

Woodlot
and
Ballot Box

*Marathon County in
the Twentieth Century*

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of the board. In addition, G. D. Jones and A. L. Kreutzer occupied the respective offices of secretary and treasurer, while Mark Ewing and John F. Ross made up two-thirds of the remaining board of directors membership. Mosinee interests were represented in the firm's leadership ranks by Louis Dessert, who continued to occupy a vice-presidency. Former village resident H. M. Thompson also sat on the board. But there was no escaping the fact that the balance of power tipped towards the home base of the Wausau Group. That control tightened even more when a second generation member of the Group, Aytchmonde P. Woodson, assumed the presidential office prior to the death of Fowler Stone in the early 1930's.⁸³

The ultimate Wausau Group venture in the county paper industry had its origin in another water power acquisition. On March 31, 1893, the Wisconsin Legislature authorized John D. Ross and his attorney, W. C. Silverthorn, 'to build and maintain a dam across the Wisconsin River on any lands that they may own or control' at Rothschild. That right was transferred in 1903 to Ross, Charles Winton, and E. W. Brooks, with the crucial stipulation that any surplus water power not necessary for logging or the improvement of navigation could be used for 'carrying on any manufacturing and electric lighting business. . . .'. Ironically, perhaps the key stimulus for the eventual creation of the paper mill came from Robert La Follette. One of the major reforms advocated by La Follette during his gubernatorial campaign was regulation of public utilities. Accordingly, in 1905, his allies in the legislature enacted a law requiring that all previously granted franchises for the building and maintaining of dams on navigable streams 'which have not been exercised . . . within four years from the date of passage . . . of this act shall be forfeited and terminated.' The intent of the act was to prevent multiple franchise holders such as the Wausau Group from indefinitely monopolizing the electric power situation in one area. The immediate consequence of the law was that Ross, Winton, and Brooks had to do something with their water-power site by 1909 or turn it over to the state.

A partial solution came on April 27, 1906 when Neal Brown, G. D. Jones and Charles Gilbert incorporated the Rothschild Water Power Company, and four days later acquired the Ross-Winton-Brooks franchise. Wausau Group members managed the company and owned most of its stock. The owners had initially planned to build either a sawmill or a public utility on the site. But by late 1908, with the termination date nearing, Neal Brown came up with the idea that the Group should build its own paper mill on the Rothschild location.

With the assistance of Cyrus Yawkey, Walter Alexander, and Charles Gilbert, plans were initiated to transfer most of the stock of the Rothschild Water Power Company to a new firm, the Marathon Paper Mills Company.

On January 19, 1909 the plan was announced to the general public. The front page of that day's *Wausau Daily Record-Herald* carried the banner headline: "Wausau Will Have A New Paper Mill." The accompanying article detailed the formation of a \$750,000 corporation that would employ an estimated 350 men. The list of men interested in the concern was dominated by the original members of the Wausau Group and their associates.⁸⁴ In case the populace failed to comprehend the total significance of the new enterprise, it was spelled out in the paper the following day by one of the organizers. The project would result in an increase of Wausau's population to 20,000 within five years. The construction of a 450 foot dam across the river at Rothschild would create a beautiful lake which, in turn, would "make Wausau one of the most attractive summer resorts in the state." The mill, in short, would "put Wausau on the map as nothing else has done for years."⁸⁵

The company's stockholders held their first official meeting in B. F. Wilson's office on February 13, 1909. The main order of business was the election of officers, and the only suspense involved in the selection process was which Wausau Group member would be elected to which office. The results were as follows: C. C. Yawkey was chosen as president; C. J. Winton, vice-president; B. F. Wilson, secretary; and Walter Alexander, treasurer. The corporation's board of directors consisted of the aforementioned officers, Walter H. Bissell, Neal Brown, and G. D. Jones. Brown was also retained as company counsel. The only other major items of business were the selection of firms to design the dam and corporation's plant facilities, and the hiring of a general manager to oversee the entire operation. In retrospect, this last decision was probably the most important one ever made by the Wausau Group with regard to their enterprises. The appointment that day of David Clark Everest as Marathon general manager would have far reaching consequences not only for the future of the Marathon Paper Mills Company, but also for the subsequent development of Marathon County's industrial economy.

