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A HISTORY OF THE ITASCA COTTON
MANUFACTURING COMPANY

THESIS

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By

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The study concerns the examination of the historical importance and achievements of a small cotton mill located in the agrarian Texas community of Itasca, Texas. Newspaper clippings and numerous interviews with former mill employees and Itasca citizens supplied factual material pertaining to the Itasca mill; however, company records provided the basic research material for this paper. Itasca Weavers Guild Manager, Ella Pierce, made these records, located in the offices of the Itasca Cotton Manufacturing Company, available to the author. The company offices have since been destroyed, and most of the records are now in the Southwest Collection at Texas Tech University, Lubbock, Texas.

Chapter One of the paper contains a study of how local businessmen, with little knowledge of textile mills, financed, constructed, and opened the Itasca Cotton Manufacturing Company in 1901. The company's growth and financial struggles through the early 1940's are discussed in Chapter Two, and Chapter Three describes the company's labor problems and disputes with the Textile Workers Union of America. Chapter Four presents an examination of the Itasca company's expansion, decline, and liquidation, as well as a discussion of

the company's unique retail subsidiary corporation, Itasca Weavers Guild.

In the final chapter the author concludes that this mill, like numerous other southern mills, quickly fell under the influence of northern companies because of undercapitalization which severely limited available operating capital. Even though the mill eventually prospered, it never managed to free itself from the influence of northern commission companies. In the final analysis, the Itasca company proved to be different from other cotton duck mills in the South in its development of a line of unique decorative fabrics sold by mail as well as through thirteen company-owned stores. While the decorative fabrics represented the company's contribution to the esthetics of a raw Texas culture, the mill itself, along with the retail operations, made a contribution to the economic development of the state.

PREFACE

This investigation traces the history of a dream, a typical American dream, concerned with bringing power, wealth, prosperity, and people to the small central Texas town of Itasca. The dream took shape in March, 1900, when a group of Itasca citizens met in that town's Hooks Opera House to form a corporation charged with building and operating a cotton mill. In an attempt to trace the development of the Itasca corporation as it grew from the grass-roots support of a small rural Texas town, the development of the Itasca mill will be examined in the light of its influence on the history, economy, and lives of the citizens of Itasca. Furthermore, the Itasca mill's place in the history of the cotton milling and weaving industry will also be analyzed. The dream of the founders of the Itasca mill began with high hopes and aspirations, followed by frustrations and fears which at times developed to nightmare proportions. The dream somehow managed to develop a silver lining, and then quietly faded away as dreams often do.

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CHAPTER I

ORGANIZATION AND BUILDING

Establishment of the small farming community of Itasca, Texas, occurred in 1881 when the Missouri, Kansas, and Texas Railroad constructed its lines across Hill County,¹ an agricultural area that produced cotton as the principle money crop. Railroads transported most of the cotton produced in the area to cotton mills in other southern states. The freight rates paid by farmers to ship their cotton from Texas placed them in an unfavorable market situation. The tremendous amount of cotton production in the Itasca area also created a demand for cotton material, such as that used in picking sacks and cotton duck wagon covers. These items, purchased from mills located throughout the South, meant that the Texas cotton farmer paid shipping charges on the raw material he sold and then when he bought the finished product was again penalized for the shipping expense.²

¹Walter Prescott Webb, ed., The Handbook of Texas, 2 vols. (Austin: Texas Historical Association, 1952), 1:897.

²Personal interview with A. L. Smith, President of Hillsboro Cotton Manufacturing Company (established, 1900), Hillsboro, Texas, 15 January 1971. For a fuller examination of the problem of freight rate differential, see Willeam H. Joubert, Southern Freight Rates in Transition (Gainesville: University of Florida Press, 1949).

Will I. Hooks, a pioneer businessman, who early recognized the financial problems of the cotton farmer, established the Itasca First National Bank on November 10, 1890.³ On March 6, 1900, Hooks and several other townsmen, including Mayor C. C. Weaver, met in the Hooks Opera House to discuss the possibility of constructing a cotton mill in Itasca. With the mayor presiding over the meeting, the group concluded that they should form a company for the purpose of building and operating a cotton mill in Itasca.⁴ As a result, the Itasca Cotton Manufacturing Company sprang to life as a community enterprise, a beginning which Broadus Mitchell points out as typical for Southern mills.⁵ W. H. Webb, a local businessman, moved that the company be called the Itasca Cotton Manufacturing Company and that the company be managed by a board of seven directors who would be elected by popular vote of the stockholders with each stockholder's vote counting as one. The

³Hillsboro Evening Mirror, 5 July 1947, p. 6.

⁴"Itasca Cotton Manufacturing Company Minute Book, 6 March 1900 to 6 April 1906," 4 vols., 1:6 March 1900, Itasca Cotton Manufacturing Company Papers, Southwest Collection, Texas Technological College, Lubbock, Texas. The company papers contain two minute books beginning with the date 6 March 1900. For the purposes of this paper, the volume dated 6 March 1900 to 6 April 1906 was used because it is believed to be the original. Since the numbering of pages was not consistent throughout the minutes books, the dates of the minutes are used for footnote purposes instead of page numbers. All original documents used in this paper are from the Southwest Collection, unless otherwise designated.

⁵Broadus Mitchell, The Rise of Cotton Mills in the South (1921, reprint ed., New York: Da Capo Press, 1968), p. 128.

motion was adopted unanimously. The corporation began its existence under local control since the first seven directors for the corporation, J. R. Griffin, E. E. Griffin, W. H. Webb, J. M. Coffin, Ed Woodall, F. M. Files, and J. H. Roper, were all local businessmen or farmers. The directors then selected W. H. Webb, president, F. M. Files, vice-president, M. S. Wood, secretary, J. R. Griffin, treasurer, and M. W. Webb, superintendent.⁶

The officers of the new corporation knew little about the operation of a cotton mill, so they appointed a committee of three men to travel through the Southeastern United States to obtain information concerning the construction and operation of such a mill. Based on the information gathered, the committee was to have plans and specifications drawn up for a mill.⁷ The directors empowered another committee to buy a tract of land near the city of Itasca which could be used as a mill site,⁸ while still another committee was appointed to contract for machinery and equipment needed by the mill. Due to a shortage of funds and lagging stock subscriptions, the board of directors of the company, on December 3, 1900, raised the company's capital from \$125,000 to \$150,000 and approved a plan by which subscribers could pay 25 per cent cash and could pay the balance in regular payments. The board of

⁶"Minute Book," 1:6 March 1900.

⁷Ibid.

⁸Ibid., 17 March 1900.

directors was to act as a committee to solicit and collect the stock subscriptions.⁹ The chief source of capital for the Itasca mill was local, as was true for the great majority of early Southern cotton mills; however, the practice of issuing a large percentage of stock to Northern commission houses and machinery manufacturers quickly spread throughout the South.¹⁰

At a meeting held April 19, 1900, the board of directors approved the purchase of a sixty-five-acre tract of land, plus railroad right of way, south of Itasca. The former owners were paid partially in cash and partially in company stock.¹¹ In addition, they appointed a committee of three directors to provide brick for the building. Deciding against making their own brick, on June 5, 1900, the directors authorized the purchase of one million brick as well as the entire bill of lumber required by the building specifications. The construction crews made rapid progress on the erection of the mill and mill village,¹² and the plant was ready to manufacture goods by August, 1901. When production began, the plant had 200 thirty-six-inch plain Mason looms and over 6,000 spindles.¹³

⁹Ibid., 3 December 1900.

¹⁰Mitchell, Rise of Cotton Mills, pp. 233, 243-249.

¹¹"Minute Book," 1:19 April 1900.

¹²Ibid., 5 June 1900.

¹³Itasca Item, 17 March 1950.

The completion of the mill did not mark the end of the company's struggle, however. The mill building and equipment cost \$206,000, and the sale of the capital stock brought in only \$143,000; thus, the company began operation in 1901 with a debt in excess of \$63,000.¹⁴ The board of directors, on September 7, 1901, authorized the treasurer, J. R. Griffin, to search for money which could be used to operate the mill;¹⁵ hence, on October 14, 1901, all stock subscribers were asked to pay their subscriptions early. On that same date the company obtained a three-month loan for \$30,000 from the Exchange National Bank of Dallas and borrowed, in addition, another \$30,000 from the Commercial National Bank of Houston.¹⁶ These were short-term loans, but they did enable the mill to remain in operation. A pioneer in the Southern cotton industry, H. P. Hammett, stated that Southern cotton mills, built mostly by inexperienced men with little knowledge of the industry, were financed with insufficient capital to pay for them once completed. This observation, written years before the conception of the Itasca mill, provides an accurate description of the Itasca situation.¹⁷

¹⁴Ibid., 12 September 1919.

¹⁵"Minute Book," 1:7 September 1901.

¹⁶Ibid., 14 October 1901.

¹⁷H. P. Hammett, quoted in Mitchell, Rise of Cotton Mills, p. 152.

The Itasca mill had been designed for the manufacture of cotton sheeting, used by the bag trade for such purposes as flour sacks. One of the company's first big orders for this type of material was for a million yards of sheeting to be used in the China trade. Although the company managed to process such orders, it encountered difficulties both because of a limited supply of capital and because of a shortage of skilled cotton mill workers.¹⁸

With the company still in bad financial condition, in 1902 the directors of the company threatened some stockholders with law suits if they failed to make satisfactory arrangements on their stock subscriptions. In April of that year, the stockholders authorized the issuance of \$100,000 in additional bonds in order to raise the money necessary to carry on business, pledging as security the property of the company.¹⁹ The bond issue consisted of 200 bonds valued at \$500 each, which were to run for a ten-year period, drawing 6 per cent interest. The directors of the company had already individually endorsed this bond issue, intended for use in paying off the company debt, in an attempt to keep the company operating.²⁰

Despite all attempts to locate funds, on February 15, 1904, the mill closed down due to a lack of operating

¹⁸"Itasca Cotton Manufacturing Company Celebrates 50th Anniversary," typed statement issued by advertising department of Itasca Cotton Manufacturing Company, Itasca, Texas, 6 March 1950.

¹⁹"Minute Book," 1:17 April 1902.

²⁰Ibid., 14 September 1903.

capital.²¹ The company's officers decided that the best solution to their problem would be to persuade an experienced and competent cotton manufacturer to invest in the company's stock and to take charge of the mill's operation, and they formed a committee to find such a manufacturer.²² The committee failed to locate a person willing to take over the mill's operation, but they did find a company willing to market their products for them. On September 10, 1904, the directors of the company approved a proposal to allow Putnam and Hooker Manufacturing and Commission Company of New York to market the company's products in the North.²³ As a result of this arrangement, the American National Bank of Dallas agreed to loan the company \$30,000, enabling the firm to resume operation.²⁴

Failure of the company to find buyers for its ten-year \$100,000 bond issue necessitated the \$30,000 loan; consequently, the board of directors of the company placed the bond issue with the First National Bank of Itasca to be held as collateral security for all the company's indebtedness.²⁵ The need for operating capital forced the Itasca company to issue bonds to provide capital, but the bonds remained unsold, and the company

²¹Ibid., 15 February 1904.

²²Ibid., 15 August 1904.

²³Ibid., 10 September 1904.

²⁴Ibid., 3 October 1904.

²⁵Ibid., 28 December 1903.

was forced to take the less agreeable alternative of turning to a commission house for help. The Itasca company's association with the commission house was not unusual because the association of commission houses with mills was a characteristic part of the cotton milling industry in the United States.²⁶

The financially burdened company resumed operation, and the financial report from the reopening of the mill on October 1, 1904, to April 1, 1905, showed a profit of \$74,331.77 during a six-month's run as well as a production of 1,212,010 yards of cloth.²⁷ The financial reports for the twelve-month period ending September 15, 1906, showed a profit of \$6,294.34.²⁸ In 1906, T. C. Carlisle replaced W. H. Webb, who had been general manager of the company since its beginning. The same year, E. A. Hall, an experienced mill laborer from North Carolina, supplanted Carlisle, and Hall remained with the mill until 1912.²⁹ During those years, the financial position of the mill gradually improved as the company reported small but continuous profit, with the exception of the year 1910.³⁰ In 1911, Frank P. Files, a local

²⁶Mitchell, Rise of Cotton Mills, p. 250.

²⁷"Itasca Cotton Manufacturing Company Operations Book, 12 January 1903 to 30 September 1916," report dated 1 April 1965.

²⁸Ibid., 15 September 1906.

²⁹"Itasca Cotton Manufacturing Company Book, 20 September 1906 to 3 March 1919," 2:15 October 1906.

³⁰"Operations Book," reports dated 15 October 1906 to 1 January 1913.

