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## The Great Northern Paper Company, Chapter 06: The Manufacturing Investment Company

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## C H A P T E R VI

## THE MANUFACTURING INVESTMENT COMPANY

The story of the Manufacturing Investment Company, as far as its operations in the State of Maine are concerned, covered a period of less than ten years, but the existence of this short-lived corporation had a considerable influence on the affairs of the Great Northern Paper Company.

The report of the Commissioner of Industrial Statistics of the State of Maine for the year 1903 contains the following statement:

"The Great Northern Paper Company, at about the time it commenced the development at Millinocket, bought the pulp and paper mill at Madison on the Kennebec River and proceeded at once to entirely reconstruct it. This pulp and paper mill had probably seen as many vicissitudes as any manufacturing plant in the State, but since the new company has taken it, its success has been so great that the town of Madison has received new life and business activity is everywhere apparent."

The Madison mill was the Maine plant of the Manufacturing Investment Company, and its troubles were far from over, despite this optimistic outlook.

F. S. Rollins, who was connected with the Manufacturing Investment Company, and who was at one time a Director of the Great Northern Paper Company, names Don M. Dickinson, who was appointed Postmaster-General in 1888, near the end of President

Grover Cleveland's first administration, as the father of this company. The building of the first successful sulphite mill in America by the Fletcher Paper Company at Alpena, Michigan, has been noted in another chapter. This mill, which started up in 1887, produced pulp of good quality, and apparently was able to use sawmill waste as part of its raw material. Don M. Dickinson (1846-1917) was an able Michigan lawyer, who handled a lot of cases for the Federal Government. During the first Cleveland administration, when there was no Democratic senator from Michigan, he was recognized as the head of the party in that state, and was consulted on all Michigan political appointments. A man of high character, loyal to his friends, he was an untiring worker in the interest of his state, whose people named Dickinson County, in the Upper Peninsula, in his honor. While he at no time sought political recognition for himself, he did accept this Cabinet post, which had become vacant late in the Administration, thus becoming the second Michigan Democrat to rise to a position of political prominence. The first, incidentally, was Lewis Cass, whose namesakes, Commodore Lewis Cass Ledyard and Lewis Cass Ledyard, Jr., were very influential in the Great Northern Paper Company.

Whether or not Don M. Dickinson was connected with the Fletcher Paper Company is not known for certain. However, it is known that he was interested in developments in the sulphite pulp process as offering new potential for industry in Michigan, and that he had been approached by Andrew Mitscherlich in the interest of his indirect-cook system. The Fletcher mill used this process, and Dickinson was associated with George N. Fletcher, of Detroit. At any rate, when he took up his cabinet post, he

came into close contact with William C. Whitney, Secretary of the Navy, who had a great deal of money and was connected with a great deal more. According to Mr. Rollins, it was he who interested Mr. Whitney in the possibilities of sulphite pulp, and this resulted in the formation in 1889 of the Manufacturing Investment Company, a New Jersey corporation, capitalized at \$1,000,000, for the purpose of building a chain of sulphite mills.

William C. Whitney (1841-1904) was a native of Massachusetts, a graduate of Yale and of the Harvard Law School in 1864. He married, in 1869, Miss Flora Payne, and thus became associated with great wealth. A strong Democrat, he had made a success of law and politics in New York, where he opposed Tammany and took part in the action against the Tweed Ring. In 1883, he had engaged in a three-way battle with Thomas Fortune Ryan and Jacob Sharp for control of the Broadway Street Railway franchise, teaming up with Ryan next year to gain control, and remaining interested in the operation of street railways in New York until 1902.

It is said that he was appointed to his cabinet post in recognition of the aid that his brother-in-law, Col. Oliver H. Payne, gave to the Democratic campaign in 1884. Be that as it may, he brought to the job a tremendous energy and an ability to get things done. He found, as he said:

"In March 1885 the United State Navy had no one vessel of war which could have kept the seas for one week as against any first rate naval power." (1)

He vigorously set about correcting this condition, retiring obsolete ships, forcing naval contractors to meet specifications and encouraging the building of munitions plants and ordnance facilities, to lay the foundation for the modern might of the United States Navy.

