they are not much to look at.

I have been calling on Mr. Hasty for the last few years, and one thing he has always been busy and his yard is always full of logs they are not too large but will run on an average of about 12 to 14 inches. Mr. Hasty has been here a long time, and is well acquainted with the loggers and has always been able to get more than his share as he has stuck to the same loggers year in and year out.

Maxton is situated about 10 miles from Laurinburg, N. C., and about 5 miles from Daystrom, N. D., where these same people are operating plywood plants. Mr. Hasty told me his profits have been around \$75,000 per year, and his pay roll ran about \$26,000 last year. I think this plant is a better buy than what the Crescent Panel Co. bought at Florence, S. C., as they have some equipment in this, while at Florence there was nothing to rave about, and I think it would be worth your while to investigate this plant.

Regarding #2 plant. I really don't know where this is or have any idea although the only two cities on the main line of the ACL Railroad with a population of 25,000 is Rocky Mount, N. C., and this is out of the timber section, and Wilmington, N. C., and I don't know of any plant in there outside of Mr. J. Colucci's.

In talking with you on the telephone tonight you mentioned Mr. C. Gramelspacher may make a trip down this way in the near future; if he does and I can be of any assistance just drop me a line and I will arrange to be at his services if I can be of any help.

I intend to go to Lockport, N. Y., March 26-28 and will be back in High Point, N. C. about the 29th.

Very truly yours,

FRANK J. PICK

MAHON AND SCHWABENTON
337 North Wrenn Street
High Point, N. C.

April 23, 1945

Mr. C. U. Gramelspacher
Jasper Wood Products Co.
Jasper, Indiana

Dear Grammy:

Have your letter of April 16th.

I am going to contact all the stockholders in the
Andrews Veneer & Lumber Company and will write you
something definite by the first part of next week.

Have talked with Brooks and he says that anything I
decide on will be all right with him.

Brooks is figuring on the veneer logs in a large tract
of timber and it looks like this deal will go through.
If he is successful in getting this timber there would
be plenty logs for two mills. He told me that the man in
Andrews is anxious to know something about the building.

When you come down here I will go to Andrews with you
and we can go over to our club down there and catch a
few bass.

With best regards and looking forward to seeing you,
I am

Sincerely

Lex (Schwabenton)

DENNY VENEER COMPANY

Roseboro, N. C.

April 27, 1945

Seidman & Seidman
135 S. LaSalle Street
Chicago 3, Illinois

Gentlemen:

In reply to your letter of April 24, we wish to advise that we do not put out a financial statement. The writer showed Mr. Gramelspacher the operations for last year month by month when he was visiting us some time ago. This we think should be satisfactory information for him.

Very truly yours,

DENNY VENEER COMPANY

John T. Denny

JTD:MDG

January 31, 1946

Mr. H. S. Llewellyn
Philco Corporation
Philadelphia, Pa.

Dear Herb:

Confirming my telephone conversation with you on Tuesday afternoon as well as yesterday afternoon, I would like to say that while at Indianapolis, I happened to meet a friend of mine who lives at Salem, and he told me that in the weekly paper at Salem was a notice to the effect that the Smith Cabinet Manufacturing Company would have to be sold because of the will left by Mr. Ford Smith. I immediately called you and gave you that information.

With reference to our conversation of Tuesday afternoon, I would like to say that I was very glad to know that there was a possibility of acquiring the Wilson Veneer Company, Wilson, N. C. I always told you that this was the best mill I visited while in the south. If I remember correctly, it is a one-lathe operation, which should take care of 50% of our production at Watsonstown, and would give us immediate relief to that extent.

With the veneer situation as it is, it would be well to give serious consideration to the Clarkton mill also because of that mill's ability to turn out the other half of the veneer needed at Watsonstown. We would then, for all practical purposes, have our full requirements taken care of.

If the Wilson plant can be purchased for \$75,000 and the Clarkton plant for \$68,000, the cost of both would be only \$23,000 more than the Maxton plant was. This, then would practically give us full veneer requirements, whereas the Maxton plant would have given us only 50%.