Itasca man, assumed the added responsibilities of general manager.³¹

The years before World War I were difficult ones for the mill because of its tight money situation and because skilled mill labor was in limited supply in Texas, a lack which probably contributed to the financial problems of the company. Furthermore, the company became involved in a lawsuit which developed over the shipping of improperly marked cotton sheeting. The sheeting, lighter in weight than the order required, was marked with the weight specified in the order and had been shipped in 1906 to the China and Japan Trading Company through the Itasca mill's marketing agent, Putnam and Hooker Company.³² A representative of the Putnam and Hooker Company offered to give the China and Japan Trading Company \$500 credit for damage to that company; however, Putnam and Hooker made no admission of liability.³³ The Trading Company refused to accept the settlement, and finally, because of threatened litigation, the directors of the Itasca Manufacturing Company hired their own attorneys to handle the case in July, 1908.³⁴ Negotiations continued with no agreement reached until April, 1911, when the Itasca company officials offered to settle with the Putnam and Hooker Company for \$750.³⁵ This

³¹"Minute Book," 2:12 December 1911.

³²"Minute Book," 2:29 November 1906.

³³Ibid., 3 July 1907.

³⁴Ibid., 1 July 1908.

³⁵Ibid., 4 April 1911.

offer proved unacceptable, and the Itasca company hired W. C. Marrow, a Hillsboro attorney, to investigate the case;³⁶ and in 1915, the company offered to pay a \$5,000 settlement for the release of claims by both the China and Japan Trading Company and Putnam Hooker Company.³⁷ The offer was not accepted, and litigation continued until September, 1916, when the Itasca company paid the China and Japan Trading Company \$7,000 to settle the claim.³⁸

By 1909, the financial position of the company had improved somewhat, and the officers of the company declared a stock dividend of 4 per cent payable on November 1, 1909.³⁹ The company still encountered difficulty collecting payments on its capital stock, and, as a result, at the annual stockholders meeting held September 16, 1909, the stockholders voted to cancel all unpaid stock if the holder failed to renew the notes on the stock. They also required that stock certificates which remained unpaid be attached to the notes as collateral.⁴⁰

The financial statements shown at the annual stockholders meeting on October 11, 1910, revealed that the company had

³⁶Ibid., 18 August 1911.

³⁷Ibid., 2 December 1915.

³⁸Ibid., 12 September 1916.

³⁹Ibid., 28 September 1909.

⁴⁰Ibid., 15 September 1909.

sustained a loss of \$44,000.⁵⁸ The directors blamed unfavorable market conditions for the loss but estimated that profits for the company would be \$2,000 a month until the company's current orders could be filled.⁴¹ The loss, combined with the company's tremendous debt, forced the directors to send J. R. Griffin to New York in search of funds with which to sustain the business;⁴² however, at that time the company, able to obtain funds in Dallas, did not have to turn to New York financiers. Through an agreement the company deposited with the American Exchange National Bank of Dallas 100 bonds, each with a face value of \$500. These bonds, secured by a mortgage lien backed up by a deed of trust, served as collateral security for the payment of loans to the company not in excess of \$50,000. The president of the company also obtained a loan of \$25,000 from the First National Bank of Waco, Texas.⁴³

In addition to the loans, the directors of the company also tried to ease the financial situation by selling some of the company's excess property. In 1908, the directors approved a motion to sell at least ten of the tenant dwellings in the mill village for a price of not less than \$80 a room.⁴⁴ In

⁴¹Ibid., 11 October 1910.

⁴²Ibid., 8 November 1910.

⁴³Ibid., 19 November 1910.

⁴⁴Ibid., 1 July 1908.

February, 1913, the directors authorized the sale of the home that had been occupied by former company manager, E. A. Hall, for \$1,500. In addition, they proposed to sell the Northeast tract of the mill site, which included forty acres of land, for \$125 an acre,⁴⁵ and in December, 1913, the directors accepted an offer of \$5,704 for slightly over forty-three acres of the land.⁴⁶ The selling of company property was simply a small part of a widespread search for capital which led the company to borrow \$15,000 from Cannon Mills and \$10,000 from the Waxahachie National Bank in Waxahachie, Texas, in 1913. Both of these loans, secured by deposits of company bonds, were short term, like many of the company's other loans, which in many cases ran for only ninety days. The company, constantly engaged in a search for funds, succeeded fairly well with the use of its capital bonds as collateral.⁴⁷

The company originally issued its capital bonds in 1903 for a ten-year period, and the bonds matured in October of 1913; hence, the company debt on February 14, 1914, stood at \$175,213.09. In order to renew its obligations, the board of directors authorized a reissue of twenty bonds with a face value of \$5,000, which were to run for a ten-year period beginning March 1, 1914. These bonds drew 6 per cent interest,

⁴⁵Ibid., 28 February 1913.

⁴⁶Ibid., 31 December 1913.

⁴⁷Ibid., 8 April 1913.

and the directors mortgaged the plant and property to insure payment of the bonds.⁴⁸

In an effort to modernize the mill and cut down on the cost of operations, the company signed an agreement with Texas Power and Light Company for the installation of electrical machinery and the providing of power for plant operation. If the mill's directors did not find electrical operation acceptable after one year, Texas Power and Light agreed to remove the electrical equipment without cost to the mill.⁴⁹ Due to its success and improvement of mill efficiency, the directors decided to retain the new power equipment. As late as 1927, only half of all Southern industries had been electrified; therefore, the modernization and electrification of the Itasca mill in 1914 gave it a significant technological advantage.⁵⁰

At a stockholders meeting held on February 4, 1916, the company reported for the preceding year a gain of \$32,227.35 over that of the year 1914. With \$10,234.58 assigned to depreciation, and \$1,132.88 more charged off for bad debts, the net gain for the year amounted to \$20,850.39. The stockholders were also informed that since February 10, 1912, the

⁴⁸Ibid., 14 February 1914.

⁴⁹Ibid., 8 April 1914.

⁵⁰George B. Tindall, The Emergence of the New South, 1913-1945, vol. 10 of A History of the South, ed. Wendell Holmes Stephenson and E. Merton Coulter, 10 vols. (Baton Rouge: Louisiana State University Press, 1967), pp. 74-75.

company had a net gain of \$90,997.81 and company assets exceeded liabilities by \$21,498.39.⁵¹ This period of prosperity coincided with a change in mill management as S. J. Files, a local man, succeeded the North Carolinian as manager in December, 1911. The stockholders savored the success as they collected the 20 per cent dividend paid on October 2, 1916.⁵² The following year, the stockholders, unaccustomed to drawing yearly dividends, welcomed an additional 10 per cent payment.⁵³

The mill displayed prosperity as improvements were made, which included the building of an eighty-foot tower and 300,000-gallon water tank.⁵⁴ This only served as a beginning, however, for the following years brought even more prosperity as wartime demands on the textile industry increased. On May 22, 1918, the Itasca mill received a contract from the U. S. Army to make 200,000 yards of cotton duck,⁵⁵ making it possible for the company to pay on June 15, 1918, a 25 per cent dividend, followed by another 25 per cent dividend paid on July 15, 1918.⁵⁶ After declaring these two dividends, the directors, still possessing available funds, purchased \$15,000 worth of Liberty Bonds,⁵⁷ and approved the addition of a

⁵¹"Minute Book," 2:4 February 1916.

⁵²Ibid., 12 September 1916.

⁵³Ibid., 7 August 1917.

⁵⁴Ibid., 10 April 1916.

⁵⁶Ibid., 30 July 1918.

⁵⁵Ibid., 22 May 1918.

⁵⁷Ibid., 2 October 1918.

slasher room as well as the purchase of new equipment. On January 2, 1919, they approved another 25 per cent dividend.⁵⁸

The prosperity of 1917 and 1918 continued throughout 1919, and the Itasca mill again declared a 25 per cent dividend on November 15, 1919.⁵⁹ In a drive to upgrade the mill equipment, the directors authorized the purchase of forty-five new automatic looms in December.⁶⁰ The net profit for the year 1919 was \$79,866.26,⁶¹ followed the next year by a net profit of \$129,061.50.⁶²

The usual 25 per cent dividend was declared in 1920, and a report to stockholders revealed that the automatic looms, authorized earlier, had been installed and that, in all, \$39,433.05 of improvements had been made to the plant.⁶³ The net profit for 1921 showed a drop from that of 1920; nevertheless, the net profit for that year was still a tidy \$73,796.93,⁶⁴ thus enabling the company to pay its, by then, customary 25 per cent dividend on July 25, 1921.⁶⁵ In October, 1922, the

⁵⁸Ibid., 26 December 1918.

⁵⁹Ibid., 31 October 1919.

⁶⁰Ibid., 1 December 1919.

⁶¹"Itasca Cotton Manufacturing Company Profit and Loss Sheet," 30 September 1919.

⁶²"Itasca Cotton Manufacturing Company Profit and Loss Sheet," 30 September 1920.

⁶³"Itasca Cotton Manufacturing Company Minute Book, 31 October 1919 to 15 March 1959," 3:2 November 1920.

⁶⁴"Itasca Cotton Manufacturing Company Audit Report," 30 September 1922.

⁶⁵"Minute Book," 3:11 July 1921.

board of directors approved the cancellation of outstanding bonds to the amount of \$100,000, and authorized enlargements and additions to the mill not to exceed that amount.⁶⁶ Net profit in 1922, after expenditures for additions, reached only \$35,562.46, and, as a result, the board of directors trimmed the yearly dividend to 10 per cent.⁶⁷ The company recorded a net profit of \$102,248.77 in 1923,⁶⁸ and at their annual meeting, the stockholders voted to increase the capital stock of the company.⁶⁹

In March, 1923, the company hired the firm of Coats & Burchard Appraisal and Engineering Company of Chicago to appraise the value of its properties, and the resulting evaluation placed the total net value of the mill property, including the mill, fifty-five cottages, and accompanying out-houses, at \$534,889.25.⁷⁰ The liquid or quick assets of the company were \$200,098.82, making a total value of \$754,988.07.⁷¹ Following the appraisal, the company increased its capital stock from \$150,000 to \$715,000, with new stock being issued at five times the amount of the old stock.⁷² Prosperity

⁶⁶Ibid., 31 October 1922.

⁶⁷"Audit Report," 30 September 1922.

⁶⁸Ibid., 30 September 1923.

⁶⁹"Minute Book," 3:3 January 1923.

⁷⁰"Itasca Cotton Manufacturing Company, Appraisal Report," 13 March 1923.

⁷¹"Minute Book," 3:5 April 1923. ⁷²Ibid., 18 April 1923.

apparently had convinced the stockholders to increase the size and capacity of the mill by adding an annex and increasing the number of spindles.⁷³

The years 1917 to 1923 provided the Itasca mill with the boost needed to rescue it from its heavy financial burdens. Local businessmen organized the company, but lack of proper local financing forced the company officers to search for outside capital. The outside financing undoubtedly placed some restraints on the company; however, due to the short-term type of loans which the company negotiated, outside influence was not great. A careful check of the company's stockholder list revealed that five stockholders lived outside of the state of Texas, but indicated that their holdings were so small and scattered that they exerted little influence on the company. Two of the stockholders listed lived in Dallas, and they controlled \$4,400 worth of stock out of an issue of \$150,000. The only other man on the list who did not live in the farming country around Itasca was John R. Griffin, treasurer and one of the company directors, who moved to Arlington, Texas, because of other business interests.⁷⁴ Based on all the given facts and figures, it could be stated that the Itasca Cotton Manufacturing Company, during the early 1920's was a prosperous, locally controlled corporation.⁷⁵

⁷³Ibid., 5 April 1923.

⁷⁴"Itasca Cotton Manufacturing Company Stockholders List," July 1921.

⁷⁵Ibid.

CHAPTER II

PROGRESS, DEPRESSION, AND RECOVERY

In 1923, the stockholders of the Itasca Manufacturing Company looked forward to a bright future for their community and for the company which provided part of its economic backbone. The company was prosperous and free from debt. Recent remodeling programs alleviated the penalizing effects of obsolescence, and the low cost electrical power eliminated the need to operate expensive power plants. These advantages, coupled with the direct rail service available, placed the Itasca mill in an enviable position.¹

Despite the favorable outlook, the company did not fare well in 1924. The annual profit and loss report issued on September 30, 1924, showed a loss of \$22,388.90, and the company produced 1,745,328 pounds of finished cloth compared to 1,932,063 the previous year; however, the price of raw cotton had increased, while the per pound price of the finished cloth declined.

With profits down, Frank P. Files, vice-president and general manager of the company, resigned and disposed of the

¹"Minute Book," 3:31 October 1923.