D. C. Everest was born on October 13, 1883 in Pine Grove, Michigan, roughly fifteen miles northwest of Kalamazoo. The son of a moderately successful manufacturer, Everest had enjoyed a comfortable childhood. In his youth he achieved the reputation of being a skillful orator, to

the extent of giving speeches with William Jennings Bryan on the "Commoner's" campaign swing through Michigan in the 1896 presidential campaign.⁸⁶ A double tragedy in his family three years later marked the first turning point in Everest's life. First, his father's uninsured plant burned to the ground; then, in a frantic effort to rebuild, the father contracted typhoid fever and died. Thus, to support his mother and younger sister, Everest abandoned his dream of enrolling at the University of Michigan. Instead, on January 6, 1900, he secured the job of office boy with the Bryant Paper Company of Kalamazoo. His salary was twenty-six dollars a month; the hours were from seven in the morning until whenever the work was done.

At Bryant, young Everest first displayed his talent for recognizing an opportunity and taking profitable advantage of it. One of his assigned tasks involved weighing bales of paper stock. While rummaging through the bales, Everest discovered many historic books and letters, some bearing the signatures of George Washington and Thomas Jefferson. Realizing he had stumbled onto a gold mine, the eager office boy used his first month's salary to purchase several of the bales. Back at his rooming house he removed all the valuable autographed letters and historic books and sold them to supplement his salary and to purchase even more piles of this scrap paper. Recalling this side venture years later, Everest remarked that these sales netted him many times his salary and were '... really a lifesaver for me and my family.'

D. C. Everest did not concentrate his efforts on sorting scrap paper, however, for by 1902 he had risen to full-time bookkeeper. Combining the jobs of bookkeeper and accountant, he studied all phases of the Bryant operation and was soon in a position to advise the plant's general manager, Frank Milham, on management decisions. When Milham became an officer of the newly organized Munising Paper Company, he gave high recommendation to Everest, who was consequently hired as the firm's assistant manager at age nineteen. More experience was gained in his five-year stint at Munising and a subsequent fifteen-month tenure as manager of the Williams-Gray paper machinery firm of Chicago. With his reputation established throughout the industry by 1909, it is not surprising that on the day news of the Marathon project was released to the public, Everest received a visit from Neal Brown to discuss the position of general manager. Impressed with his knowledge of the entire papermaking process, Brown invited Everest to come to Wausau before the end of the month to meet the other Wausau Group members.

At that conference, Everest's qualifications, a recommendation from

a Munising's associate, and Neal Brown's enthusiasm were all factors in his favor. But given all that, he may have owed his appointment as much to his only physical oddity as to his first job in the industry. His almost total baldness hid the fact that he was only twenty-five years old. Nonetheless, looking over the much older men interviewing him, Everest waited for the fateful question about his age, and finally the matter was brought up while discussing his qualifications. Before he could reply, however, another director interrupted with a question about how he had gotten his start in the paper business. The mention of his office boy experience greatly appealed to that particular director, who explained, 'By golly, that's good. That's the way I started.' 'From there on,' Everest recalled, 'he carried the ball for me.' The age question was forgotten as the discussion proceeded to other topics. D. C. Everest's head would serve him well many times in his Marathon County business career, but never in quite the same way.⁸⁷

The decision to hire Everest as general manager did not automatically guarantee a trouble-free future for the Marathon enterprise. Construction difficulties, management and production problems, labor shortages, and a series of destructive floods all plagued the company's early life. Marathon did not truly overcome its initial problems until 1913. During this shaky period, Everest was given a relatively free hand to deal with the various crises as he saw fit. One of the traits of the Wausau Group was its ability to pick capable lieutenants to oversee their enterprises, delegate to them far-reaching authority, and absorb them ultimately into their power structure. Everest also displayed this talent over the course of his forty-six year involvement with Marathon County industry. Even before being officially hired, he had begun to recruit his management team at Marathon. The most significant selection was probably a Munising associate, Alton Van Douser, who was brought into the organization as an auditor. Van Douser's tenure at Marathon, where he rose to the position of director, would surpass Everest's. By the time he left the organization in 1955, the protege was almost as famous as Everest in state paper and business circles.