In the event Philco is still figuring on Wilmington as a permanent place of operation, and we put up one or two lathes there, if two, Wilmington could supply Watsonstown, and Wilson and Clarkton could take care of whatever requirements you would need from us here in Jasper. If that requirement would be approximately 25% of our production, that would require one extra mill with one lathe, and if your requirement would be 50%, it would take another additional mill with one lathe, to take care of that extra 25% requirement. This figuring is based on six to eight cars per lathe a month.

You have an option on the Clarkton mill and if successful in consummating a deal with Wilson, that would take care of our requirements at Watsonstown immediately. If the Wilmington project develops and you would not be interested in supplying veneer to Jasper, we could undoubtedly sell Wilson and Clarkton after they have served their purpose. That, however, would be a mistake because we are reserving production for you here at Jasper, in the event you get one or more plants here in the middle west to make cabinets for you. Also,

Mr. H. S. Llewellyn

-2-

1/31/46

with veneer as hard to get as it is at present, and chances are this will be the condition for some time to come, I believe you would be just as interested in seeing that we get veneers at Jasper as at Watsonstown.

When I met with Mr. Pearson and Mr. Boyce in Mr. Ballerton's office, I expressed the necessity of having at least one mill, possibly two, to take care of our requirements at Watsonstown. When I arrived at Watsonstown that night and again the next day at the office, the way Mr. Fromme expressed the necessity of having a veneer plant or two to supply us, made my recommendations to the group of men mentioned above very conservative.

My recommendation is that since you have an option at Clarkton, exercise that option and buy same, and if deal can be made with Wilson, we should take that also. I am expressing not only my own opinion on this matter, but also the opinion of our personnel at our Watsonstown plant.

I am hoping to see you or some other Philco representative at Wilmington, N. C., in order to consummate the Clarkton and Wilson deals, if the Wilson deal is ready to be completed. With best regards, I am

Very truly yours,

JASPER WOOD PRODUCTS COMPANY

CUG:AJ

C. U. Gramelspacher, Mgr.

DENNY VENEER COMPANY
Roseboro, N. D.

June 7, 1946

Mr. C. U. Gramelspacher
Jasper Wood Products Company
Jasper, Indiana

Dear Mr. Gramelspacher:

This will acknowledge receipt of your letter of May 22 and note that you are not interested in the plant at Rocky Mount any more. Judging from your letter you are probably interested in two plants. I have been trying to reach you over the telephone for a week but so far have been unsuccessful. What I wanted to tell you is if you would be interested in our plant here in Roseboro, we could probably work out a deal on it or the two plants, the one here in Roseboro and the other in Rocky Mount. If you would be interested we would be glad to have you stop by and inspect this plant as it is a much nicer plant than the one at Rocky Mount.

Very truly yours,

John T. Denny

JTD:MDG

COPY OF THIS LETTER SHOWS THAT
MR. L. J. PEARSON USED HIS BEST BUSINESS
EXPERIENCE AND WE WERE READY TO FOLLOW
THROUGH WHEN THIS DEAL FELL THROUGH.

Grammy
GRAMMY

ON

November 12, 1945

November 12, 1945

as soon as they are ready

angle on is the question
the veneer could be shipped
idman on his sending me
n Philco and Gramwood as I
get such an agreement in
and bracing against shift-
I suggest that you write
been wondering whether we
ok at their setup and advise.
y man who could spend a day
al setup and advising how close

we are to getting valued received for the \$120,000 we are putting into it? After we left, Mr. Blanchard pointed out that no one had thought to check or ask about the condition of the boilers which, of course, is quite an important item in a veneer plant. Such a man could also give further consideration to the possible layout to include another lathe and dryer.

On the way back to Whiteville, Mr. Blanchard and I stopped in at Chadbourne to see Messrs. Bunch and Russ who were setting up the Chadbourne Veneer Company. At the present time, there was not much to see except I was impressed that they had a good layout of buildings. The main building is typical southern corrugated iron construction, but they had just completed a concrete floor throughout.