In 1889, William C. Whitney, now ex-Secretary, was one of the country's richest men. Besides Don M. Dickinson, there were associated with him in the Manufacturing Investment Company some very important people. These included Almeric H. Paget, Whitney's son-in-law; Col. Oliver H. Payne, who owned nearly half of the Standard Oil Company; H. M. Hanna of Cleveland and Capt. R. Somers Hayes, USN, a prominent railroad man, both associates of Col. Payne's; Daniel Lamont, President Cleveland's secretary; Pierpont Morgan and George N. Fletcher. Grover Cleveland himself is mentioned as being one of this group but Mr. Rollins does not mention him, and the writer was told many years ago that he was not directly connected with this company. The position of the Michigan contingent, Don M. Dickinson and George N. Fletcher, is unclear after the early stages, and no mill was ever built by this company in their state. Some of the others later figured prominently in the affairs of the Great Northern Paper Company.

The new firm proceeded at once to build two sulphite pulp mills, licensed under the Mitscherlich patents. These patents were not very strong, on account of the earlier work done by Tilghman, and about this time mills were being licensed at a flat rate of \$10,000 each. One of the two mills was built at Appleton, Wisconsin, the other at Madison, Maine. There is no hard information as to why the Appleton site was selected. There is a strong probability that A. Ledyard Smith of that place, of whom more later, was connected with the original group, and this may have been the reason. There is some background on the choice of Madison.

In the fall of 1889, Isaac N. Weston, a Maine man who had become state chairman of the Democratic party in Michigan, and

who was obviously an associate of Don M. Dickinson, was sent east to look out a Maine mill site with the necessary water power and timber supply. (2) Following his investigation, a delegation from the company visited a number of possible sites on the principal rivers of the state. Madison was one of these sites. William C. Whitney, Don M. Dickinson and Daniel Lamont were there on November 24, 1889. (3) The choice of this location was made shortly thereafter. Why this particular place was chosen is not known. There were many more desirable sites at this time. However, a State of Maine man by the name of Weston almost had to be from Madison, and maybe this had something to do with it.

In 1889, Madison was a thriving textile town, with the manufacturing centering around the partially developed power on Norridgewock Falls. At this point, a timber crib dam of unknown date had been built across the Kennebec River, from the westerly or Anson side to a ledge known as Bridge Island or more commonly as simply "the Island", which was separated from the Madison shore by a narrow, rocky channel. At the lower end of this channel, another crib structure had been built from the wheel house of the Indian Spring woolen mill on the Island, to the easterly shore, creating a small mill pond behind the Island, and converting the channel into a power canal. There were probably gates and a log sluice at the upper end of this canal, although this is not definitely known.

Main Street, running east and west, crossed the canal near its upper end and led to a covered toll bridge where later a steel bridge stood for many years. North of Main Street were the buildings of the Madison Woolen Company; a substantial wooden mill, on

the older part, on the Island, and a newer four-story brick structure, with other buildings, on the Madison shore. A passageway over the canal connected the two buildings. The water wheels were on the Island, taking water directly from the river, and a power shaft to the brick mill ran through the passageway. South of Main Street, on the Island, was the mill of the Indian Spring Woolen Company, and at the lower end of the pond, on the Madison side, was a small sawmill. Both of these took water from the canal. A little to the east, the main line of the Somerset Railroad (formerly the Somerset & Kennebec and later part of the Maine Central system), running north and south, left the bank of the river at Jones Brook, skirted the edge of the town, crossed Main Street about 400 feet east of the canal and turning to the west crossed the river a little above the Madison Woolen Company's plant on a covered wooden bridge. A tier of lots on which were located a grist mill and some other small buildings extended from Main Street southerly along the river side of the railroad right-of-way. The little triangle between Main Street, the river and this tier of lots, was the site chosen for the new mill.

The purchase was made from Benjamin P.J. Weston in June, 1890. In addition to the land involved, ownership of the dam, the canal, the mill pond and the sawmill location passed to the Manufacturing Investment Company. There were some reservations in regard to water and power rights, notably provision for a location and water power for a pump house for the Town of Madison water supply, and 50 h.p. to be furnished in perpetuity to the grist mill. A common right-of-way was reserved in the deeds

for access from Main Street to the tier of lots before mentioned, and the new company was given a right-of-way through one of these to the line of the railroad. The Indian Spring Woolen Company also sold to the new company its interest in the mill pond and canal, reserving the right to take water from the latter for its use. The Madison Woolen Company and the Indian Spring Woolen Company agreed, as part of this deal, to bear proportionate parts of the future cost of maintaining the dam.