²"Itasca Cotton Manufacturing Company Audit Report," 30 September 1924.

greater portion of his company stock.³ He had possibly been looking for an opportunity to withdraw from the mill in order to devote more time to his family's extensive financial holdings, just as his father F. M. Files, a prominent rancher with numerous banking interests, had done several years earlier.⁴

On January 12, 1926, J. R. Griffin resigned as director and treasurer of the company in order to devote more time to his real estate holdings in Fort Worth.⁵ The following day W. H. Webb retired as president of the company. Webb's retirement was well earned, for he had served as a captain in the Confederate army and was eighty-two years of age at the time of his retirement.⁶ Sidney J. Files, a local electrical engineer, who had been with the company since June, 1914, as assistant manager, replaced his cousin F. P. Files as general manager.⁷

The stock transactions which took place following the retirement of these men are not altogether clear, but a sizable portion of the company's stock was purchased by two cotton mill men from Corsicana, Texas, E. E. Sheehey and M. E. Woodrow.

³"Minute Book," 3:20 August 1924.

⁴Ellis Bailey, A History of Hill County, Texas, 1838-1965 (Waco: Texian Press, 1966), p. 185.

⁵"Minute Book," 3:12 January 1926.

⁶Bailey, History of Hill County, p. 110.

⁷"Minute Book," 3:13 January 1926.

Interested in expanding their mill holdings, these Corsicana men gladly accepted a chance to purchase stock in the Itasca plant. E. E. Sheehey, secretary-treasurer of the Corsicana Cotton Mills, became the new president of the Itasca mill. M. E. Woodrow, vice-president and manager of the Corsicana mill, was elected treasurer for the Itasca company. Both Woodrow and Sheehey bought 1,345 shares of the company's stock; therefore, the combined holdings of these two men amounted to 2,690 shares of Itasca stock valued at \$269,000.⁸ Although this amount did not constitute controlling interest in the company, since the company's other stock was so widely scattered among small holders, these men enjoyed virtual control of the company.

Under the leadership of Sheehey and Woodrow in the late 1920's, the Itasca company sold most of its product through the Hunter Manufacturing and Commission Company, whose principle office was in New York City. This arrangement also entitled the Itasca company to draw a draft on the Hunter Manufacturing and Commission Company when the Texas firm needed funds to purchase cotton or to pay operating expenses, providing a convenient method of transferring the proceeds from the sale of goods from New York to Itasca. When the company made purchases from other companies, the Hunter company advanced money to that company and charged the amount involved

⁸M. E. Woodrow to Pat E. Hooks, 26 October 1932.

to the Itasca Mill account.⁹ The transferring and borrowing of funds from this New York based commission company represented the general form of Northern colonialism to which most Southern industries were subjected. This mill, like so many others, was dependent on commission houses for selling and financing.¹⁰ Transactions involving the transfer of funds from Itasca's Hunter Manufacturing Company account to other companies was a common practice, officially sanctioned by the board of directors of the Itasca company on March 12, 1930.¹¹

With Sheehey and Woodrow serving as officers, many decisions concerning the Itasca company came from Corsicana; the most important was the one to save money by allowing one individual to purchase cotton for both the Itasca and Corsicana mills.¹² Under these new arrangements, the mill prospered throughout the late 1920's, as shown in Table I. The table shows the position of the company in the textile market between 1925 and 1929.

⁹S. J. Files to W. Marcus Weatherred, 23 September 1932.

¹⁰Comer Vann Woodward, Origins of the New South, 1877-1913, vol. 9 of A History of the South, ed. by Wendell Holmes Stephenson and E. Merton Coulter, 10 vols. (Baton Rouge: Louisiana State University Press, 1951), p. 308.

¹¹"Minute Book," 3:12 March 1930.

¹²Ibid., 3:2 December 1927.

TABLE I
COMPANY PROFITS*

Date	Net Profit	Lbs. of Finished Goods
1925	\$ 25,978.65	1,829,851
1926	18,448.16	2,699,793
1927	143,126.47	3,289,068
1928	49,389.09	2,421,211
1929	70,400.77	2,777,468

*Source: Company Audit reports for 1925, 1926, 1927, 1928, and 1929.

The company, like many others, suffered from the adverse economic conditions brought on by the depression. Production declined from 2,777,468 pounds of finished goods in 1929 to 1,368,261 pounds of finished goods in 1930. The production in 1931 dropped even further to 600,459 pounds of finished goods, and the mill was forced to close down during the major portion of the year ending September 30, 1932, as well as from October 1, 1932, to April 30, 1933.¹³ The company suffered from a reduction of valuation of its inventory and also sustained a loss due to shrinkage in value of open contracts covering the purchase of 1,500 bales of cotton. These were

¹³"Itasca Cotton Manufacturing Company Audit Report," 30 September 1933.

small losses compared to the loss of profitable business which necessitated the closing of the mill.¹⁴

With all things considered, the company should have been in good financial condition as compared to other textile mills in the country; however, the company received a shattering blow on September 30, 1931, when Peat, Marwick, Mitchell, and Company, Accountants and Auditors, issued an audit of the business. The audit revealed that the corporation was indebted to Hunter Manufacturing Company for the sum of \$258,697.66. The major part of the indebtedness represented purchases made by Sheehey and Woodrow for cotton and wheat futures. The two mill officials had paid for the futures, obtained from F. B. Keech and Company, with drafts drawn on the Hunter Manufacturing Company, which charged the amount to the account of the Itasca mill.¹⁵

The Itasca stockholders held a meeting and repudiated the debt, arguing that the company's charter provided only for the company to manufacture, buy, and sell cotton fabrics. The stockholders thus held that the officers and directors of the corporation had no right or authority to buy and sell cotton and wheat futures using the faith and credit of the corporation. In addition, the stockholders repudiated the

¹⁴"Itasca Cotton Manufacturing Company Profit and Loss Statement," 30 September 1931.

¹⁵"Itasca Cotton Manufacturing Company Audit Report," 30 September 1931.

actions whereby the board of directors on March 12, 1930, had authorized the transfer of Itasca funds to other companies through the Hunter Company.¹⁶

The excitement created by the revelation of the company's debt led to the replacement of some of the company's officers. Pat E. Hooks, the local Itasca banker and a major stockholder in the company, became president. A better choice for president probably could not have been made, for the Hooks name had long been associated with progressive civic-minded leadership. Hooks possessed several assets for the job since he was not only a local banker, but also a very powerful man in central Texas financial circles, and during these troubled times, the Itasca firm desperately needed the public and financial confidence which Hooks commanded.¹⁷ Carr P. Collins, a Dallas entrepreneur with extensive business investments in central Texas, became interested in the Itasca mill through his friendship and business connections with Hooks and other company officials. Collins' interest in the Itasca concern led him to invest in the venture, and by 1931, he had become vice-president of the company.¹⁸ Sidney J. Files not only retained his job as manager but added to his duties the jobs of secretary and assistant treasurer. The directors selected

¹⁶"Minute Book," stockholders meeting, 3:30 September 1931.

¹⁷Bailey, History of Hill County, p. 191.

¹⁸"Minute Book," stockholders meeting, 3:30 September 1931.

John M. Coffin, a director in the Itasca bank and owner of the local mule barn, as treasurer.¹⁹

The most pressing problem facing the new officers was how to handle the debt owed to Hunter Manufacturing Company. The Itasca concern hired an attorney, W. Marcus Weatherred, of Coleman, Texas, to negotiate for a settlement out of court, while the Hunter company engaged the services of Dan Moody, Austin attorney and one-time governor of Texas. In October, 1932, the two companies agreed on a tentative compromise requiring the Itasca officials to give notes for \$75,000 spread over five years with a deed of trust covering mill properties as security; however, a disagreement concerning the disposition of finished goods held by the Itasca mill frustrated the compromise. Representatives for the Hunter company maintained that half of the finished goods should be handed over to their company, but Itasca officials argued that the finished goods represented their company's only remaining source of working capital. Hunter Manufacturing Company officials delayed in accepting the offer, and due to a continued decline in the financial conditions of the company, Itasca officials withdrew the offer.²⁰

Hunter Manufacturing Company, a marketing agent for a large number of mills before the onset of the depression,

¹⁹Bailey, History of Hill County, p. 193.

²⁰S. J. Files to W. Marcus Weatherred, 25 October 1932.

carried on a very successful business of loaning money to mills and collecting interest. As conditions grew worse, the company suffered from a loss of liquidity, and its liberal financial policy resulted in the finances of the company becoming so heavily involved that the chairman of the board, George Walcotte, committed suicide in May, 1932. The Hunter company then underwent reorganization,²¹ after which it filed suit against the Itasca company in the United States District Court at Waco, which rendered a \$100,000 judgment against the Itasca firm on March 1, 1933.²² After the decision, the Itasca company executed a contract providing for the issuance of five promissory notes to Hunter Manufacturing Company dated March 1, 1933, bearing interest at the rate of 5 per cent per annum. The notes would mature on an annual basis with one note coming due each year; however, the Itasca company reserved the right to extend the maturity dates of each note for an additional year in the event that such action became necessary. The face value of these notes, secured by a lien on mill property, amounted to only \$75,000; hence, the Itasca company agreed to give the Hunter company half of its stock of finished goods. In return, Hunter Manufacturing Company

²¹Ibid., 15 June 1932.

²²Hunter Manufacturing and Commission Company v. Itasca Cotton Manufacturing Company, District Court of the United States, Western District of Texas, Waco Division, 652 (1 March 1933). Typescript copy found in company files.

agreed to loan operating capital to the Itasca company in an amount not to exceed the value of finished goods received.²³

After reaching these agreements, the Hunter Company failed and faced liquidation. Southeastern Cotton Incorporated, a New York based commission company, assumed the responsibility of liquidating assets, dispersing them to creditors, and meeting contractual obligations with the Itasca company.²⁴ Using funds loaned from Southeastern Cottons Incorporated, the Itasca mill resumed operation May 1, 1933, and by the end of the company's fiscal year, September 30, 1933, showed a loss of \$3,315.68. The following year, the company's volume increased from 651,197 pounds of finished product in 1933 to 1,273,346 pounds in 1934. By almost doubling the mill's production, the firm earned a profit of \$10,324.28 in 1934. The slight prosperity did not last, for the mill's production dropped to 636,554 pounds of finished material in 1935, which caused the company to report a \$33,762.11 loss.²⁵

Numerous difficulties led the directors to a re-examination of the company's value, which revealed the \$715,000 par value of the company's stock to be far in excess of the

²³Contract between Hunter Manufacturing and Commission Company and Itasca Cotton Manufacturing Company, 9 March 1933.

²⁴S. J. Files to W. W. Stewart, a representative of Southeastern Cottons Incorporated, 27 October 1936.

²⁵"Itasca Cotton Manufacturing Company Audit Report," 30 September 1935.

post-recession book value.²⁶ As a result, the board of directors eliminated the appreciation which had been included in the assets following the 1923 property appraisal, and approved the evaluation of the mill's property on a cost less depreciation basis. A stockholders meeting held January 12, 1935, authorized 50 per cent reduction in company stock by calling in 7,150 shares of stock with a par value of \$100 and replacing them with a like number of shares showing a par value of fifty dollars.²⁷

The Itasca firm earned a net profit of \$23,304.80 in 1936, and increased that sum to \$37,740.44 by 1937. The net profit figure for 1937, however, does not give a complete picture of the company's operations, for in that year the company repaid \$10,000 worth of notes to Southeastern Cottons Incorporated in advance of maturity, and purchased a mere \$34,411.33 worth of equipment and plant improvements.²⁸ Since the company had not declared a dividend for some time, the board of directors, on September 25, 1937, ordered that a dividend of four dollars a share be paid to each stockholder. Because of its other financial demands, however, the company did not have the \$28,600 required to pay the dividend; instead the directors issued promissory notes payable to the stockholders,

²⁶Peat, Marwick, Mitchell and Company to Pat E. Hooks, 9 August 1933.

²⁷"Minute Book," stockholders meeting, 12 January 1935.

²⁸"Itasca Cotton Manufacturing Company Audit Report," 30 September 1937.

which drew interest at the rate of 4 per cent per annum, payable annually. The notes matured on September 30, 1939.²⁹

The company's financial condition continued to improve, and by February 28, 1939, Sidney Files reported to the stockholders that the company had fully paid the five notes held by Southeastern Cottons Incorporated totaling \$75,000 and that a release from the deed of trust had been delivered to the Itasca company.³⁰ The company also paid a \$25,000 loan from the First National Bank of Dallas used to purchase three gas engines and generators from the city of Denton, Texas.³¹ With the payment of these notes, the property of the Itasca Cotton Manufacturing Company again became unincumbered.³²

By September, 1939, the company also found itself in a position to pay in full the promissory notes held by stockholders who owned thirty or less shares of stock. Stockholders possessing more than thirty shares received half payment in cash as well as new notes for the remainder of their holdings, which were paid September 30, 1940.³³

²⁹"Minute Book," 3:25 September 1937.