It was impossible to tell much about the lathe. It was in place but not anywhere near operating condition. It is a hand-me-down from an old basket plant and Blanchard's opinion is that it is doubtful if it can ever cut veneer accurate enough for our work. Mr. Russ, of course, said he understood from conversation with George Sellers what accuracy was required and was sure they could make a satisfactory grade of veneer for us. When we were there, they were just putting the clipper in place and said they had a promise of a dryer shipment December 10.

The cooking vats are of the steam type rather than hot water type and everything is rigged up for straight line production through the center of the building. Steam vats are at one end outside the main building and the production line would be down through the center of the main building.

I was rather impressed with the personalities of both Russ and Bunch and believe if their equipment is satisfactory, they might be a good supplier for you. I told them that you would be in the market for some of their production as soon as available and they talked of the possibility of the first of the year, but this I doubt.

One of their problems is going to be logs. There was not a log on the place and they said they were hoping to be able to get

PHILCO CORPORATION
Philadelphia, Pa.

November 12, 1945

Mr. C. U. Gramelspacher
Jasper Wood Products Company
Jasper, Indiana

Dear Gramy,

I hope you will rush Mr. L. J. Seidman on his sending me notes on the proposed agreement between Philco and Gramwood as I think we ought to have lots of time to get such an agreement in shape so that we can go ahead.

Ever since leaving Hasty, I have been wondering whether we should not have someone else take a look at their setup and advise. Don't you have an engineer or a factory man who could spend a day or two going over their whole mechanical setup and advising how close we are to getting valued received for the \$120,000 we are putting into it? After we left, Mr. Blanchard pointed out that no one had thought to check or ask about the condition of the boilers which, of course, is quite an important item in a veneer plant. Such a man could also give further consideration to the possible layout to include another lathe and dryer.

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Mr. C. U. Gramelspacher

-2-

November 12, 1945

logs from our tract. If our logging deal works out, probably we will be able to deliver them logs as soon as they are ready to go.

One point I would like to have your angle on is the question of shipping. Mr. Bunch asked whether the veneer could be shipped uncrated. I disclaimed all knowledge of this and told him I would check with you. He says crating is expensive both material and labor-wise, and that he has had good results shipping solid cars of veneer simply stacking in piles and bracing against shifting. If you have any thoughts on this, I suggest that you write direct to them. You can write them at Chadbourne, N. C., Mr. W. A. Bunch and Mr. W. Scott Russ. I explained to them that their dealings on shipping veneer would not be direct with Philco, but to you.

Very truly yours,

PHILCO CORPORATION

L. J. PEARSON

LJP/ES

See memo
See memo

CLARKTON GRAMWOOD PRODUCTS CO., INC.

- (1) Philco has purchased logging equipment (trucks) for the approximate amount of \$20,000 and has transferred this equipment to Clarkton. As we understand it, title to the equipment is now in Clarkton and a liability is owing therefor to Philco. The liability will be paid off on the basis of a formula of per thousand feet of logs hauled by this equipment. As we understand it, the liability to Philco will be non-interest bearing.

A record should be devised which will set forth the footage hauled by this equipment each month. A calculation should be made showing the dollar amount per foot of logs hauled per month that is used in calculating the amount to be turned over to Philco monthly in liquidation of the liability. This figure should be set so that it does not make too great an inroad on the financial resources of Clarkton but at the same time liquidates the liability over a reasonable period of time.

We take it that you believe it desirable that Clarkton own the equipment rather than Philco. We also take it that there will be no restrictions on the use of this equipment so that the hauling of logs is for Philco only.

- (2) Philco will agree to advance up to \$100,000 for the purchase of standing timber by Clarkton. The liability arising from this advance is to be repaid as timber is cut and used. The payments to Philco are to be based on the cost of the timber per thousand feet as shown by the cruise at the date of purchase. As we understand it, the liability to Philco will be non-interest bearing. Of course, adequate records should be established to show timber cut and used.

We suppose that under the agreement, all types of logs suitable for Philco products will be restricted for that company's use.

We see no objection to this arrangement providing that Clarkton wants to be tied up to Philco over a period of time.

THESE COPIES SHOW THAT WE'VE BEEN WORKING
ON THE WATSONTOWN DEAL FOR SOME CONSIDERABLE
TIME.