The Manufacturing Investment Company also acquired at this time two lots along the river on the Madison side, a little above the railroad bridge; a large block of land in Anson, extending from the river bank opposite the mill site westerly about 1600-1800 feet and southerly to the Starks line, with which went one-half of the rights to the undeveloped water power represented by a series of heads between the existing dam and the foot of the Norridgewock Falls; and land on the Madison side controlling the other half of this power. Booming privileges were obtained at Weston Island, further up-river. A C.A. Wilber seems to have been involved with Weston in this transaction, although his name does not appear in the deeds. (4)

At the time the Manufacturing Investment Company was organized, a young man by the name of Frederick W. Taylor was Chief Engineer of Midvale Steel Company, which was making gun barrel forgings and the like for the Government. Frederick W. Taylor is said to have been the earliest industrial engineer. Neal O'Hara, in his syndicated column published in the Bangor Daily News February 12, 1960, wrote:

"'Automation' is a term now familiar to most Americans, but just fifty years ago 'Taylorization' became a by-word of the country's industrialization and a synonym for the scientific management of labor and machinery in the factory. Frederick W. Taylor championed industrial efficiency in such pamphlets as 'A Piece Rate System' and 'Shop Management'."

When William C. Whitney began to strengthen the Navy after he took office in 1885, one of his first moves was to send a competent naval officer, Commander Caspar F. Goodrich, in search of a superintendent for the gun works at Washington. Goodrich recommended Taylor, who turned down the job, but made such an impression on Mr. Whitney that in the spring of 1890 he offered him the position of General Manager of the new Manufacturing Investment Company. Taylor was only 34 years old at the time. He did not want this job either, but tempted by a three-year contract at a very high salary, a stock option with dividends guaranteed and association with so many men of national reputation and influence, he accepted. In the meantime, the local management of the Madison mill had been awarded to Commander Goodrich and that of the Appleton plant to Commander Robley D. (Fighting Bob) Evans, these officers being given leave of absence by the Navy Department. Both later returned to the service.

The Appleton, Wisconsin mill was completed in about a year's time, and it would appear that it began making pulp in March, 1891. As the construction and operation of this mill had no bearing on the affairs of the Great Northern Paper Company, no effort has been made to obtain any details.

There seems to have been a certain amount of indecision and perhaps controversy connected with the design and construction of the Madison mill. Preliminary surveying was done, starting in July, 1890, by George F. Hardy, Consulting Engineer, who later designed a number of important paper mills. D.P. Jones was the resident engineer in charge, and he was joined in August by Clifton S. Humphreys as Assistant Engineer. For some reason the actual design of the plant was turned over to the firm of D. H. & A. B. Tower, of Holyoke, Massachusetts, and construction was started under their supervision on August 12, 1890. (5) Before the job was very far advanced, however, the contract with Tower was cancelled, and the job was taken over by the Company's own engineer, (6) presumably Frederick W. Taylor.

For process flow and power distribution, or perhaps simply because of space limitations, the plant was strung out in a straight line from wood room to shipping platform -- wood room, digester building, wash house (screen room) and machine room. Foundations were of stone, some taken from the site, some imported. A 50 h.p. lighting plant was set up by the Thompson-Houston Company, so that construction work could be carried on at night. (7) The buildings were of brick, and while there was a considerable amount of wood used in the construction, as was common at that time, there was also extensive use of steel lattice columns and steel trusswork. There does not seem to be any record of a general contractor. Excavation was done by J. G. McDonald Company; stone foundation work by I.S. Bangs & Co., of Waterville. T. Banks Hadley, of Boston, directed blasting operations. As the construction was right along the shore line

close to the water's edge, cofferdams were built in the river by R.W. Weld of Livermore Falls. (8)