Marathon's general manager was not entirely infallible in his selection of underlings, however. In the aftermath of one of the floods which damaged the company's facilities, Everest was having difficulty finding an experienced dynamiter to blast out some defective concrete on the apron of the dam. One day a stranger walked into Everest's office, announced that he went by the name of "Dynamite Bill," and was just the man Everest was looking for. Delighted, Everest inter-

viewed the applicant and then hired him. Everything proceeded normally the first day. Then, late in the evening Everest was practically rocked out of his bed by the sound of a tremendous explosion. Running to the mill, he asked an employee on the scene what had happened. 'It's Bill,' the shaken worker replied. 'He's blown up the place.' A subsequent investigation revealed that instead of using the customary half-pound sticks of dynamite in fifty holes, Bill had tried to complete the job with one-pound sticks in one hundred holes. The result of this extra effort was a pulverized concrete apron, broken windows, debris inside the mill, and a terrified work force. Bill, by one means or another, had disappeared. There the matter rested until another caller visited Everest's office one week later and asked if he knew the whereabouts of someone who matched Bill's description. When Everest asked for an explanation, his visitor identified himself as an officer of the state mental asylum. It seemed that a fellow who liked to call himself "Dynamite Bill" had recently escaped from the institution.

Despite this somewhat rocky beginning, the mill operations eventually began to show signs of progress, due largely to Everest's 'hard work and long anxious hours. . . .' Once the initial stumbling blocks were cleared, Everest began to apply the tenets of his business philosophy to the Marathon enterprise. His belief that the key to success lay in concentration on specialty products where there was less competition led to Marathon's growing emphasis on the manufacture of new products between 1913 and 1919. Primary attention was focused on paper food packaging products such as waxable paper and bleached line board. Everest and other Marathon officials anticipated correctly a trend towards more attractive and efficient means of food packaging. An associate remembers that Everest was fond of making the observation that this specialization guaranteed the company's existence, since "people are never going to stop eating."⁸⁸

With the drive for specialization showing results by 1920,⁸⁹ Everest turned next towards implementing another of his basic business beliefs—the necessity of both backward and forward vertical integration of Marathon's operations. He had, in fact, begun the first half of the process in 1919 with a timberland purchase program, an event which also signaled his emergence over Cyrus Yawkey as the dominant figure in the Marathon organization.⁹⁰ The recession affecting the entire paper industry in the early 1920's was an added inducement to move in the other direction of the integration process. In particular, Everest desired the absorption of Marathon's largest single customer, the



The Risk-Takers: Left to Right, C. C. Yawkey, J. F. Ross, George S. Gaylord, C. J. Winton, Walter Alexander, Walter Bissell, D. C. Everest, Brown Katzenbach, Judd S. Alexander, 1922

Menasha Printing and Carton Company. Seven years of negotiations were climaxed in June, 1927, by the Marathon directors' decision to purchase the entire Menasha operation, in exchange for their firm's stocks and bonds. The merger elevated Marathon from the status of a mere paper mill to a vertically integrated concern with even more power and prestige in the state and national paper industry.

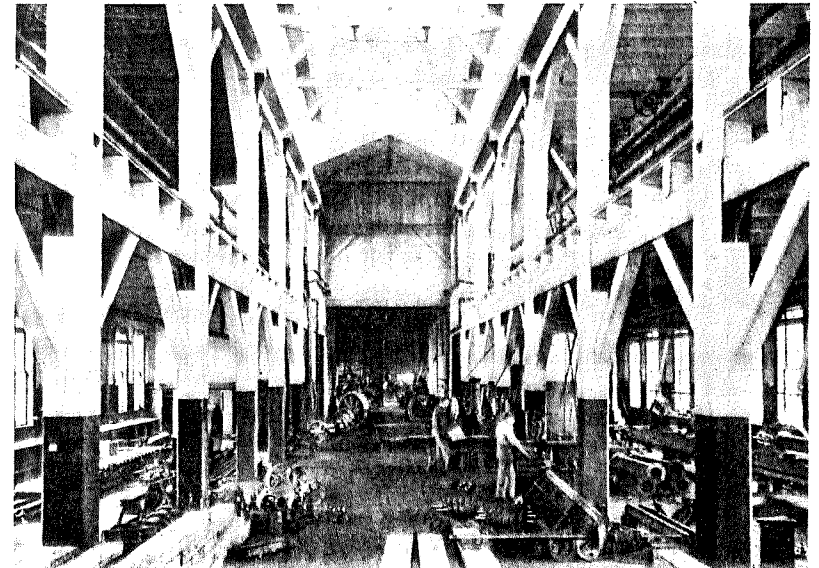
While this first step of forward integration brought numerous advantages to the Marathon Paper Mills Company, it also created a serious internal conflict within the enlarged organization. For, in buying the Menasha firm, Marathon had also acquired its owner and general manager, George Gaylord. Over the years Gaylord had exercised power at Menasha comparable to that at Marathon by Everest. Moreover, the success enjoyed by the firm under his leadership convinced him that his business philosophy and methods were the correct ones to follow. Unfortunately for the smooth functioning of the combined enterprises, these principles were in direct conflict with those adhered to by Everest. Gaylord's preferred policies were the embodi-