³⁰Ibid., stockholders meeting, 3:28 February 1939.

³¹Ibid., "3: March 1937.

³²Ibid., stockholders meeting, 3:28 February 1939.

³³Ibid., 3:23 September 1939 and 12 August 1940.

Prosperity gradually returned to the business, and by 1940, the company showed a profit of \$63,477.61.³⁴ The brighter economic picture in 1940 encouraged the company to undertake a conservative \$25,000 modernization program,³⁵ and company production also jumped from 2,831,642 pounds of finished goods in 1940 to 4,118,298 pounds in 1941. The net profit for 1941 reached \$85,743.64, making possible the payment of a five-dollar per share dividend.³⁶ During the last part of 1941, the stockholders authorized the retirement of a limited amount of company stock and the expenditure of \$30,000 for improvements.³⁷ The following year the company earned a net profit of \$141,889, paid another stock dividend of five dollars per share, and retired 100 shares of capital stock.³⁸

The profit and loss statement for 1943 showed a net profit of \$67,636.97, a \$74,252.03 decline from the \$141,889 profit for the previous year. The company's assets on September 30, 1943, included \$250,979.28 in the surplus account, \$44,515 in treasury notes and bonds, and accounts

³⁴"Itasca Cotton Manufacturing Company, Audit Report," 30 September 1940.

³⁵"Minute Book," 3:11 November 1940.

³⁶"Itasca Cotton Manufacturing Company Audit Report," 30 September 1941.

³⁷"Minute Book," 3:26 November 1941.

³⁸"Itasca Cotton Manufacturing Company Accountant's Report," 7 December 1942.

receivable valued at \$126,809.46.³⁹ The company also held inventories in the amounts and values shown in Table II.

TABLE II

COMPANY INVENTORY
SEPTEMBER 30, 1943*

Finished Goods	\$ 41,804.60
Goods in Process	32,011.07
Cotton	181,766.19
Yarns, etc.	3,267.65
Manufacturing Supplies	<u>6,148.07</u>
Total	\$265,997.58

*Source: Supplementary Report on Examination of Accounts, year ended September 30, 1943.

By 1943, the company had recovered from the financial dilemma which plagued it throughout the years following the depression. During World War II, the company operated under government contracts which guaranteed profits, and following the war, the Itasca firm became even more prosperous, as textile mills struggled to meet civilian demands. Company profits amounted to \$212,077.57 in 1946⁴⁰ and \$190,686.89 in 1947.⁴¹

³⁹"Itasca Cotton Manufacturing Company Audit Report," 30 September 1943.

⁴⁰"Itasca Cotton Manufacturing Company Audit Report," 30 September 1946.

⁴¹"Itasca Cotton Manufacturing Company Audit Report," 30 September 1947.

Only under the domination of Northern commission houses was the Itasca company able to survive the financial burdens of the depression, for they held the company's notes and sold its products. Even after repayment of debts and removal of liens from its property, the mill continued to sell some of its products through Southeastern Cottons Incorporated,⁴² but the Itasca firm also developed its own marketing system for some of its products. Most importantly, by the 1940's the mill no longer depended totally on commission houses for its source of operating capital nor as its marketing agents. Significantly, during this same period, domination of the company by local stockholders ended as businessmen beyond the local Itasca area acquired ownership of a major portion of the company's stock.

⁴²"Itasca Cotton Manufacturing Audit Report,"
30 September 1945.

CHAPTER III

LABOR AND ITS PROBLEMS

The Itasca Cotton Manufacturing Company opened its mill in 1901, using local labor recruited from the surrounding agricultural area, a common practice according to C. Vann Woodward, who found mill villages occupied almost totally by ex-farmers.¹ Broadus Mitchell explained the influx of farmers into mill villages as the result of a search for relief from financial burdens as prices for agricultural products fell to extremely low levels after 1890.² Woodward further explained the situation when he noted that monthly wages for a man's work on a Texas farm from daybreak until nightfall were \$8 to \$15. The wage variation depended on whether or not the worker received board;³ nevertheless, such small wages could not compare with the amounts earned by mill employees.⁴ The location of the Itasca mill in the heartland of an agricultural area virtually guaranteed a plentiful supply of cheap labor. Some farmers in the area combined the spindle and the plough as they took jobs at the mill while continuing to live and

¹Woodward, Origins of the New South, 9:222.

²Mitchell, Rise of Cotton Mills, p. 176.

³Woodward, Origins of the New South, 9:207.

⁴Mitchell, Rise of Cotton Mills, p. 176.

work on farms.⁵ Others chose to leave the farms completely and move to the mill village, whereas a few people moved from other communities to work in the mill.⁶ Certainly, the men who organized the Itasca mill saw its promise of employment, growth, and prosperity for Itasca, as well as the effect it would have on their own banks and business houses. Undoubtedly, the philanthropic motive was present, for it was only natural that these same men who sponsored such civic projects as construction of water systems, streets, and board sidewalks should also sponsor construction of an industrial plant which would provide employment for the masses.⁷ The profit motive, however, should not be ignored, for the mill organizers stood to profit from the mill as well as from increased local trade reaped by their various business establishments. Woodward found the profit and philanthropic motives existing side by side in many mill enterprises, although he recognized profit to be the greatest incentive for the establishment of such mills.⁸

The mill's wage scale, like that of other Southern mills, fell far below the national average.⁹ Company records indicate

⁵"Itasca, The Big Little Town," KRLD radio broadcast, transcript of broadcast in Itasca Cotton Manufacturing Company Scrap Book.

⁶Bailey, History of Hill County, p. 208.

⁷Ibid., p. 191.

⁸Woodward, Origins of the New South, 9:133-134.

⁹Abraham Berglund, George Talmage Starnes, and Frank Traver De Vyver, Labor in the Industrial South (Charlottesville, Virginia: The Michie Company, 1930), 72-92.

that daily employees in 1901 worked eleven hours per day, six days a week, for a total of sixty-six working hours a week.¹⁰ The company's payroll records for 1906 reveal that such employees, working on a per day basis, drew wages which ranged from \$2.88 per day for foremen to fifty cents per day for common labor. The pay for people employed to do piece work ranged from nineteen cents a piece to six cents a piece. The typical two weeks wages for a person working on this scale averaged about eleven or twelve dollars.¹¹

From time to time throughout its history, the Itasca firm employed numerous women and children who were subjected to the same working conditions and dangers as the other mill workers.¹² These women and children drew pay at the lower end of the wage scale. Aside from industrial accidents, employees also suffered from the dust, humidity, and atmospheric conditions which caused respiratory problems for mill workers throughout the nation.¹³ An oppressive atmosphere loaded with dust, cotton fibers, and humidity earned cotton mill workers across the nation the cognomen of "lintheads."¹⁴ Since a

¹⁰"Minute Book," 1:30 December 1901.

¹¹"Itasca Cotton Manufacturing Company Wage Book," 7 July 1906.

¹²"Wage Book," 7 July 1906: Bailey, History of Hill County, p. 208.

¹³Sidney J. Files to Martin Johnson Engineering Company, 27 March 1945.

¹⁴Tindall, Emergence of the New South, p. 323.

textile mill required a high humidity level, the company management in Itasca attempted to improve the atmospheric conditions in the mill by installing a special washed-air type cooling system for the main mill building in 1946. Even with this equipment, temperatures in the mill often exceeded eighty degrees in the summertime; however, the system did cool the mill somewhat, and it did help improve the dust problem. Nevertheless, conditions in the mill remained relatively disagreeable, by admission of the mill's manager.¹⁵

Although the use of child labor in the Itasca mill was common, accurate records of the number or percentage of children employed are not available. The Thadus L. Braley family, however, is an excellent example of the use of child labor, for the mill employed Braley along with seven of his children.¹⁶ The first major accident at the mill involving a child occurred in 1902, when a little boy named Otis Redd was accidentally killed. At a meeting of the board on January 20, 1902, the directors authorized a settlement with the boy's family, and approved as well the purchase of the company's first employers liability insurance.¹⁷ Slightly over a year later, the directors authorized payment, not to exceed fifty dollars, as settlement for R. L. Allverson whose small boy, Needham

¹⁵Files to Johnson Engineering, 27 March 1945.

¹⁶"Minute Book," 1:20 January 1902.

¹⁷Bailey, History of Hill County, p. 208.

Allverson, had been injured while working in the mill.¹⁸ Not only was child labor a normal feature in the Itasca textile mill, but, as Woodward found, it was commonplace throughout the textile industry during the early 1900's.¹⁹

For their workers the Itasca corporation constructed, in 1901, fifty-five low-rent cottages located in a village just northeast of the mill. The houses consisted of one-story, box and frame construction, with shiplap siding, pine floors, and wood shingled roofs. Well spaced, and with most of them being at least thirty-eight feet apart, all of the cottages possessed a porch and an outhouse. In addition, the company provided playground equipment for the children.²⁰ These unornamented houses represented an improvement over some Southern mill villages where loosely built houses did not feature the extravagance of a porch or doorstep.²¹ In 1946, the corporation replaced the outhouses with a sewage system at a cost of \$40,000.²² The village contained five duplex units, but remaining cottages consisted of single family units

¹⁸"Minute Book," 1:27 April 1903.

¹⁹Woodward, Origins of the New South, 9:416.

²⁰"Itasca Cotton Manufacturing Company Survey Map," prepared by Factory Mutual Insurance Company, Norwood, Massachusetts, 24 January 1946.

²¹Woodward, Origins of the New South, 9:233.

²²"Minute Book," 3:24 September 1946.

containing an average of about four rooms per unit; a few two- and three-room units also existed.²³

In 1917, rents collected in the mill village averaged \$3.14 per month per cottage,²⁴ but by 1922, the rental income from the mill village had dropped slightly.²⁵ By 1931, rent collections had decreased to a monthly average of \$2.22 per cottage,²⁶ but in 1935, tenement rents jumped to a monthly average of \$6.52 per unit.²⁷ By 1945, the monthly average had increased to \$9.48,²⁸ while the 1954 figures show an even more drastic jump to about \$25 per cottage per month.²⁹ These average figures, obtained by dividing the number of cottages into the total rents collected by the company, do not necessarily reflect a realistic cost to the tenant, since the number of cottages occupied affected the monthly average. Actual rent on the individual cottages varied according to their size. One former Itasca mill village tenant indicated that the cottages rented for \$1.20 per room, per week, with

²³"Survey Map," 24 January 1956.

²⁴"Itasca Cotton Manufacturing Company Audit Report," 29 December 1917.

²⁵"Audit Report," 30 September 1922.

²⁶"Audit Report," 30 September 1931.

²⁷"Audit Report," 30 September 1935.

²⁸"Audit Report," 30 September 1945.

²⁹"Itasca Cotton Manufacturing Company Audit Report," 30 September 1954.

the utilities furnished.³⁰ Significantly, the rental fee for these cottages included free sewage, water, and electricity.³¹ These facts are not unusual, for Harriet L. Herring found that low rents, common throughout the industry, represented a form of wage supplement cheaper for mills to use than wage increases.³²

Regulations limited occupancy of mill houses of families of mill employees; however, officials, following an almost universal custom,³³ ignored the enforcement of this rule during part of 1932 and 1933, when the mill closed, and permitted unemployed tenants to remain in the houses. At the time the Itasca mill closed, several others in the area remained in operation, and a few Itasca residents managed to find work in neighboring mills, but the depressed economic situation soon forced the other mills to close, causing a return of Itasca people to the mill village. As a result, the village remained filled to capacity during most of 1932 and 1933.

The Itasca Community Chest had difficulty in dealing with the situation since the town, in reality only a small

³⁰Statement by Ralph Powers, former mill tenant and employee, Itasca, Texas, May 15, 1971.

³¹"Itasca Cotton Manufacturing Company Celebrates 50th Anniversary," bulletin prepared by Itasca Cotton Manufacturing Company, March 1950.

³²Harriet L. Herring, Passing of the Mill Village (Chapel Hill: University of North Carolina Press, 1949), p. 17.

³³Harriet L. Herring, Welfare Work in Mill Villages (Chapel Hill: University of North Carolina Press, 1929), p. 234.

rural village, experienced severe limitations on local charity. The mill manager, Sidney J. Files, in his capacity as secretary-treasurer of the Itasca Community Chest, secured aid for thirty-five of the unemployed mill block families.³⁴ Appeals to the Hill County Chapter of the Red Cross helped little, and the Itasca Community Chest remained in desperate need of funds.³⁵ Between December 23, 1931, and June 1, 1932, the local community chest gave aid to eighty-five families in the Itasca area. White families received on the average of \$12.10, whereas the average distributed to colored families amounted to \$2.80.³⁶ The poor financial condition of the Itasca Manufacturing Company prevented it from aiding its workers; but when the company resumed operations in mid-1933, conditions gradually improved.³⁷

The officers of the Itasca cotton mill, like so many other mill operators, felt a paternal obligation to care for the mill employees.³⁸ The personal relationships in this type of situation are difficult to trace; however, the small size of the town and mill encouraged an atmosphere of close

³⁴"Itasca Community Chest Aid List," 23 December 1931 to 1 June 1932.