December 17, 1945

Grammy
GRAMY

~~December 19, 1945~~

of this afternoon, I had
day night and gave him
the forty acres more or
h I discussed with you
ent down to see the party
e okay. He also drew up
the sales agreement when I left Friday evening, and everything,
so far as I know now, is taken care of. I sent a check for
\$4150.00 to Mr. Fromme today.

In regard to the setup at Watson town, I advised you that
the Board of Directors of this company is willing to sell if
Philco is interested in purchasing same. If this should happen,
I would be very much interested in taking it over on a similar
basis as the agreement we had worked out for Maxton.

Up to the present time Plant #1 has advanced to Plant #2
a total of \$220,000. This consists of approximately \$52,000 in
plant equipment and approximately \$16,000 for stock and other
miscellaneous equipment. The balance of \$152,000 is in inven-
tory bought on today's market, which should be considerably
more, should the ceiling on veneers happen to be lifted. From
these figures, you can see that the total amount of machinery
and equipment is only \$68,000 or approximately one-third of
the total amount, the balance being in liquid movable assets which
should be of considerable advantage when the radio season opens
up in full swing.

As soon as Mr. Fromme has the deal completed for the land
in Watson town, we shall then ask for bids for the new warehouse
to be erected on the new site, as discussed with you and Mr.
Pearson. I feel that an agreement similar to what we had drawn
up for the Hasty Veneer Company would be satisfactory to me if
it is satisfactory to Philco.

Thanking you very kindly, I am

Very truly yours,

JASPER WOOD PRODUCTS COMPANY

CUG:AJ

C. U. Gramelspacher, Mgr.

December 17, 1945

~~December 19, 1945~~

Mr. H. S. Llewellyn
Philco Corporation
Tioga & C Streets
Philadelphia, Pa.

Philco Corporation
Dear Herb: regts
Philadelphia, Pa.

Confirming our phone conversation of this afternoon, I had Mr. Fromme meet me at the station Thursday night and gave him instructions to exercise the option on the forty acres more or less, in the Bureau of Watsonstown, which I discussed with you and Mr. Pearson. The next morning he went down to see the party and was advised that everything would be okay. He also drew up the sales agreement when I left Friday evening, and everything, so far as I know now, is taken care of. I sent a check for \$4150.00 to Mr. Fromme today.

In regard to the setup at Watsonstown, I advised you that the Board of Directors of this company is willing to sell if Philco is interested in purchasing same. If this should happen, I would be very much interested in taking it over on a similar basis as the agreement we had worked out for Maxton.

Up to the present time Plant #1 has advanced to Plant #2 a total of \$220,000. This consists of approximately \$52,000 in plant equipment and approximately \$16,000 for stock and other miscellaneous equipment. The balance of \$152,000 is in inventory bought on today's market, which should be considerably more, should the ceiling on veneers happen to be lifted. From these figures, you can see that the total amount of machinery and equipment is only \$68,000 or approximately one-third of the total amount, the balance being in liquid movable assets which should be of considerable advantage when the radio season opens up in full swing.

As soon as Mr. Fromme has the deal completed for the land in Watsonstown, we shall then ask for bids for the new warehouse to be erected on the new site, as discussed with you and Mr. Pearson. I feel that an agreement similar to what we had drawn up for the Hasty Veneer Company would be satisfactory to me if it is satisfactory to Philco.

Thanking you very kindly, I am

Very truly yours,

JASPER WOOD PRODUCTS COMPANY

CUG:AJ

C. U. Gramelspacher, Mgr.

January 31, 1946
December 19, 1945

Mr. H. S. Llewellyn
Philco Corporation
Philadelphia, Pa.

Mr. H. S. Llewellyn
Philco Corporation
Tioga & C Streets
Philadelphia, Pa.

Dear Herb:

With further reference to the Watsonstown setup, I was just thinking that Maxton wanted \$120,000 for machinery, equipment, and building, not including inventory. The best sales year was around \$350,000.