The channel which formed the canal was deepened by blowing out the ledge. The wheel-house of the new mill was constructed at the south end of the old pond, and four pairs of Rodney Hunt wheels, developing 1,200 h.p., were installed in wooden flumes under the building which later became the wood room, the racks being on the north side, the railrace flumes going out to the river at right angles and discharging at a point which would in 1974 be under the groundwood screen room. These wheels supplied power to the entire plant through a system of shafting running the length of the mill. A belt tunnel was located at the north end of the digester building, next to the wheel house, to get power from one side of the mill to the other. The old timber crib which formed the mill pond was removed at this time and a masonry wall was built from the Indian Spring mill's wheel house to a point on the river bank west of the new wheel house and thence easterly to make a forebay for the new wheels and provide a small log pond. The old pond was partly filled, from the east bank outward, for a log piling ground, but there appears to have been no retaining wall of any kind on the east side of the canal, except right at the forebay.

Over the wheel house was the machine shop, and above this were two floors of wood room. There is no information about wood preparing equipment. At the entrance to the wood room, over the forebay, there was a wooden structure housing whatever mechanism there may have been for conveying the long logs into the wood room. On the easterly side of the wood room was an elevated

traveling crane, with a wooden truss beam of 150 ft. span on timber trestles running toward Main Street. This was used, with a steam donkey engine, for piling long logs. These were crosspiled, rather than decked in rolling tiers, and were reclaimed by the crane, and rolled back into the canal.

This is said to have been one of the mills where in the early days the wood to be cooked was not chipped, but was cut into slices which were charged into the digesters by hand. (9) There were various saw rigs to make these slices, all apparently taking wood which had first been cut into short bolts. This would have been necessary anyway for barking on the knife type equipment used at that time. If this procedure of cutting the wood into slices was used, it is not known for how long. An 1894 insurance plan shows an "elevator" from the wood room up into what was called the "hopper room" in the digester building. The wood room seems to have made a lot of sawdust. There were cyclones and a system of piping, on overhead trestles, to carry waste to the boiler house, but early photographs also show sawdust being discharged to the river, and piles of it accumulated in the yard near the wood room.

The capacity of this mill was 50 tons air dry unbleached sulphite pulp per day. Ten horizontal steel digesters, 13 ft. diameter and 40 feet long, were set on massive masonry piers. It is understood that these digesters were originally lined with lead, under a brick internal shell, but that the lead "crawled" when heated, and its use was discontinued when brick linings were improved. The pulp does not seem to have been blown out of the digesters, but was dumped onto a belt conveyor which ran the

length of the digester building through openings in the masonry piers. This carried it into the basement of what was called the "wash house", now the screen room building. According to one account, there were originally no knot screens, the pulp being picked over for knots by a crew of women as it passed by on the belt. This may be apocryphal. In any event, it went into the basement of the wash house, where in 1894 there were "drainers, screens and knot catchers". From the basement, it appears that the pulp was pumped in succession to the two floors above for further screening, washing and thickening. Both flat and rotary screens seem to have been used, but there is no information about them.

The steam plant building still stands where it was built, between the mill proper and Main Street, but it was enlarged in later years. The two square stacks, 115 ft. high, are part of the original construction. There were probably four boilers, 135 lbs. p.s.i. These were stoker fired, the stokers having small hoppers which were kept filled by hand, there being no overhead coal bunker. An elevated wooden trestle carried a spur track from the main line of the railroad at a point opposite the dry end of the machine room diagonally across the mill yard and over a rectangular wooden coal pocket just south of the boiler house. There is no indication as to how coal was originally handled from this storage.

The acid plant was not in the mill yard, but to the east, across the railroad tracks, in the vicinity of the corner of Maple and Pine streets -- "on the hill opposite John Snell's residence". (10) In this location there were a sulphur storage

house, the gas cooler, which was simply a system of pipe and elbows exposed to the air, a tank house and the acid towers. The latter consisted of a cluster of twelve tall octagonal wooden towers; very unsightly. From the tank house, a trestle carried the acid piping over the railroad tracks and coal pocket, picked up the steam main from the boiler house, which came out on another trestle, and landed all this piping on the roof of the machine room at the south end of the digester building.

Everything was overhead around this plant. The acid piping crossed over the machine room roof to a wooden tank shed on the river side of the digester house. This shed was raised on 120 or more wooden piles, its floor being about on a level with the tops of the digesters. A two-story office building, or wooden construction, located in the mill yard a little south of where the machine shop was later built was connected to the "wash house" by an overhead passage. A carpenter shop, also wood, was built at about the location of the later machine shop.