ment of the old ideas of free enterprise and "rugged individualism." He favored the aggressive pursuit of all available business even if it meant underselling and thus antagonizing his competitors. Everest, on the other hand, was more in tune with the prevailing American business philosophy of the post-war era: cooperation should replace ruthless competition in order to achieve stability of both prices and markets.⁹¹ Abhorrence of price cutting had always been a cornerstone of his business philosophy. Like many industrialists, he had gone to Washington after the American entry into World War I, and had participated in the close government-business partnership that had existed in the home front war effort. This experience had solidified his earlier predispositions. While he had deviated on occasion from the policy of cooperation with competitors if it furthered his or Marathon's interest,⁹² Everest was a staunch advocate of trade associations and was willing informally to allocate markets with the competition.⁹³ These convictions had served Everest well at Marathon and, accordingly, he was convinced that they should be continued by the new organization.

Given such diametrically opposed philosophies, Gaylord's unwillingness to recognize Everest's position as general manager of the entire company, and the sizable egos of both men, friction was inevitable within the organization. A showdown was avoided for over a year while Everest studied the rudiments of the converting business. In 1929, as he began to take a more active role in all phases of the Marathon operation, tensions also started to escalate. The die was cast when the pair openly disagreed over the proper response to a sharp break in pail and carton prices, a conflict which arose from their differing basic philosophies. Everest had hoped that Gaylord's recognized talents could be utilized in the company's activities, but he was determined that his policy decisions should be final. Thus, at a June conference of the company's executives and directors, the general manager openly asserted his claim to supremacy and was overwhelmingly supported. To the day he finally left the organization, George Gaylord never completely accepted that reality. But, with that exception, by the end of the 1920's David Clark Everest was the leader of the Marathon Paper Mills Company. With this secure and powerful base, he was ready to assume an even larger role in Marathon County's economic affairs in the years ahead.⁹⁴

In summation, it would be difficult to overstate the importance of the paper industry to Marathon County's development in the twentieth century. A better appreciation of its significance can be gained, however, by examining instances in which the development of the

county paper industry helped to preserve and create county institutions. The D. J. Murray Manufacturing Company, incorporated in August, 1883, was another of Wausau's pioneer industrial establishments.⁹⁵ The original purpose of the company had been to manufacture and service sawmill machinery for northern Wisconsin and upper Michigan lumbering interests. Thus its fate was linked with that of the state lumber industry, and by the early 1920's the practically non-existent market for sawmill machinery left the firm's future in doubt. A change in ownership and product emphasis proved to be the company's salvation, however. In early 1921, D. J. Murray decided to sell his interests. The makeup of the new directorship contained familiar names in the movement for local industrial diversification: W. L. Edmonds, Walter Alexander, Mark Ewing, John F. Ross, and D. C. Everest. And with this leadership, it is not surprising that a decision was made to shift production to specialization in pulp and paper mill machinery. Before long, the Murray designers and engineers had come up with a number of labor and timesaving devices which were eagerly adopted by the paper industry.⁹⁶ A mutually profitable relationship was thus established, and a piece of Wausau's nineteenth century industrial history remained on the scene.⁹⁷



Machine Shop, D. J. Murray Mfg. Co., Late 19th Century