Taking \$52,000 for the machinery at Watsonstown, and \$16,000 should for other equipment and adding \$15,000 for the value of the building at Maxton in order to have Watsonstown setup on the same basis, gives you \$83,000 cost of machinery, equipment and equivalent building value with a sale of approximately \$800,000 each of the past two years and can even increase that with a splicer or two at our own veneer plant sending in a majority of whole piece material, which would eliminate the bottleneck at Watsonstown.

Fromme and Sellers both say that we could increase our production at Watsonstown 20% to 25% with such a setup. This is just a thought. In other words, if the machinery and equipment averages \$70,000 and is paid off at the rate of \$1000 per month, it would take just a little over five years to pay it off. If the inventory is approximately \$120,000 to \$150,000, paying that off at the rate of \$2000 per month would take just a little more than five years also.

If Philco would want to extend the time of payment on the machinery and equipment longer than five years, as expressed by Mr. Hoffman, the last year or two payments could be made at the rate of \$100 or \$200 per month, whichever way it works out. He had these clauses on the Clarkton setup, but C. U. Gramelspacher, Mgr. believe they could be made applicable to Watsonstown.

Thanking you very kindly, I am

Very truly yours,

JASPER WOOD PRODUCTS COMPANY

CUG:AJ

C. U. Gramelspacher, Mgr.

January 31, 1946

Mr. H. S. Llewellyn
Philco Corporation
Philadelphia, Pa.

Dear Herb:

Under separate cover I am sending you two sets of drawings from which I wish you would have blueprints made. Then I would appreciate your sending me one blueprint and one to Mr. Fromme, at Watsonstown. These are in addition to the ones we sent you some time ago and by picking out the good points of all three, we may draw up a desirable unit.

Mr. Fromme is getting prices on a sheet metal warehouse, the same building constructed with brick, and the entire unit of the U-shaped factory. If the cost is not too prohibitive, I think we should go ahead by putting up an entire new plant as I would rather pay a little extra money on the building than have something happen at the plant we are now using.

Some time ago I wrote you that the machinery, equipment and inventory would run about \$220,000, with somewhere between \$60,000 and \$70,000 for equipment only, the balance being inventory. If and when you are ready to take the operation at Watsonstown over for the Gramwood Products Company, which I hope will be soon, I believe a similar arrangement to what we had worked out at Maxton should prove fairly satisfactory at Watsonstown. In other words, if the machinery and equipment averages \$70,000 and is paid off at the rate of \$1000 per month, it would take just a little more than five years to pay it off. If the inventory is approximately \$120,000 to \$130,000, paying that off at the rate of \$2000 per month would liquidate that amount in just a little more than five years also.

If Philco would want to extend the time of payment on the machinery and equipment longer than five years, as expressed by Mr. Hoffman, the last year or two payments could be made at the rate of \$100 or \$200 per month, whichever way it works out. He had these figures on the Clarkton setup, but by revising them a little, believe they could be made applicable to Watsonstown.

Thanking you very kindly, I am

Very truly yours,

JASPER WOOD PRODUCTS COMPANY

CUG:AJ

C. U. Gramelspacher, Mgr.

WATSONTOWN OPERATION

- (1) Jasper Wood Products Company, Inc. will sell to Philco its Watsontown machinery and equipment for approximately \$50,000. To the extent that this \$50,000 exceeds the book value of the assets on Jasper's books, there will be a capital gain on which a tax of 25% will have to be paid, providing that the assets have been owned by Jasper for more than six months.
- (2) Inventories at Watsontown will be sold separately by Jasper to Philco for approximately cost. To the extent that the sale to Philco exceeds cost, there will be a profit to Jasper that will be reportable at full tax rates.
- (3) Gramelspacher will enter into an agreement with Philco whereby:
 - (a) Gramelspacher will sell to Philco land in Watsontown on which Philco will erect a plant suitable for plywood manufacture.
 - (b) Philco will erect a plant on this land at a cost of approximately \$50,000 - 60,000 and install therein the machinery and equipment it has purchased from Jasper.
 - (c) Philco will also supply this plant with the inventories that it has purchased from Jasper.
 - (d) It may be that the erection of the new building by Philco will not be concurrent with the taking over of the equipment and inventories from Jasper.
 - (e) Philco will then sell the land, building, equipment, and inventories to a corporation to be organized by Gramelspacher.
- (4) The arrangements with Philco will be somewhat along the following lines:
 - (a) Undoubtedly, Philco will want a mortgage on the properties to secure the sale.
 - (b) The company will liquidate the liability to Philco on one of the following bases at its option:
 - (1) at the rate of \$24,000 per year; or
 - (2) at the rate of one-half of the company's annual net income after federal income taxes.
 - (c) Undoubtedly, Philco will want some arrangements whereby it ties up the company's production. These pro-