A number of accounts have stated that the pulp was originally prepared for shipment on wet machines and hydraulic presses, but this came later. The machine room of the original mill contained two pulp dryers, with cylinder wet ends. These were supported on brick arch foundations running the length of the basement. This basement also contained heater fan equipment for blowing warm air up through the dryers. Nothing is known about the construction or operation of these machines, except that it is said that there was a cat-walk in the basement under each machine, and that when taking the sheet over, the end was passed up into the dryers from this cat-walk.

The pulp would appear to have been taken off the machine in rolls. How these were originally handled is unknown, but in 1892, within a year after the mill was started up, a shipping and pulp storage building was erected at the south end of the machine room. This was a wooden structure, as high as the digester house, and was separated a little from the machine room. There was a basement under it, used for general storage, and one floor, at the level of the machine room. In the latter, the floor was elevated slightly in front of the reels, and the two buildings were connected by a sloping, covered ramp, down which the rolls of pulp were rolled into the storage building. There were no doubt hoists for stacking them to the height of the room, and for rehandling for shipment.

Frederick W. Taylor took up residence in Madison either in the fall of 1890 or the summer of 1891 -- there are conflicting dates -- moving into a new house built for him on the hill above Old Point Crossing. About this time the company bought perpetual rights for its employees to use the toll bridge for the sum of \$500, and during the summer of that year the Thompson-Houston Company, forebear of General Electric, installed electric lighting in the mill. (11)

Commander Goodrich is a bit of a mystery. His name does not show up in any of the local accounts, but there is record of letters written to him in 1891 by the Hon. Wm. L. Putnam, the Portland Attorney who handled the company's legal affairs in Maine. He apparently bought land both in Madison and in Anson, which he sold to the Manufacturing Investment Company late in 1891. He owned a house on a piece of land between Pine Street and the

railroad, south of Blackwell Street, and this he later sold to the Great Northern Paper Company. It was designated in the Great Northern records as the "Superintendent's house", and was occupied by A. Ledyard Smith.

The plant started up on November 17, 1891. (12) On November 19th Frederick W. Taylor wrote to Wm. L. Putnam:

"We have during the past few days been undergoing the agonies of starting the mill. This has been hard since we had only two skilled paper makers in our mill, and have been obliged to train in all the rest of our men. We have, however, been very successful and I send you tonight a sample of the very first 20 feet of pulp that went through the dryers. This pulp is dirty, of course, but is of much better quality than I expected to see for the very first run."

No specific information is available as to the causes of the "vicissitudes" of the Madison mill. General conditions in the industry at this time have been noted. The management should have been able, and the prospects were bright. However, for whatever reason, this mill and its sister in Wisconsin were not profitable, and no other mills of the chain originally contemplated were ever constructed. These two mills apparently cost a lot to build. The Paper Trade Journal of March 21, 1891 commented:

"Any ordinary individual or firm could have put up either plant for about one-third of the money which they cost...." (13)

Cecil M. Wescott, in his "Brief History of the Local Great Northern Paper Mill", says:

"A large amount of hydraulic equipment, similar to that used in steel mills, was installed, and did not prove to be suitable for the pulp mill operation and soon after starting production the mill was shut down to be remodeled along a more practical line."

This apparently was in 1893. The mill had struggled through 1892, in which year the Madison Water Company built a pump house on the west wall of the canal under the reservation in the 1890 deeds. (14) In this year also the Manufacturing Investment Company, the Edwards Manufacturing Company, the Skowhegan Water Power Company, Hollingsworth & Whitney, the Moosehead Pulp Company, the Fairfield Junction Mills & Water Power Company and the Lawrence Newhall Company formed the Kennebec Water Power Company chartered by the Legislature, "for the purpose of making such improvements in the Kennebec River and its tributaries as will enable them to store water for the purpose of increasing the volume of water in said Kennebec River in times of drought, either in summer or winter...." Originally each of the participating companies owned one share of stock, and were assessed accordingly. The Kennebec Water Power Company owned no dams, although it had the right to build new dams or take existing dams on certain tributary streams, under certain restrictions. Its activities were originally confined to improvements and operation to prevent undue waste of water.

