THE UTILIZATION OF WHITNEY RAPIDS:  
FROM SAWMILL TO PAPER COMPANY  
1831-1908

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ABSTRACT

The primary purpose of this work is to determine why the Nekoosa Paper Company was established at Nekoosa and to trace its history and development. To adequately cover the topic, it is necessary to follow the utilization of Whitney Rapids from the time the first sawmill was built until the paper company came into existence. A history of the enterprises preceding the paper mill is essential for, had they been successful, the mill may never have been built. The success or failure of various businesses is explained, and some insight is given into the lives of the most significant entrepreneurs.

The growth of the paper company from 1893 to 1908 is examined with a concentration on the building of the mill, its expansion, and the problems it encountered. An attempt is made to indicate how the mill affected the economy of the area and why it consolidated with other mills in 1908.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>CHAPTER</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. WHITNEY RAPIDS: THE SITE OF A PIONEER</td>
<td>1</td>
</tr>
<tr>
<td>SAWMILL</td>
<td></td>
</tr>
<tr>
<td>II. THE NEKOOSA LUMBERING COMPANY</td>
<td>18</td>
</tr>
<tr>
<td>III. THE BIRTH OF A PAPER MILL</td>
<td>40</td>
</tr>
<tr>
<td>IV. PROGRESS AND PROBLEMS</td>
<td>55</td>
</tr>
<tr>
<td>V. THE ROAD TO CONSOLIDATION</td>
<td>68</td>
</tr>
<tr>
<td>VI. CONCLUSION</td>
<td>78</td>
</tr>
<tr>
<td>SELECTED BIBLIOGRAPHY</td>
<td>82</td>
</tr>
<tr>
<td>APPENDIX</td>
<td>89</td>
</tr>
</tbody>
</table>
LIST OF ILLUSTRATIONS

<table>
<thead>
<tr>
<th>FIGURE</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Points of concern along the Wisconsin River</td>
<td>4</td>
</tr>
<tr>
<td>2. Lumber rafting on the Wisconsin River</td>
<td>89</td>
</tr>
<tr>
<td>3. Nekoosa Paper Company's dam and mill in 1894</td>
<td>90</td>
</tr>
<tr>
<td>4. Interior of the mill showing paper machines one and two</td>
<td>91</td>
</tr>
<tr>
<td>5. Nekoosa Paper Company's dam and mill in 1896 showing the new sulphite plant</td>
<td>92</td>
</tr>
</tbody>
</table>
CHAPTER I

WHITNEY RAPIDS: THE SITE OF A PIONEER SAWMILL

Navigable rivers have played an instrumental role in the development of frontier areas in the United States. Settlements generally arose along rivers and expanded to the interior, eventually being joined by trails or roads. To the pioneer, waterfalls or rapids were an unwelcome sight since they required portage resulting in inconvenience and loss of time. But at times the advantages of a swiftly flowing and unnavigable stream eclipsed the disadvantages. A dam or water wheel often forced a river to perform on behalf of man.

The Wisconsin River, without rapids for the first 200 miles upstream from its mouth, was an inviting avenue of transportation for the adventurer. Since the Wisconsin discharged into the Mississippi, its value was clear to the earliest settlers.¹

Lac Vieux Desert, a body of water of about ten square miles, 1,650 feet above sea level, formed the source of the Wisconsin. The river descended about 1,046 feet in an estimated length of 429 miles, or about two and a half

feet per mile. Underlying Precambium rock concentrated the descent at various places, the greater falls being in the 150 miles between Rhinelander and Nekoosa. By forming a barrier to erosion, the rock caused numerous rapids; in fact all the waterfalls or rapids with but one exception, (Wisconsin Dells), were located in the Precambium region.