visions should not be so restricted as to prevent the new company from expanding to other customers.

- (d) Undoubtedly, Philco will want to be in a position to keep tab on the current financial conditions of the company by means of receiving periodic statements, etc.
- (e) Philco may want to have some hand in the management of the new company but, to every extent possible, it should be limited in this direction.
- (f) In the event the new company wishes to sell out or liquidate, Philco will probably want an option to purchase. However, we do not believe that this option to Philco should run at book value but rather at the value of a firm offer from an outside source if a sale is contemplated. If liquidation is contemplated then Philco should be able to take over at book value. However \$3000 should be added to book values to take care of differential in land price as contemplated at the outset of the deal.

August 21, 1956

Mr. H. S. Llewellyn
Philco Corporation
22nd & Lehigh Avenue
Philadelphia 32, Pa.

Dear Herb:

I have official notice and application blanks from Quebec Fish and Game Department to the effect that the moose season opens October 1. I sent you two blanks and summaries of the game laws.

This is what I think I can do if it is satisfactory with you. I have a meeting at Indianapolis on Friday, September 21, so I could leave that afternoon on the Spirit of St. Louis, arriving at Philadelphia Saturday morning, September 22. We could go to New York, stay there overnight, Marie and I could go to church the next day, Sunday, the 23rd, and we could leave for Great Barrington the way we have in the past. We could make Montreal that next night and camp Tuesday, September 25.

The road from Montreal to the gate outside of our entrance to the camp is all paved now. The road going into camp was as good as I have ever seen it.

We could leave Desert Saturday morning, September 29, be at Forks Lake that morning yet, spend the afternoon and Sunday for reconnaissance ready for the moose hunt Monday morning. Instead of making arrangements to stay only one day, we can make arrangements to stay until Wednesday or Thursday morning, pack Thursday afternoon, leave camp Friday, October 5, go as far as Syracuse that night, Philadelphia the next day, and take our train on Saturday, October 6, bringing us home the 7th, the day before Directors' Meeting. That will give you about a 2 weeks' trip.

If you want to stay longer after the moose hunting is over, I could miss Directors' Meeting, but I think the best deal would be to come home and take care of the moose meat. We will undoubtedly be able to get some this year, since the season opens ten days early.

Are you going to drive your Cadillac?

Sincerely yours,

9-7-56

Memorandum from

Herb Llewellyn



ON

22nd STREET & LEHIGH AVE.
PHILADELPHIA 32, PA.

September 10, 1956

Dear Gramy:-

Just a quickie to tell you my box was shipped today, via Railway express. Way bill # 38-061 Hunting equipment - 1 box weighing 127 Lbs.

I presume you will come in on the National Ltd. which gets into Wayne Junction 10:45 AM our time. I will meet you and we can be in Stroudsburg for lunch, and then drive on to Syracuse. I will make the reservation at Syracuse; you should make it at Ottawa. Will write in more detail Monday.

Regards
Herb.

QUALITY LITHOGRAPHING CO. • MA 7-5087

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was shipped Railway Express on September 7 to Jasper Wood marked for your attention. The shipment was made on Waybill #38-061

Looking forward to seeing you and Marie on the 24th. Until then, good luck and good health and all of the best to both of you and yours.

Sincerely,

Herb.

H. S. Llewellyn

Conrad
1956

PHILCO CORPORATION

TechRep Division

22nd STREET & LEHIGH AVE.
PHILADELPHIA 32, PA.