In 1893, pulp from the Madison mill took a first prize at the Chicago World's Fair. However, by that time the country was in a financial panic. A ten-year abatement of taxes, which had been under fire from the citizens of the community, was upset

by a writ of mandamus from the Maine Supreme Court, enjoining the Town of Madison to tax all property, including the mill of the Manufacturing Investment Company, the woolen mills, the property of the Somerset Railway, the Water Company and the ruins and water power of the Wesserunsett Woolen Company of East Madison. Frederick W. Taylor's contract expired, and either he was not asked to renew it or did not choose to; probably the latter, as he "severed relations with the company". (15) A. Ledyard Smith, an Appleton, Wisconsin real estate broker and insurance agent, who had become associated in some way with the Combined Locks Paper Company in 1889, and had been connected with a Michigan firm for a few years until made Superintendent of the Appleton plant in 1892, became the new General Manager, and located in Madison a little later. R. Somers Hayes apparently replaced William C. Whitney as President about this time. (16) John Jacobs was appointed Superintendent of the Madison mill with Clifton S. Humphreys as assistant. (17)

The mill was shut down in June, 1893, and did not start up again until June of the following year. (18) John Jacobs resigned and Clifton S. Humphreys took over as Superintendent. (19) During the shut-down, a substantial amount of money was spent on alterations, starting in January, 1894. (20) Perhaps the pulp dryers were removed at this time. Anyway, they were gone and had been replaced by wet machines and hydraulic presses by 1898. Production operations continued during the next few years, except that the mill was shut down for some time during the spring of 1897 for high water, which caused a considerable loss of wood. Some new equipment, the nature of which is unknown, was installed

at this time. (21)

Newspaper and trade journal accounts of this period made mention of the necessity of strengthening walls (1894) and that "the original building had canted over so badly that it was dangerous to enter" (1897-8). (22) This may have been the case, although in the writer's experience with this plant, there was no major structural weakness in the mill buildings themselves until much later when the steel began to deteriorate from moisture and acid fumes. These accounts may, however, have referred to the acid towers on the hill east of the railroad. By 1894 these had "warped toward the sun", (23) and had begun to look like the leaning tower of Pisa. They were shored up in that year and probably at other times over the next few years with timber props; were strengthened with tie wires and were guyed with cables in all directions.

In 1895, an entirely new masonry dam was built just below the old wooden crib dam. This had flashboards one foot high, to Elevation 100, producing a head of 14 feet. It did not land on the Anson bridge abutment, as did the old structure, but angled downstream in the middle to make more spillway. There was a log sluice pretty well over to the Anson side. A masonry headgate section with deep gates and a log sluice was also built at the entrance to the canal above the Madison Woolen Company's mill. This job was done by Greenleaf & Merrill (John Merrill of Bangor, who was mason contractor on the construction of the Millinocket mill, and who was the father of C. Neal Merrill, a later Superintendent of the Madison plant). It was not entirely completed until January, 1897, in which year, incidentally,

telephone service was inaugurated in Madison.

Some time in 1898, it was decided to replace the acid towers, and materials were ordered for this purpose. By this time, however, circumstances which will be examined later had led Garret Schenck of Rumford and Charles W. Mullen of Bangor, who had organized the Northern Development Company and been looking for financing for their new pulp and paper mill project at Millinocket, to Col Oliver H. Payne in New York.

Oliver Hazard Payne (1839-1917) was one of the wealthiest men and one of the most widely-known capitalists and financiers in America. A native of Cleveland, Ohio, he was a student at Yale at the outbreak of the Civil War; enlisted, was commissioned First Lieutenant in an Ohio regiment and rose rapidly to the rank of Lieutenant Colonel, commanding the 124th Ohio Volunteers. He is said to have been extremely popular with his men. He was badly wounded at Chickamauga, and in 1865 was brevetted Brigadier-General of Volunteers. He returned to Cleveland at the end of the war and at once became identified with the steel and oil refining industries, in which he amassed most of his enormous fortune. He became Treasurer of Standard Oil Company some time shortly after 1872, and held this position until 1884. His holdings in this company were at one time second only to those of John D. Rockefeller. How this came about is related in "Net Results", published by M.A. Hopf & Co., the edition of March, 1941, as follows:

"When John D. Rockefeller's Standard Oil Company was achieving its first success, its head began thinking about the difficulties and losses caused by excessive competition.