³⁵Sidney J. Files to Howard Meyers, Chairman, Hill County Chapter Red Cross, 19 May 1932.

³⁶Community Chest Aid List.

³⁷Files to Meyers, 19 May 1932.

³⁸Herring, Welfare Work in Mill Villages, pp. 295-297.

association between the employees and the management.³⁹ A church building constructed by the company served the mill village, and at times, the firm gave aid to the local school system.⁴⁰ Despite the low wages, the paternalistic attitude of the Itasca mill operators allowed the company to avoid union troubles until the calling of representation elections by the National Labor Relations Board on January 4, 1944, at the height of World War II.⁴¹

The company's labor problem did not develop suddenly in 1944, but evolved gradually over several years. In 1941, the company paid a minimum wage rate of 32.5 cents per hour. By April, 1942, the minimum wage rate increased to 40.0 cents per hour, while the average hourly wage rose to 44.8 cents per hour. The figures for July, 1943, show that, while the minimum wage rate remained the same, average hourly wages increased to 46.2 cents per hour. During the period from January 18, 1941, to July 3, 1943, some workers received wage increases of as much as 68.2 per cent.⁴² Table III shows the company's wage record for that period.

³⁹"Textile Mill Is Asset to Town," Texas Industry (San Antonio) 12: November 1945, pp. 6-7.

⁴⁰"Minute Book," 1:6 April 1906.

⁴¹John W. Edelman, Washington Representative of Textile Workers Union of America to Senator James E. Murray, 18 October 1950.

⁴²"Itasca Cotton Manufacturing Company Comparative Hourly Rates Sheet for Payrolls," 3 July 1943.

TABLE III

ITASCA COTTON MANUFACTURING COMPANY
SELECTED COMPARATIVE WAGE RATES*

	Jan. 18, 1941	July 5, 1941	April 25, 1942	July 3, 1943	Per Cent Increase
Overseer	\$36.60 wkly.	\$45.30 wkly.	\$55.80 wkly.	\$54.00 wkly.	47.5%
Night Foreman	.55 hr.	30.00 wkly.	36.00 wkly.	40.00 wkly.	48.5%
Oiler	.33.5 hr.	.42 hr.	.42 hr.	.43 hr.	28.3%
Can Dragger	.32.5 hr.	.37.5 hr.	.40 hr.	.40 hr.	19.4%
Picker	.33.5 hr.	.40 hr.	.40 hr.	.45.7 hr.	41.0%
Fixer	.42 hr.	.56 hr.	.56 hr.	.58 hr.	16.0%
Yarn Men	.32.5 hr.	.37.5 hr.	.40 hr.	.42 hr.	25.3%
Warper Tender	.37 hr.	.40 hr.	.43 hr.	.45 hr.	21.6%
Filling Roller	.32.5 hr.	.37.5 hr.	.40 hr.	.40 hr.	23.0%
Loom Fixers	.50 hr.	.56 hr.	.62 hr.	.62 hr.	24.0%
Master Mechanic	42.50 wkly.	57.00 wkly.	74.57 wkly.	71.50 wkly.	68.2%

*Source: Itasca Cotton Manufacturing Company Comparative Hourly Rate Sheet for Payrolls ending January 18, 1941, July 5, 1941, April 25, 1942, and July 3, 1943.

While mill officials pointed to this record as evidence that unions should not be voted into the Itasca mill, statistics reveal that the average hourly wage for the Itasca mill in January, 1941, fell 4.39 cents below the average hourly earnings of textile workers in the Southern states. By July, 1943, average hourly earnings at the Itasca mill had dropped to approximately 10.2 cents below the average hourly earnings of textile workers in the Southern states.⁴³ Although the owners had given their workers wage increases, wages at the Itasca mill actually declined relative to those in the textile industry throughout the Southern states. Figures from sixteen textile mills in Texas for July, 1943, show that the average hourly wage at the Itasca mill was 5.8 cents an hour below the average hourly wage paid in other mills in the state.⁴⁴

As a result of these inequities, the National Labor Relations Board held a union election on July 6, 1944, and out of the 230 eligible employees, 150 cast ballots for the Textile Workers Union of America, while fifty-one voted against the Union.⁴⁵ A union election scheduled at a nearby cotton

⁴³"Confidential Wage Analysis Covering the Cotton Textile Mills in Texas, Louisiana, and Oklahoma," report prepared by Texas Cotton Manufacturers Association Committee on Textile Wage Brackets, 6 November 1943, p. 5.

⁴⁴Ibid., p. 6.

⁴⁵"Itasca Cotton Manufacturing Company Holds the Record," enclosure in letter from John W. Edelman, Representative of the Textile Workers Union of America to Senator James E. Murray, 18 October 1950.

mill in Hillsboro coincided with the Itasca election, and organizers distributed, in both the Itasca and Hillsboro areas, handbills which compared American boys fighting dictatorship in other parts of the world to the textile workers voting against dictatorship at home. Most of the handbills assailed Hillsboro mill officials, since apparently more employee dissatisfaction existed at that mill.⁴⁶ The majority of the handbills distributed in the Itasca area stated that the mill worker, through collective bargaining, could gain higher wages, paid vacations, sick leave with pay, reporting pay, severance pay, night bonuses, seniority rights, rest periods, better working conditions, as well as job security after the war.⁴⁷

Following the notification that the Union had been approved, the TWUA made a formal contract proposal to the attorney for the Itasca mill, John M. Scott. At two meetings held August 10, 1944, and September 15, 1944, union and company representatives failed to reach a labor agreement. The case then went to the Eighth Regional War Labor Board, and, while that agency processed the matter, the two sides continued to try unsuccessfully to reach a settlement.⁴⁸

⁴⁶Textile Workers Union of America Handbill distributed at Hillsboro, 5 July 1944.

⁴⁷Textile Workers Union of America Handbill distributed at Itasca, 5 July 1944.

⁴⁸Edelman to Murray.

Hearings before the RWLB in Dallas during the latter part of January, 1945, revealed that the Itasca company had agreed to increase wages by 25 per cent effective January 29, 1945. The company, however, strongly opposed union checkoff, because according to the company's attorney, John M. Scott, the requirement that the company collect union dues would work a hardship, since in a small rural community like Itasca, it would be difficult to find additional help for the payroll department.⁴⁹ Scott also maintained that the company's check-writing machine could not handle deductions for union dues, but union representatives noted that the company regularly made payroll deductions for rent, insurance, and fuel.⁵⁰ Furthermore, the company had an agreement with the Fidelity Union Life Insurance Company of Dallas, Texas, whereby it deducted monthly premiums from the workers' wages.⁵¹

On February 9, 1945, the RWLB unanimously approved a wage agreement between the TWUA and the Itasca mill, which provided a starting hourly rate for beginners of 42.0 cents for the first four weeks, 45.0 cents for the second four weeks, 47.5 cents for the third four weeks, and thereafter 50.0 cents per hour.⁵² The RWLB refused to grant the union the privilege

⁴⁹Dallas Times Herald, 30 January 1945.

⁵⁰Deep South Liberal (New Orleans), 1 March 1945, p. 3.

⁵¹Itasca Cotton Manufacturing Company, bulletin, undated.

⁵²"Employees at Itasca Cotton Manufacturing Company Get Wage Increase," newspaper clipping in Itasca Cotton Manufacturing Company Scrap Book, 9 February 1945.

of dues check-off. The board also inserted contract provisions requiring all union members to re-sign union pledge cards during a fifteen-day escape period, while allowing union representatives to collect dues at the lunch period as well as before and after work.⁵³

The board placed the Itasca mill, as well as those at Hillsboro and Mexia, under orders to sign contracts with the TWUA.⁵⁴ Contracts were not signed, however, and as a result, the TWUA held strike-elections in the mills during July, 1945. A majority of employees in all three mills voted in favor of a strike, and the union called for one on October 16, 1945.⁵⁵

A United States Conciliator, Ted F. Marrow, failed in his attempts at mediation because the management of the mills refused to enter negotiations with representatives of the union. The attorney for the Itasca mill again insisted that the dispute over union check-off was the sole issue in the disagreement, but he declared that the company's obligation to comply with the RWLB ceased with the end of the war. Union representatives insisted on a contract and announced that none of the strikers would return to work until they received it.⁵⁶ As the strike continued, the union held picnics in all

⁵³Deep South Liberal, 1 March 1945.

⁵⁴Dallas Times Herald, 6 April 1945.

⁵⁵"Itasca Company Holds Record," Edelman to Murray, 18 October 1950.

⁵⁶Dallas Morning News, 25 October 1945.

three towns and provided food as well as other supplies for workers. The strikers also received backing from textile workers in Louisiana, as well as from ten union locals in the surrounding area. Some of the supporting locals pledged one dollar a week per person to enable the strikers to hold out as long as necessary,⁵⁷ while delegations of workers from the Waco General Tire and Rubber Company and from the Texas Electric Railway Company joined the textile workers on the picket lines. Union officials claimed that out of some 680 textile workers in the three towns, only 130 remained on the job during the strike; however, the mill operators disputed the union claims and maintained that their mills were still operating. To keep enthusiasm up and to counter the claims of the mill operators, union officials held pep rallies in the various towns and transported the officers of each union local from town to town, in order to assure and strengthen the support of strikers at each mill.⁵⁸

On October 30, President Harry Truman broadcast to the nation by radio a promise that managements who refused to bargain in good faith would be brought to justice. A few days later, the striking textile mill workers in Itasca and Hillsboro received a telegram, signed by Lloyd H. Garrison of the National War Labor Board in Washington, ordering the

⁵⁷Dallas Morning News, 19 October 1945.

⁵⁸Ibid.

strikers back to work. The telegram informed the workers that the NWLB would inquire into the matter of non-compliance with federal labor guidelines by the Itasca and Hillsboro mills. The state secretary for the Congress of Industrial Organizations, Morris Aken, sent a message to the strikers which read,

It is not for us who have been law abiding citizens during the war, after the war and throughout the strike to defy a governmental agency set up by our beloved leader the late Franklin D. Roosevelt. It is my hope that your policy committee will vote to abide by the War Labor Board's order. It is my hope that your membership will vote to return to work pending final determination of the case.⁵⁹

While the policy committee stated that they received the telegram with regrets, they obeyed and ordered their workers back to work, thus ending the three-week old strike. Although violence did not occur at the Itasca mill, three Hillsboro mill employees held and attacked the president of the Hillsboro union, B. B. Powers, when he returned to work following the strike.⁶⁰

The NWLB summoned representatives of the Hillsboro and Itasca companies, and on December 10, 1945, found them in non-compliance with the board's wartime guidelines. The NWLB ruled that the orders of the RWLB concerning relations between employer and employee should have remained in effect until the RWLB saw fit to take further action.⁶¹ On January 1, 1946,

⁵⁹Hillsboro Mirror, quote from speech by Morris Aken, 5 November 1945.

⁶⁰Ibid.

⁶¹Hillsboro Mirror, 10 December 1945.

shortly after this ruling, the federal government discontinued both war labor boards, and the Itasca and Hillsboro mill operators again refused to sign a contract with the union. The union filed unfair labor practices charges against the companies on January 4, 1946, with the National Labor Relations Board; however, the companies did not receive orders to bargain with the TWUA until 1949, when the three companies refused to obey the board order.⁶²

The union then took its case to the Fifth Circuit Court of Appeals, which in June, 1950, ruled against the Itasca mill and ordered company officials to bargain in good faith with the TWUA. Following the court decision, the company's attorney, John M. Scott, resumed negotiations with the union. In October, 1950, the TWUA filed a brief on the case with a Senate subcommittee assigned to investigate stalling tactics used by certain textile employers to evade collective bargaining. A few days later, the Itasca Cotton Mill, the Hillsboro Cotton Mill, and the Mexia Cotton Mill operators signed contracts with the TWUA. Almost six and a half years after the TWUA received certification as the legal bargaining agent, it had signed finally its first contract with the Itasca company.⁶³

Itasca company officials continued their fight against the union by requesting that the NLRB hold another union

⁶²Edelman to Murray, 18 October 1950.