September 10, 1956

Mr. C. U. Gramelspacher
1445 Newton Street
Jasper, Indiana

Dear Gramy:

I scribbled a note to you on Friday regarding the Canadian trip but it just dawned on me that I did not put down your arrival date. If you come to Philadelphia on the National Limited, it arrives at Wayne Junction 10:45 A.M. our time, so I will meet you at Wayne Junction at that time on Monday morning, September 24th. We can proceed to Stroudsburg in time for a lunch of brook trout and then go on to Syracuse and stop for the night. Then Tuesday we can proceed to Ottawa and drive to Desert on Wednesday.

I think we should spend Thursday and Friday at Desert and fly to Fork Lake Saturday since the actual season does not open until October 1st. This will give Marie and Doss a couple days of fishing, and we should have a few lake trout to take into the moose country.

I will make our room reservations for Monday, September 24 at Syracuse and you should make them for Tuesday night at the Chateau in Ottawa.

Am enclosing the serial numbers of my rifles that are packed in my hunting box; George Klee may need these when he goes through customs. The rifles are packed at the top of the box in case George must open it. The box weighs 127 lbs. and was shipped Railway Express on September 7 to Jasper Wood marked for your attention. The shipment was made on Waybill #38-061

Looking forward to seeing you and Marie on the 24th. Until then, good luck and good health and all of the best to both of you and yours.

Sincerely,

Herb.

H. S. Llewellyn

/lm

*Conrad
F. S.
1952*

PHILCO CORPORATION

PHILADELPHIA 34

PENNSYLVANIA

OFFICE OF EXECUTIVE VICE PRESIDENT

January 14, 1957

5
Beck with
Amy

Mr. C. H. Grammelspaker
Jasper Wood Products Company
Jasper, Indiana

Dear Mr. Grammelspaker:

For many years I have been interested in the National Jewish Hospital at Denver. The Hospital is free, non-sectarian and national in scope.

Its patients, both adults and children, coming from all parts of the country, are given medical care in accordance with its famous slogan,

"None may enter who can pay,
none can pay who enter."

What appeals to me in particular is the splendid surgical care rendered to poor boys and girls suffering from all forms of tuberculosis.

A contribution of only \$10 will be deeply appreciated by me personally as well as by these unfortunate sick poor; however, the amount which you desire to contribute, I leave to you. May I point out, however, that.....

\$14.75

Will provide meat, fresh fruits and vegetables for all our tuberculous youngsters for one meal.

Cordially yours,

John M. Otter
John M. Otter

JMO:jg

P.S. Kindly make your check payable to the National Jewish Hospital.

PHILCO CORPORATION

TechRep Division

22nd STREET & LEHIGH AVE.
PHILADELPHIA 32, PA.
TELEPHONE BALDWIN 3-1800

9 May 1957

Mr. C. U. Gramelspacher, Manager
c/o Jasper Wood Products Co., Inc.
Plant No. 1
Jasper, Indiana

Dear Grammy:

I have not as yet talked to Jimmy Skinner about the possibility of Philco purchasing your plant at Clarkton, North Carolina. I have, however, made inquiries at other points in the Corporation and it certainly does not appear that up to now it would be the opportune time to approach Jimmy. As you know, things have not been going well lately for Philco, and rather than risk a flat turn-down, I decided that I had better delay approaching Jimmy a little longer.

I think, however, that I would want to turn over to him a letter from you but I do not think that your letter of 19 March would be quite clear enough to him. I have, therefore, drafted another letter which, I believe, is a little more explanatory and I suggest that you re-type this under your signature. If you so agree, forward it to me with an original and two copies. You will note in the fourth paragraph that I make a definite statement as to your books showing a tax loss carry over of \$125,000; be sure that this is correct before you write the letter. You, of course, can add anything you wish to the letter, but I suggest that the general gist of the letter be as I have outlined. When I receive this, I will then get in touch with Jimmy.

By way of explanation, as you know, the Corporation has several large loans from the banks and insurance companies. These loans are large enough so that they have some say in corporation policy, and it is almost certain that at least up to now your proposition will be turned down cold.