One of the largest competing refineries in the west was owned by Clark, Payne & Co. It was a powerful organization, and Standard's chief Cleveland competitor. Mr. Rockefeller asked Col. Oliver H. Payne to a conference.....Mr. Rockefeller made the same proposal to every refinery. They were to pool their resources with Standard, accept cash or stock for their property, and give up their identity. He gave them representation according to the value of their property or any contribution of service they gave to Standard."

For a very wealthy man, Oliver H. Payne is said to have been quiet and unassuming. His gifts to charitable and educational institutions were so large that until the time of his death they had been exceeded by those of very few men in the United States. He is credited with giving over \$8,000,000 to the Cornell University Medical School alone. He was a Democrat, and until very late in life took an active part in politics, although never on his own account. He succeeded in getting his father, Henry B. Payne, elected to Congress in 1874; failed in having him nominated for the Vice-Presidency in 1880, but was successful in getting him sent to the Senate in 1884. He contributed heavily to Grover Cleveland's campaign fund in that year. His political activities led to charges of bribery and threats of a Senate investigation which, however, never materialized. After 1884, he gradually reduced his oil holdings, and moving to New York, went into banking and became interested in many industrial enterprises, notably the American Tobacco Company, the Tennessee Coal & Iron Company (24) and, of particular interest to us, in the Manufacturing Investment Company.

When, by whatever path, he was approached by the promoters of the Great Northern Paper Company, he was impressed by the possibilities of the Millinocket project, and by Garret Schenck's record. At the same time, he saw a way of getting rid of at least part of the Manufacturing Investment Company headache. He agreed that he would put up or find the money, provided that the new company take over the Madison mill and that Garret Schenck be the active manager. These points being agreed upon, the Manufacturing Investment Company was allowed to go into receivership. It is said that at this time its liabilities exceeded its assets by \$2,000,000. (25) At some point \$500,000 first mortgage bonds had been issued, due November 1, 1896. The mortgage being held by the New York Security & Trust Co. In October, 1896, the term was extended to November 1, 1898. Arrangements were final some time late in 1898. Evander S. Schley, a brother of Grant B. Schley, of the firm of Moore & Schley, Col. Payne's brokers, was appointed receiver and took over the property on February 17, 1899. Col. Payne then bought the Madison mill from the other stockholders at receiver's sale in Newark, N.J. on June 28, 1899. Arrangements had been made for the transfer of the plant to the Great Northern Paper Company, and for its conversion into a paper mill, several months in advance of this date. On March 28, 1899, J. Sanford Barnes, agent for the receiver, wrote to A. Ledyard Smith:

"As the time approaches when the mill will be shut down for good as the Manufacturing Investment Co., it is necessary to decide on some method and rule to govern the distribution of expenses incurred during that shut down, while the property is still under control of the Receiver, but

where most of the expenses are incurred for work of the Great Northern Paper Co. When the shut down takes place, which will be, according to previous instructions, when the brimstone has been used up, all Labor and Material, except that which is involved in shipping out pulp during the month of April, will have to be charged to the Great Northern Paper Co....I would suggest....that you make such subdivisions....as will tend to give a fair idea of what the money was expended for, using some such heads as "Excavating for Ground Wood Plant" or "Excavating for Finishing Room".... or whatever heads may seem best to you....I wish to say that February 17th, the day the Receiver took charge of the property was decided upon by Mr. Schenck, Cap't Hayes, Mr. Ledyard, Col. O. H. Payne and Col. A.G. Paine as the day which would be considered the delivery day of the property outside the materials and supplies involved in operating the mills. In other words, any expenses incurred after that date for improvements to the property were to be charged to the Great Northern Paper Co....I am most anxious to be able to show to as detailed an extent as any reasonable director can demand, exactly how and where the money of the Great Northern Paper Co. is spent. We have an example in the history of the old Manufacturing Investment Co. of how the beginnings of construction should not be and we want to profit by that example and avoid any indiscriminate payment of vouchers."