⁶³Ibid.

election on October 3, 1950. Prior to the election, officers of the Itasca Cotton Manufacturing Company distributed a three-page letter to its employees which pointed out that the union had a very bad record in the Itasca mill and that the union, through its record of mistakes, had caused hostility between the employer and employee. The letter warned that if the union won the election, the company would be prevented from increasing wages unless contract agreements could be made with the union. This letter reminded the employees that a wage increase proposed by the company in 1945 had failed to materialize because the union and the company had been unable to agree. The letter also called attention to the 1945 strike, noting that it had caused much hardship to the employees and that it had failed to accomplish anything for the workers. In this letter company officials also stated their belief that successful operation of a mill required flexibility and freedom to make adjustments as complicated situations arose. The letter from the company continued,

The facts are that union organizers and lawyers can't write a contract that will be absolutely fair to everybody to run for a year. Before the union came in, the individual employees and supervisors worked out most of their problems and when a difficulty arose, the big office tried to handle it so that everyone was fairly treated. We think that system worked better than trying to lay down strict rules which take no account of individual hardship, age, emergencies, and all the problems we face together.⁶⁴

⁶⁴Sidney J. Files, Melben McGowen, and H. L. Moore to Itasca Cotton Manufacturing Company Employees, 28 September 1951.

Despite efforts to defeat the union, the employees voted 152 to 87 for the TWUA.⁶⁵

The union's first contract lasted one year, and after its expiration, the company refused to sign another. As a result, in 1952, the company still operated without a union contract. The company paid a minimum wage of 81.0 cents an hour, which approximately seventy-three of the company's employees earned, working at such jobs as sweepers, watchmen, cloth inspectors, stitchers, yard men, bale sewers, haulers, cloth hands, beam haulers, and battery fillers. In 1952, the mill employed 240 workers with an average straight time wage rate of 94.0 cents per man hour, which compared unfavorably with a survey made by the Department of Labor's Bureau of Labor Statistics for March, 1952, revealing that the cotton textile workers across the nation averaged \$1.19 per hour.⁶⁶

The Labor Department survey also showed that, of the 391,000 workers in the industry, 336,000 lived in the Southeast, 9,000 in the Southwest, 40,000 in New England, and 5,000 in the Middle Atlantic region. The report showed that the textile workers in the Southwest region received an average of \$1.03 per hour, as compared with the high of \$1.47 per hour average wage for textile workers in the Middle Atlantic region. The hourly average wage for the Itasca mill fell

⁶⁵Itasca Cotton Manufacturing Company Election Certification, National Labor Relations Board, No. 16-RM-50, 3 October 1951.

⁶⁶Labor News Release, United States Department of Labor, Bureau of Labor Statistics, 28 May 1952, p. 1.

nine cents below the average for the Southwest which had the lowest regional pay scale in the industry.⁶⁷

The Itasca company had not been successful in keeping the union out of its plant, but it had effectively broken the power of the union in the Itasca area, and after 1952, the plant operated without union interference. Clearly, the union had accomplished little, for the mill's pay scale remained below the regional average. The Itasca company missed the early upheavals of southern union organization, possibly because of its location on the western fringe of the cotton mill culture; however, the agrarian society of the surrounding area coupled with the close personal relationships maintained between employer and employees probably played the greater role. The company kept open channels of communication, especially by making the mill manager, who worked side by side with the employees in the mill, available to them for counsel.⁶⁸

The cultural gap between manager and employee was not great, for both were descendants of hardy frontier stock with backgrounds of individualism.⁶⁹ These workers took pride in the mill and their work; however, the strike did reveal elements of unrest and dissatisfaction within the mill community. The single sporadic strike served as a means of immediate

⁶⁷Ibid., pp. 1, 4.

⁶⁸Ella Pierce, Manager of Itasca Weavers Guild, private interview at Itasca, Texas, 3 December 1970.

⁶⁹Bailey, History of Hill County, pp. 190-208.

protest, but the local workers did not support the union solidly enough to give it an effective bargaining advantage. This lack of support possibly stemmed from distrust of a union organization controlled by outsiders.⁷⁰ As a result of the strike, the mill operators made a stronger effort to cultivate a close association with their workers; however, in actual practice the workers' plight became little improved. The congenial climate of the Itasca mill following the strike resembled that described by Tindall as existing in numerous other Southern mills during the 1930's, as management tried to defeat unionism by wooing the workers.⁷¹

⁷⁰For a fuller examination of the individualism of mill workers and distrust of outsiders, see Tindall, Emergence of the New South.

⁷¹Tindall, Emergence of New South, p. 523.

CHAPTER IV

EXPANSION, DECLINE, AND SALE

The Itasca Cotton Mill, originally designed to produce sheeting for use in making flour sacks and other similar goods, began around 1901 to manufacture drill, a coarse cotton cloth with a diagonal weave used primarily for making overalls. In 1912, the company started to manufacture duck, a light weight, canvas-type material, which became the company's chief product, especially during years of the two world wars. As a producer of duck, the Itasca mill was no more widely known than any of the hundreds of other mills located in an area ranging from New England through the Gulf states. The Itasca company, however, through the ingenuity of its operators, built a national reputation through a policy of imaginative diversification and advertising.¹

In 1921, the company started manufacturing its first specialized fabric. In that year, the mill office received from a man in New York an envelope containing a letter and a small two-inch piece of cloth. The material, known as ratine, was a loosely woven cotton fabric with a nubby, or knotty, finish. The letter contained a request for such material, if

¹"Duck Mill Makes Novelty Fabrics," Textile Industries, 12 December 1951, pp. 111-112.

the Itasca mill could manufacture it. The Itasca mill officers attempted to find out from other manufacturers how to make the material, but they proved unwilling to furnish information concerning their manufacturing processes. In order to discover if the material could be produced on a loom designed to manufacture duck, Sidney J. Files and other company personnel worked literally night and day for six months to develop a method whereby the cloth could be manufactured at the Itasca plant.²

With the production of ratine the company substantially increased its output and expanded the plant from 6,172 spindles to 11,288 spindles in 1923. At first, company officials considered the mill's specialized fabric as simply another material to be sold through the company's agents in New York; however, quite by accident, they discovered a new market for their cloth. Due to a shortage of funds, the mill closed briefly during the latter part of 1931, and the company sold all materials on hand, including samples and odd bolts of cloth, at very low prices to local women in the Itasca community. These local women quickly discovered that the materials could be used for cup towels and other home items.³

News about the fabrics spread throughout the community and surrounding area, and women began to appear at the mill

²Dallas Morning News, 24 May 1950.

³"Mill Asset to Town," 12 November 1945, p. 6.

wanting to purchase the mill remnants. Others wrote letters requesting samples of material for themselves and for friends. With the increased demand for information concerning their new products, the company, in 1931, hired a local lady, Ella Pierce, to answer letters and to provide women with ideas and information concerning use of the materials for such things as curtains and tablecloths. As the plain woven materials grew in popularity and as the company sold its surplus yardage, by 1936, company officials decided that a mail order business would make a profitable sideline.⁴

They selected Ella Pierce as manager for the retail and mail order department, which operated on the theory of direct marketing, with the sales appeal being made directly to the consumer. A Dallas advertising man, Howard Smith, originated the name of Itasca Weavers Guild for the new mail order department, while vice-president Collins, also of Dallas, proposed the idea of a national advertising campaign.⁵ The trademark for the company featured a round emblem which contained a spinning wheel and a woman in a long flowing dress. Advertisements featured a coupon requesting a sample of material, which could be mailed directly to the company. In addition, the mill mailed booklets which described the materials and offered suggestions for their use in the home.⁶ The company

⁴Ibid.

⁵Dallas Morning News, 24 May 1950.

⁶"Itasca Weavers Guild Advertisement," in Itasca Cotton Manufacturing Company Scrap Book.

also placed advertisements featuring the company's trademark and coupons, along with a description of the decorator fabrics, in such magazines as Better Homes and Gardens, McCalls, Hollands, Household, Needle Craft, and Outlook. Within two years, the company had developed markets for its products in forty-eight states, as well as Alaska, Hawaii, Mexico, Canada, Cuba, the Philippines, Puerto Rico, Dutch West Indies, Scotland, and Northern Africa.⁷

The overwhelming public acceptance of the Itasca Weavers Guild resulted in the employment of twenty-five people to handle the large volume of orders. Experimentation with the looms continued until the Weavers Guild marketed over 100 different styles of interior decoration fabrics,⁸ all woven in the Itasca mill, using standard duck looms such as the Draper K or the Draper D. A converted spinning frame with some of its rolls removed fabricated the special yarn used in many of the unusual fabrics. A heavy yarn running through the back rolls of the frame and a fine yarn running through the front at a slower speed twisted this unique weaving thread. The mill used this same twisting technique to make several types of nep and nub yarns.⁹

The Guild wove one of its most popular fabrics called "Fragile" with about half of the warp ends missing. To thread

⁷Hillsboro Mirror, 23 June 1928.

⁸"Company 50th Anniversary," statement, March 1950.

⁹"Novelty Fabrics," pp. 111-112.

the machines for this type of cloth, the warp tender threaded the warp ends in the regular manner for two or three inches, and for the next two or three inches, he threaded no ends, repeating the procedure for the full width of the cloth. The finished cloth hung in loop folds and proved to be very popular for draperies.¹⁰

The Itasca mill did not have the facilities for dyeing cloth; hence, it shipped the yarn to other companies to be package-dyed. The Itasca mill managers, however, took advantage of a natural phenomenon to add color to their fabrics. Some Texas cotton had a red tinge which probably resulted from weather damage caused by frost on the cotton before it matured. Most cotton mills rejected the red tinged cotton as stained, but the cotton buyers for the Itasca mill purchased the reddish colored cotton for use in weaving decorative fabrics. This type of cotton usually could be purchased more cheaply than undamaged cotton.¹¹

The company's success in developing many fabric styles led to a growth in its mail order business; thus, mill officials decided to open a fabric store and display rooms at the Itasca plant, where customers could view the draperies, bedspreads, tableclothes, napkins, laundry bags, shoe bags, bath sets, and auto seat covers made by the Guild. The company's production also expanded to include various articles of wear

¹⁰Ibid.

¹¹Ibid.

for men and women. The store and show rooms at the mill became so successful that the company's board of directors authorized as an experiment the opening of an outlet in Dallas to market the Weavers Guild products. The new store, located in the Wholesale Merchants Building, began operation on October 15, 1949.¹²

The Itasca Cotton Manufacturing Company prospered during the years following the establishment of the Weavers Guild. In advertising its home decoration fabrics over numerous radio stations and in magazines, the Guild placed special emphasis on the fact that the Itasca products came directly to the consumer from the mill. Following World War II, the expanded sales campaign paid off, and the company's regular fabric business prospered as well. As a result, the company officials pushed through improvement projects which included the building of an addition to the weave room, installation of air conditioning in the mill, as well as construction of modern sewage facilities in the mill village.¹³ A net profit, after taxes, of \$212,077 in 1946 reflected the bustling activity at the Itasca mill.¹⁴ Sadly enough, this record year would never again be repeated by the company, for after that peak year, the company's profits followed an erratic course of decline.

¹²"Minute Book," 3:18 March 1949.

¹³Ibid., 3:6 April 1946.

¹⁴"Itasca Cotton Manufacturing Company Audit Report," 30 September 1946.

Although the firm's net sales for the years 1946 to 1951 far exceeded the sales of 1946, the profit line dropped; nevertheless, the company prospered and continued to turn in tidy profits during that period.¹⁵

As economic conditions grew worse for the mill after 1951, the directors, recognizing the success of the Dallas store, authorized the opening of a second store in that city and began to search for other possible store locations. Since the store operations had proved profitable, in an attempt to halt the decline in company profits, establishment of new stores progressed at a rapid pace.¹⁶ The directors' knowledge that mill business by 1952 had dropped as much as 50 per cent intensified the probe for new store locations. Between the years 1952 and 1956, the Itasca Weavers Guild opened stores in Texas in Houston, San Antonio, Lubbock, Midland, Corpus Christi, and Fort Worth. Eventually the company's network of stores numbered thirteen, including the Itasca store.¹⁷

These thirteen stores represented an attempt by officials to revitalize their company by expanding into retail textile operations. As the cotton mill business declined, store operations, they hoped, would fill the gap and company profits could

¹⁵"Itasca Cotton Manufacturing Company Comparative Statement in Net Sales and Total Poundage 1942-1956."

¹⁶"Minute Book," 3:23 August 1952.