Kindest regards to you and yours.

Very sincerely yours,

Herb.
H. S. Llewellyn

HSL:mtc

10

Clarkton

This is to confirm our conversation of several weeks ago, I was leaving on an extended trip the morning I talked to you and have not had a chance to contact you since.

As discussed in our conversation, you will recall that immediately after the war, veneer and, of course, plywood were extremely difficult to obtain. At that time, Philco was interested in securing a permanent source of supply of veneer as well as plywood, and I was requested by Philco to enter into negotiations for the purchase of a veneer mill. Philco proposed to advance \$125,000 to me on a bailment-lease-purchase arrangement for this purpose. At that time, we entered into negotiations with Philco's approval for the purchase of a plant at Maxton, North Carolina for \$125,000. However, before arrangements were completed, I located my present plant at Clarkton, North Carolina, which was considerably cheaper. It was then decided by mutual agreement that I would purchase this operation myself and not take advantage of the advance from Philco.

I paid \$65,000 for this plant, razed and replaced the old building and the old dry kiln, which together with the original price, cost me \$150,000. I put up an aluminum siding, concrete floor building which, even today, is one of the nicest ones in the South. After things were going pretty good, I bought a new lathe and a new Moore kiln and put enough in it since that time to make another \$100,000, totaling \$250,000.

At the present time, our books show a tax carry-over loss of \$125,000; under the present tax law, as I understand it, whoever buys the plant would be entitled to tax relief in this amount. If Philco will purchase the plant from me for \$125,000 the equivalent amount of tax relief to which they would be entitled, would nullify the cost of the plant. Philco could then, I am sure, readily sell the plant, particularly if offered at a sacrifice price, it would result in a profit of whatever they can sell it for, \$50-75-100,000.

I am trying to sell it through other channels in the hope of not having to ask Philco to do this for me, but failing to sell it to someone else, I sincerely hope Philco would be in a position to take care of it. It would be a money-making deal for them.

I will call you on the phone after I hear from some of these other people I am trying to sell it to.

May 14, 1957

Mr. H. S. Llewellyn
Philco Corporation
22nd & Lehigh Avenue
Philadelphia 32, Pa.

Dear Herb:

Thanks very kindly for yours of May 9.

In reply I would like to say that if you think it is useless to present the proposition to Mr. Skinner, there is no use writing a letter of any kind. In that case we will forget about it.

I knew Philco was having troubles, but I didn't know they were in that bad. I didn't know they were in to the extent of insurance companies and banks dictating the policy of what they can do. I thought that with the tax situation the way it is, Philco might be able to make a little cash; but if the condition is as you say it is, that would be impossible.

If you think it would be all right just to casually mention it to Jimmy--you have pretty well in mind what I want--you might ask him, and if interested I could give him full details. I would say the tax carry over or loss would be in the neighborhood of \$100,000 instead of \$125,000. That is to play it safe.

We are figuring on liquidating Plant 2, as we have had nothing but loss since June of 1953, and will give you the first opportunity to buy it if you are interested. Please ask Mr. Skinner whether or not they would like to have the building. We could liquidate the machinery and use the inventory here at Jasper.

Very sincerely yours,

JASPER WOOD PRODUCTS COMPANY

C. U. Gramelspacher, Manager

CUG/mas

This is to confirm our conversation of several weeks ago, I was leaving on an extended trip the morning I talked to you and have not had a chance to contact you since.

As discussed in our conversation, you will recall that immediately after the war, veneer and, of course, plywood were extremely difficult to obtain. At that time, Philco was interested in securing a permanent source of supply of veneer as well as plywood, and I was requested by Philco to enter into negotiations for the purchase of a veneer mill. Philco proposed to advance \$125,000 to me on a bailment-lease-purchase arrangement for this purpose. At that time, we entered into negotiations with Philco's approval for the purchase of a plant at Maxton, North Carolina for \$125,000. However, before arrangements were completed, I located my present plant at Clarkton, North Carolina, which was considerably cheaper. It was then decided by mutual agreement that I would purchase this operation myself and not take advantage of the advance from Philco.

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