While the purchase of an existing mill had not been in the plans of the people who had organized for the development at Millinocket, Garret Schenck was quick to take advantage of the oppor-

tunity to get into production well in advance of any date that the proposed Millinocket mill could possibly be completed. Moves to convert the Madison plant into a newsprint mill had been started some time late in 1898, well before the name "Great Northern Paper Company" was adopted, although the directors of Great Northern did not formally vote to buy the property until July 21, 1899. Payment to Col. O.H. Payne at that time was in stock of the Great Northern Paper Company -- 2,250 shares of capital stock and a like amount of preferred -- which, at \$100 par value, would have been \$450,000 for the mill and upper power. In addition, another \$99,995 in cash was paid for inventory, which included, it would appear, 12,578 acres of land in Pierce Pond township. The lower power, the property in Anson and the lots on the Madison side above the railroad bridge would not seem to have been included in this transaction, but provision was probably made for their future acquisition by Great Northern as part of the deal, as will be seen.

The Appleton operation, which had been shut down in 1895 or 1896 was reorganized about this time as the Interlake Pulp & Paper Company, R. Somers Hayes being its first president. Capt. Richard Somers Hayes (1864-1905), who represented Col. O.H. Payne, was an ex-naval officer, an engineer and a railroad man. He had been chief Engineer of several railroads in Texas; President of the International and Great Northern Railroad and a Vice-President of the Missouri Pacific, the Missouri, Kansas & Texas, the Texas & Pacific, the St. Louis, Iron Mountain & Southern and the Wabash, St. Louis & Pacific. At the time of these events, he was a director of the Atchison, Topeka & Santa Fe and President of the St.

Paul & Duluth, and in or about this same period was President of the West Side Construction Company which built the Metropolitan Elevated in Chicago. (26) He was succeeded, as President of Interlake, by J. Sanford Barnes, who was at the same time Treasurer of the Great Northern Paper Company, and he in turn was succeeded by F.S. Rollins, a director of Great Northern, who represented Capt. Hayes' interests.

The \$500,000 bonded indebtedness of the Manufacturing Investment Company was not discharged with the sale of the Madison mill to the Great Northern Paper Company. The bonds were held by Col. O. H. Payne, who made a deal to extend the term of the mortgage, apparently indefinitely. In November, 1916, Interlake was sold to Consolidated Water Power & Paper Company, and so ends the story of the Manufacturing Investment Company.

APPENDIX I  
NOTES -- CHAPTER VI

- (1) Dictionary of American Biography
- (2) Smith
- (3) Clark
- (4) Ibid
- (5) Ibid
- (6) Wescott
- (7) Clark
- (8) Ibid
- (9) Wescott
- (10) Clark
- (11) Ibid
- (12) Ibid
- (13) Smith
- (14) Clark
- (15) Ibid
- (16) Smith
- (17) Clark
- (18) Smith
- (19) Clark
- (20) Smith
- (21) Ibid
- (22) Ibid
- (23) Clark
- (24) Dictionary of American Biography
- (25) Smith
- (26) Dictionary of American Biography

## APPENDIX II

## REFERENCE BIBLIOGRAPHY -- CHAPTER VI

Emma Folsom Clark: "History of Madison", Compiled in collaboration with William and Violet Cassidy, Marguerite B. Hurd and Blanche Wilma Look. 1962. Knowlton McLary Co., Farmington, Maine. Author's Note: It is our understanding that this history was written in the expectation that the Town of Madison would provide funds for publication. When it did not, Mrs. Clark, who died before 1960, left the manuscript to a friend or relative, with the stipulation that it was never to be published. In that year, the writer was allowed to excerpt such passages as referred to the Great Northern Paper Comapny. It has since been published, under what circumstances we do not know.

Dictionary of American Biography. Charles Scribner's Sons. New York. 1962.

David C. Smith: "Lumbering in Maine 1861-1960", University of Maine Studies, No. 93. University of Maine Press, Orono, 1962.

Author's Note: Information in this and other chapters was taken from the typescript of this work, several years before publication, and while the writer has tried to make sure that it appears in the published edition, there may be some discrepancy.

Cecil W. Wescott: "A Brief History of the Local Great Northern

Paper Mill" 1951. Madison, Maine. Typed copy from the files of the Kennebec River Pulp and Paper Company. We have no information as to whether it was ever published.