¹⁷"Itasca Cotton Manufacturing Company Consolidated Profit and Loss Sheet for Guild," 30 September 1956.

be maintained. This dream probably carried visions of the Itasca mill producing decorative fabrics for nation-wide distribution through company-owned stores. To prepare the way for future store expansion, Itasca Weavers Guild transferred its store operations in 1956 from Itasca to new company offices on Commerce Street in Dallas, and V. E. Hawes, who had previously served with Ella Pierce as department head for the stores and Guild,¹⁸ became manager of the new offices.¹⁹

Originally, Weavers Guild stores only marketed products manufactured by the Itasca mill; however, in an effort to expand the business, company directors authorized the addition of lines of merchandise manufactured by other companies.²⁰ Company reports indicated that mill sales had dropped from 2,902,699 pounds of finished goods in 1951 to half that amount in 1952, and that company profits had also skidded from \$172,665 to \$56,950. The company's profit margin after 1952 continued to drop until 1956, when the company lost \$214 on sales of 1,295,381 pounds of finished goods. The sales figures and the net earning figures for the years between 1942 and 1956 are shown in Table IV.²¹

¹⁸"Minute Book," 3:16 April 1955.

¹⁹Ibid., 3:21 April 1956.

²⁰Ibid., 3:2 April 1955.

²¹"Comparative Statement Sales and Poundage 1942-1956."

TABLE IV
ITASCA COTTON MANUFACTURING COMPANY
OPERATIONS FIGURES 1942-1956

Year	Sales Net	Earning Before Taxes	Net After Taxes	Pounds Production
1942	\$2,121,385	\$426,830	\$141,889	5,651,049
1943	1,778,018	266,807	67,636	4,614,981
1944	1,366,892	170,984	39,086	3,674,390
1945	1,751,883	186,346	45,193	4,304,010
1946	1,968,830	404,354	212,077	4,132,241
1947	2,175,731	329,281	190,686	3,455,369
1948	2,158,514	202,730	123,116	3,183,634
1949	2,079,621	153,415	95,039	3,687,574
1950	2,386,114	255,525	154,913	4,320,078
1951	2,902,699	373,710	172,665	3,811,529
1952	1,435,653	62,821	56,950	2,095,044
1953	1,620,164	57,992	33,210	2,661,717
1954	1,323,009	14,291	9,913	1,942,314
1955	1,049,842	16,570	11,522	1,392,522
1956	1,295,381	(167)*	(214)*	1,404,705

*() Denotes loss.

Source: Itasca Cotton Manufacturing Comparative Statement in Net Sales and Total Poundage 1942-1956.

The dismal business outlook during 1956 led the mill directors to discontinue all magazine advertising for mail orders and to decrease the investment of money in store operations. These stop-gap measures conserved the assets of the corporation, but they did not go to the heart of the textile mill's problems.²²

The real problem centered around the mill's inability to meet market prices, for by the mid-1950's, the textile industry in the United States had become very competitive. The larger

²²"Minute Book," 3:20 October 1956.

textile concerns in the United States had undergone modernization programs which involved big package spinning and installation of new types of high speed automated looms. The modernization programs cut down on labor costs and increased production, enabling the larger mills to increase volume and sell at a smaller profit per unit.²³

In previous years, the textile mills in the Southwest had enjoyed a labor cost advantage, but during the 1950's, that cost advantage diminished due to a rise in the national minimum wage levels. The textile industry in the Northwest enjoyed a freight rate advantage, because the southwestern mills had to pay \$2.00 to \$3.50 extra per hundredweight to ship to the large volume markets in the Northeast.²⁴ The freight rate differentials increased with progressive stages of manufacturing. For example, raw cotton could be shipped into Northern markets without discrimination; however, shippers of cotton fabric paid a rate 11 per cent higher than raw cotton, and shippers of highly processed cotton goods paid shipping rates which figured as much as 54 per cent higher than raw cotton.²⁵

The Itasca situation can best be illustrated by comparing its prices on finished products with the prices of a New York

²³Letter from Reeves Brothers Incorporated to S. J. Files, undated.

²⁴Ibid.

²⁵Joubert, Southern Freight Rates, p. 359.

competitor, Dunston Division of Pepperell Industries. The Dunston mill sold a specific cotton fabric at 47.0 cents a yard or 55.0 cents a pound, whereas the Itasca mill sold the same product for 48.5 cents a yard or 56.6 cents a pound. Dunston's cotton shop toweling marketed for 19.0 cents to 19.25 cents a yard or 54.8 cents a pound, compared to the Itasca mill's shop toweling priced at 20.25 cents a yard or 57.62 cents a pound. These figures indicate that the Itasca mill customers paid a premium for using its products.²⁶

During the 1950's, several hundred mills in the United States faced liquidation because they could not compete. The Itasca mill had been fortunate in the sense that it had not incurred the substantial losses suffered by many other small mills. Although the company operated for three years without showing a substantial profit, it conserved its cash position and held its plant intact and free from debt. The board of directors and stockholders of the Itasca company gradually found themselves forced into making a decision to liquidate the company or to institute a modernization program aimed at high-efficiency manufacturing.

For a time, the company officials entertained high hopes that the Guild's store operations would prove profitable, but due to poor management, the company experienced difficulty with these operations also. Guild managers allowed store

²⁶Reeves to S. J. Files, undated.

inventories to increase beyond practical levels, while discontinued fabrics and odd lot fabrics had not been cleared out. The controversy over store management and operation eventually resulted in the dismissal of V. E. Hawes, the general manager of store operations, in March of 1958.²⁷ In an effort to expand the sales of the Weavers Guild, during 1957 the Itasca mill directors granted franchises allowing the establishment of outlets in California, Arizona, and New Mexico, and they also approved the selling of the Itasca fabrics on a direct door-to-door basis.²⁸ Unsuccessful in their attempt to improve profits through the expansion of store operations, by 1958, company directors recommended that no additional stores be established and further suggested that the position of existing stores be consolidated.²⁹ Since neither of these plans had proved effective, in March, 1959, the stockholders of the Itasca Cotton Manufacturing Company voted to seek a purchaser for the store operations.³⁰

The cancellation of a mill contract negotiated in 1957 with Reeves Brothers Incorporated encouraged the directors to dispose of the stores. Headquartered in New York City, Reeves by 1957 owned nine mills and three finishing plants and held assets of approximately \$50,000,000. In September, 1957,

²⁷"Minute Book," stockholders meeting, 3:14 March 1959.

²⁸"Minute Book," 3:9 March 1957.

²⁹Ibid., 3:1 March 1958.

³⁰"Minute Book," stockholders meeting, 3:14 March 1959.

Reeves Brothers offered the Itasca stockholders a plan calling for the lease of the Itasca mill to their company for a three-year period. Reeves Brothers operation included manufacturing, finishing, and sales within one corporation, and they proposed to operate the Itasca mill in much the same way that they operated their own manufacturing enterprise. The plan also called for Reeves Brothers to set in motion a modernization program at their own expense, and, in exchange, they would receive an option to purchase the physical assets of the Itasca mill for a sum of \$300,000, which amounted to \$50,000 more than the depreciated book value. Under this plan the Itasca Cotton Manufacturing Company could maintain its corporate existence, continue its retail operations, and draw \$30,000 per year rent on its mill.³¹

When company officials placed the Reeves proposal before a special meeting of the Itasca stockholders on September 27, 1957, it received little opposition. The company's long-time attorney and stockholder, Marcus Weatherred, raised the only dissenting voice. Weatherred opposed the offer on the grounds that he did not believe in integrating a local industry with a large northeastern industrial group. He also maintained that the stockholders should take a close look at what might happen to the mill in the event Reeves Brothers did not choose to purchase the mill at the end of the three-year lease.

³¹Letter from S. J. Files to Itasca Cotton Manufacturing Company Stockholders, 14 September 1957.

Weatherred cautioned that the Itasca mill would be placed in a difficult position with the mill operating under an unfamiliar system, especially with its own mill staff, which had been recruited and trained over the years, fragmented by the proposed operational arrangement. Despite Weatherred's warning, the Itasca stockholders voted to accept the Reeves offer and gave their approval to the final form of the lease at a stockholders meeting held September 27, 1957.³²

The Central Cost and Engineering Department of Reeves Brothers quickly moved to institute a modernization program focused on ten areas of the old mill which needed renovation. Project one centered in the weaving room and involved the shipping and erection of 152 surplus looms from other Reeves plants. The engineers justified this expenditure on the basis that the old, outdated looms required expensive overhaul.³³ Similar projects in other mill areas involved such things as replacing old spinning frames, installing dobby heads on looms, leveling equipment, installing an electric control panel on the fire pump, and replacing of the old, worn-out slasher. The Reeves Brothers staff carried out these renovation projects at a cost of approximately \$68,833.³⁴ A few

³²"Minute Book," stockholders meeting, 3:27 September 1957.

³³"Reeves Brothers Incorporated, Itasca Division Work Order Number 1," 7 October 1957.

³⁴"Reeves Brothers Incorporated, Itasca Division Work Orders Numbers 2-10," 28 October 1957 to 10 February 1958.

of the modernization projects took only a short time to complete; however, most of them involved several months of work, and as late as February, 1959, some of the project work remained unfinished. In spite of these improvements, suddenly Reeves Brothers formally notified the board of directors of the Itasca mill on March 3, 1959, that because of stiff competition in the textile market they would discontinue operation of the mill on April 11, 1959. The mill closed and Reeves Brothers paid the unexpired portion of their lease.³⁵

At this point in the history of the Itasca company James M. Collins, who became the company's president in 1956 when his father Carr P. Collins retired, offered to trade his family's stock in the company in exchange for control of the Weavers Guild stores, plus a cash payment. Collins and his family held 57.5 per cent of the Itasca mill's stock, which amounted to 3,870 shares of that which was outstanding. At a special meeting on July 17, 1959, the stockholders voted, by a unanimous vote of the 6,675 shares, to redeem from the Collins group its 3,870 shares of stock at a value of \$75 per share. The company paid the Collinses a total of \$290,250 in cash and transferred the total capital stock of the subsidiary Weavers Guild corporation, valued at \$456,408, to them as well. The Collins interests thus received a total value of \$746,658 for their share of the company. James Collins

³⁵"Minute Book," 3:3 March 1959.

then resigned as president of the Itasca firm when the mill and store operations separated.³⁶ Collins later sold or liquidated all of the retail stores.³⁷ Following the disposal of the company stores, the future hope of the company lay solely in the mill's profitable operation.

Because of the mill's long history and because of the personal attachments, loyalty, tradition, and love that human beings attach to their country, their towns, and their business institutions, the people associated with the Itasca mill did not want to see it die; nevertheless, a tremendous capital investment would have been necessary to pay for the needed modernization program. The company in 1959 had cleared all its debts and held about a half-million dollars in liquid assets in banks and savings and loan accounts; therefore, such an investment would not have been impossible.³⁸

The stockholders, however, faced the question of whether or not to gamble and reinvest the company's assets in hopes of a satisfactory return on the investment. Many of the major stockholders, such as S. J. Files, were well passed middle age. Files, the company's general manager, had been born February 12, 1891, and had been associated with the company

³⁶"Itasca Cotton Manufacturing Company Minute Book," vol. 4, stockholders meeting, 4:17 July 1959.

³⁷Ella Pierce, private interview held in Itasca, Texas, 18 March 1971.

³⁸"Itasca Cotton Manufacturing Company Asset Report," 30 June 1959.

since the fall of 1914. In 1957, at the age of sixty-six, Sidney Files had served the Itasca company for forty-three years.³⁹ A very active man, Files had not given a thought to retirement, nor had he reached the high point of his career, for he became president of his beloved company in July, 1959.⁴⁰ The theory that one is usually more careful about long term investments in the later years of life certainly proved to be true of many of the stockholders of the Itasca Cotton Manufacturing Company, who had to confront this agonizing decision.

At this critical point in the history of the Itasca company, the cancellation of the Reeves Brothers contract forced the Itasca stockholders to face the rather grim facts that Reeves Brothers had failed in their attempt to modernize and operate the mill; that conditions in the textile industry were depressed; that the staff and work force of the Itasca mill no longer remained intact; and that it would be a difficult task to bring the mill back into production. After careful consideration, the stockholders decided that the easiest and most financially secure solution would be to place the properties on the market and seek a purchaser;⁴¹ therefore,

³⁹"Scrap Book," undated newspaper clipping.

⁴⁰"Minute Book," 4:17 July 1959.

⁴¹"Minute Book," stockholders meeting, 3:14 March 1959.

they approved the complete liquidation of the company on September 5, 1959.⁴²

Following the approval of the plan of liquidation, several of the stockholders pressed for immediate distribution of the cash assets of the company; hence, the board of directors recommended a distribution of \$288,400, which equalled \$80 per outstanding share of stock. The plan also called for the cancellation of 50 per cent of the stock following the distribution.⁴³ The lack of immediate prospects for the sale of the mill resulted in the institution of an interim mill operation to manufacture drapery fabrics for sale through the Itasca store and the stores owned by the Collins family. This small operation proved sufficient to keep the company's earnings in the black and served as a means of conserving the cash funds during the liquidation period.⁴⁴

The financial statements for a six-month period ending March 31, 1960, reflected a net earning, after a deduction of \$9,600 for depreciation on the facilities, of \$2,049. Also, in April, 1960, the board of directors empowered a sales committee made up of three Itasca men, company president S. J. Files, company treasurer John M. Coffin, and assistant secretary Cod T. Wilkerson, to sell all or part of the property.

⁴²Ibid., 4:5 September 1959.

⁴³Ibid.

⁴⁴Ibid., 4:5 January 1960.

The directors hoped that the availability of these men would facilitate the sale of the mill, should a prospective buyer appear.⁴⁵

The Itasca company made a second distribution of liquid assets on June 28, 1960, and paid \$50 per share to holders of the remaining 1,427.5 shares.⁴⁶ By September, 1960, the salvage firm of Thackston and Redding Incorporated had purchased most of the manufacturing machinery, and the finished goods inventory had been reduced below \$7,500. S. J. Files received permission from the directors to use the trade name, "Itasca Weavers Guild," and he purchased the finished goods inventory.⁴⁷

Company officials optioned the mill property to J. C. La Rue Company in 1962 for the manufacturing of cannery machinery, but the old mill's floors proved unsuitable for the installation of heavy machinery.⁴⁸ After several years of searching, Roberts Manufacturing Company, Incorporated, of Cleburne, Texas, purchased about 5.46 acres of the mill property, including the building, on April 24, 1962, for a total of \$100,000. The Itasca corporation's remaining assets included approximately twenty-two acres of land, a mill

⁴⁵"Minute Book," stockholders meeting, 4:18 April 1960.

⁴⁶"Minute Book," 4:28 June 1960.

⁴⁷Ibid., 4:3 September 1960.

⁴⁸Ibid., 4:9 January 1962.

village of about fifty houses, an office building, and a store.⁴⁹ The directors, between January, 1962, and September, 1964, declared four distributions of liquid assets amounting to \$110 per share.⁵⁰

The company finally sold the mill village in August, 1966, to two local businessmen for \$15,500, which left the company with .93 acres of land, the old office building, and the sales room,⁵¹ all of which the directors sold to President S. J. Files for \$1,000. On March 27, 1967, a final liquidation payment to shareholders amounting to \$24.62 per share completed all company business.⁵² The submission of Articles of Dissolution to the Secretary of State of Texas on March 28, 1967, and their signing on April 14, 1967, marked the end of the Itasca Cotton Manufacturing Company, after sixty-seven years of operation.⁵³

Sidney J. Files maintained the operation of the "Itasca Weavers Guild" as a sewing room for the manufacture of custom-made draperies until his death in 1969, after which time the business closed.⁵⁴ Today, the old mill building houses a

⁴⁹Ibid., 4:24 April 1962.

⁵⁰Ibid., 4:9 January 1962.

⁵¹Ibid., 4:31 August 1966.

⁵²Ibid., 4:27 March 1967.

⁵³"Itasca Cotton Manufacturing Company Articles of Dissolution," 14 April 1967.

⁵⁴Itasca Item, 7 November 1969.

factory owned by Rangaire Corporation, which is the new company name for Roberts Manufacturing Company, the purchaser of the old mill property. The building has been modernized and enlarged, and Rangaire Corporation has experienced a phenomenal success in the manufacture of home accessories and lighting fixtures. This company's payroll pours thousands of dollars into the local economy each year.⁵⁵

⁵⁵Ibid., 20 November 1970.

CHAPTER V

ANALYSIS

The Itasca cotton mill, constructed by financial support gathered in a youthful, Texas town only nineteen years old, experienced a desperate struggle for capital, thus destroying the idea that the company could operate without outside help. It not only became necessary for the mill operators to search out capital in Waco, Fort Worth, Houston, Dallas, and even New York, but the very nature of the company's product also forced them to look beyond the local area for the major portion of their market. By 1904, economic conditions forced the company to sell its products through a New York-based commission company which meant that an outside agent held some control over the type cloth produced, the quantity, and the prices. The company operators felt independent, especially when the plant became free of debt, but they, like many other mill owners, operated under market conditions as presented to them through their marketing agents.

The Itasca mill began operation in a rather isolated agrarian area under the local control of small-town bankers and businessmen. Many of the local men, however, did not remain small-town businessmen but expanded their own personal influence beyond the local area. As a result, they encouraged

outside influence as they struggled to keep the Itasca mill operating profitably.

Certainly, it is impossible to trace all of the business and financial interests of those who influenced the mill during its existence; however, a few examples will suffice to illustrate the point. One of the founding fathers of the Itasca mill, Will I. Hooks, also served as president and founder of the First National Bank of Itasca, and his brother, Pat Hooks, the first white child born in Itasca, followed his brother's footsteps in the Itasca banking business. Pat Hooks served for twenty years as president of the Itasca bank, and he also served during most of that time as president of the Itasca Cotton Manufacturing Company. This man's influence went far beyond the Itasca Cotton Mill, as can be illustrated by the fact that he served as a director of the Federal Reserve Bank of Dallas, as president of a profitable cotton ginning enterprise in Itasca, as director of Colonial Trust Company of Hillsboro, as a member of the State Board of Education, as chairman of the board of Sherman College, as chairman of the board of the Southwestern Presbyterian Home and School, as a member of the state Democratic Executive Committee, and as an elder in the Itasca First Presbyterian Church. He actively participated as a Mason, a Shriner, and a Rotarian. Hooks thus brought outside influence and support with him into the mill organization, and he and his brother, Will Hooks, played important roles in aiding the company

obtain the outside financing which enabled the mill to operate during troubled times.¹

Carr P. Collins, Sr., a Dallas businessman born in 1893, proved to be the driving force behind the company's retailing operations. Collins succeeded Pat E. Hooks as president of the Itasca company in 1950 and brought to that office considerable influence in Texas financial circles, for Collins served as president and chairman of the board of Fidelity Union Life Insurance Company, as president of Mayflower Investment Company, as director of the First National Bank of Dallas, as director of Dr. Pepper Bottling Company of Dallas, and as chairman of the board of Crazy Water Company of Mineral Wells, Texas.² Collins' other business investments included the Texas Farm and Ranch Publishing Company, publishers of Holland's Magazine and Farm and Ranch, which he purchased during the 1940's for \$425,000.³ In 1939, Collins opened a large radio station in Reynosa, Mexico, and later acquired interests in a Corpus Christi, Texas, radio station. Collins, an active member of the Baptist Church, served as a director of the Baptist Foundation in Dallas and as a member of the Baylor University Board of Directors. In 1943, he loaned \$75,000 to Baylor University to purchase stock in a

¹Hillsboro Mirror, 17 October 1950.

²"Analytical Report of Itasca Cotton Manufacturing Company," Dun and Bradstreet Incorporated, 30 April 1953.

³"Scrap Book," untitled newspaper clipping.

50,000-watt radio station to be operated by that university. Pat Neff, president of Baylor, E. R. Nash, a prominent Waco lumberman, Carr P. Collins, and his son James M. Collins functioned as directors of the new radio corporation, and all of these men, as well as Pat and Mike O'Daniel, sons of U. S. Senator W. Lee O'Daniel, held stock in the radio corporation.⁴ Collins' knowledge of the business world and his financial connections undoubtedly helped the Itasca company, for he worked to establish a name for the Itasca Weavers Guild and encouraged the use of a nation-wide advertising campaign.

Another important mill official and local Itasca man, John M. Coffin, functioned as treasurer of the Itasca company for about twenty-two years before being named vice-president in 1950. He also served as director of the First National Bank of Itasca,⁵ and his brother served as a vice-president and member of the board of directors of Shamrock Oil and Gas Company of Amarillo. Coffin's sister married S. J. Files, who loyally served the Itasca mill for so many years.⁶

These individual cases illustrate the fact that the local people who strove to build and operate the mill also used their influence to secure outside financing for its

⁴"Scrap Book," untitled newspaper clipping.

⁵"Analytical Report," Dun and Bradstreet.

⁶"Scrap Book," untitled newspaper clipping.

operation during times of trouble. Broadus Mitchell found that Southern mill builders searched out and asked for northern financial help, and in that respect, the Itasca mill proved to be no exception.⁷

Itasca, a typical sleepy agrarian community, suddenly burst aflame with mill fever in 1900, as did many other Southern communities; hence, local bankers and businessmen joined the crusade and added their confidence and prestige to the undertaking. The local sale of stock subscriptions, however, did not produce enough revenue to construct and operate the Itasca mill, and it quickly fell under the control of a northern commission company which sold the Itasca products and loaned operating capital to the mill. This again follows the pattern of many other makeshift industrial organizations in the South, organized to construct cotton mills with money gathered from installment selling of mill securities.⁸ The Itasca company's indebtedness to commission houses reached its peak during the depression, and gradually the company paid its debts and freed itself from the dependence on outside capital. Although the company developed a mail order business and opened a chain of retail stores, these outlets did not sell fabrics in large enough volume to free the company from

⁷Mitchell, Rise of Cotton Mills, pp. 249-250.

⁸Herbert Collins, "The Idea of Cotton Textile Industry in the South 1870-1900," The North Carolina Historical Review, 34(1957):358-392.

the necessity of marketing its products through an out-of-state commission house. The Itasca firm, thus, never escaped from the control of its marketing agents even though the company's stock remained locally owned. C. Vann Woodward found that a large number of southern mills lost control of their stock to northern textile machinery and commission firms. This was not the case for the Itasca mill; however, the mill did become dependent on absentee commission firms as Woodward found to be true of numerous other mills. Woodward also discovered that many of the absentee firms used injurious marketing practices which drained away large portions of the mill's profits.⁹

The Itasca company, like the majority of other mills, operated for the purpose of making a profit, and when the profits dropped, the mill closed. Despite the mill owners' profit motivation, the mill, through the years, greatly influenced the prosperity of Itasca. The company, not known for its generous salaries, employed an average of 250 to 300 workers, which made it the largest employer in the area, and as a result, the prosperity of the town depended on the prosperity of the mill. The mill village, located about a mile from town, mirrored the town's environment; thus the mill officials functioned as community leaders by exercising influence based on their position with the mill as well as

⁹Woodward, Origins of the New South, 9:135.

their positions with the local bank, school board, and city government. Many of the fine old homes in Itasca are still identified by the names of the mill leaders who built them, even though the mill has closed and the prominent mill leaders have passed away. The company's efforts to promote its Itasca Weavers Guild served to promote the town as well, for as a result, the fame of Itasca and its mill reached far beyond that of most small towns with a duck cotton mill.

Small cotton mills ordinarily did not develop much of a reputation. Producing a staple product that had little glamor, they at one time existed by the hundreds across the north-eastern and southern parts of the United States. The Itasca Cotton Mill, not unlike many other mills, simply produced cotton ducking for the purpose of providing jobs and a degree of prosperity for their communities. During both World Wars, it produced material for use in defense of the country, a task gladly performed for the sake of country and profits. The uniqueness of the Itasca Cotton Manufacturing Company came to rest mainly on its production of decorative fabrics, and it became known in the textile industry for its innovative cost accounting system which itemized expenses and production costs for each department within the mill, a system which allowed the Itasca mill officials to monitor production costs at any time during the processing of the product.¹⁰

¹⁰"Itasca Cotton Manufacturing Company Cost Sheets," 1915-1967.

The making of novelty fabrics enabled the company to weather several bad years without major financial loss, but technical developments in textile manufacturing, as well as the scientific developments of synthetic fibers, gave a death blow to cotton textile manufacturing in Itasca. The company stockholders, fearful of the future, balked at risking their money in a modernization effort to save the company but chose to liquidate and withdraw their investment. After the mill closed, the company's unique Guild decorative fabrics faded from the market; however, months later, orders continued to pour in from customers who wanted to purchase the fabrics.¹¹

The decorative fabrics designed and manufactured by the Itasca mill beautified many rural homes, and the Weaver's Guild books on interior decoration introduced many rural Texas women to the art of interior decoration. The display rooms at the mill also enabled many women to see new ideas and decoration designs especially prepared for home fabrication. It may well be that the mill's greatest contribution was its influence on a raw rural land, as the mill made durable, inexpensive decorative cotton textiles available for home use. As late as 1971, Itasca fabrics could still be found adorning windows in rural homes around Itasca.

The Itasca Cotton Manufacturing Company closed because of scientific progress, increased competition, increased fixed

¹¹pierce, interview, 3 December 1970.

costs, and governmental demands for better working conditions and wages for workers. The directors and many of the Itasca mill stockholders had grown old with the company, and they, not eager for the struggle that would have been necessary to bring the old company back into a competitive position in the modern textile market, let the company quietly die.

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