Wood County, the general focus of this study, was well-endowed with rapids and natural dam sites. In the 15 miles the Wisconsin River flowed through Wood County, it dropped approximately 100 feet. The southernmost rapids in this northern section of the river was Whitney Rapids, located near Point Bas, a place the Indians named Bungehjeiwin, "end of rapids." Whitney Rapids was named after Daniel Whitney, a pioneer Wisconsin businessman, but the area later became known as Nekoosa, an Indian name meaning "the place of the rapid waters."

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2Ibid., pp. 105-112.
3History of Northern Wisconsin (Chicago: Western Historical Company, 1881), p. 1193.
6"Prospectus of the Nekoosa Lumbering Company," Nekoosa-Edwards Archives.
Daniel Whitney was born in Gilsum, New Hampshire, where he spent much of his younger life, arriving in Green Bay in the summer of 1819 (some sources say 1820), at the age of 24.\(^8\) During the winter of 1820-1821, Ebenezer Childs, a future sheriff of Brown County, built a store for Whitney three miles above Fort Howard on the east side of the Fox River. Whitney then left Green Bay, in January, 1821, and traveled on foot to Detroit where he obtained supplies. In the spring he returned with a large assortment of goods and opened the largest store west of the lakes.\(^9\)

Despite the fact that Wisconsin to the west and north was an extensive wilderness inhabited only by Indians, Whitney made long journeys through this area. During 1821-1822 he was sutler for the U.S. troops at Fort Snelling in Minnesota. Being acquainted with the Fox and Wisconsin Rivers, he established trading posts at either end of the portage and offered transportation service across. He also operated trading posts at Sault St. Marie and along the Mississippi River. While working at Fort Snelling, on


Figure 1. Points of concern along the Wisconsin River.*

December 21, 1821, Whitney started on foot with an Indian
guide to Detroit via Prairie du Chien and Green Bay.
Exemplifying physical courage and tremendous endurance,
you traveled approximately 850 miles in 42 days.10

Between the years 1822 and 1827, Whitney spent much
time in the transportation business operating on the Fox-
Wisconsin waterway. His first venture up the Wisconsin
north of the portage took place during the winter of 1827-
1828, when he obtained permission from Menominee Indians
to cut timber and make shingles on the upper Wisconsin.
He employed 22 Stockbridge Indians and one white man to
supervise the party. Ebenezer Childs, an early-day Green
Bay broker and agent, supplied the workers with provisions.
Childs guided them up as far as the confluence of the
Yellow and Wisconsin Rivers in present day Juneau County,
where they proceeded to build a mill.11

The Menominees, who claimed the whole region,
welcomed Whitney and his men, but the more hostile Win­
nebagoes, who also claimed the area, objected to this
infringement on their property. Members of the tribe
complained about the trespassers to the government agent
at Prairie du Chien. He in turn dispatched an investigator
accompanied by a military escort from Fort Winnebago.12

12Smith, Loc. Cit.
The fort, in the process of being constructed between the Fox and Wisconsin Rivers, was the consequence of a recent Winnebago uprising.13

Childs had left the men and returned to the portage for supplies. Upon stopping at the fort, he learned that Whitney did not have official permission to settle in the Yellow River area. Major Twiggs, commander of the fort, told Childs that the Indian agent would not allow Whitney's men to do business in that region. Twiggs stated that his forces were at the disposal of the agent and if Whitney refused to leave, he would be removed. The major demanded that Childs vacate the area. Childs, a stubborn individualist, refused to heed Twiggs' warning, arguing that Whitney could get along with the Indians and had been invited into the region. Twiggs refused to listen and repeated his warning.14

Shortly after his encounter with Childs, Twiggs and a detachment of soldiers arrived in Whitney's camp. They confiscated some of the shingles and burned others. Childs estimated that Whitney lost over $1,000 in the episode,15 but others placed the damage as high as $1,800.16

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15Ibid.
Several of Whitney's business associates imply Twiggs used lumber confiscated from Whitney to build part of Fort Winnebago, but it is generally accepted that the soldiers cut their own wood for the construction of the fort. The possibility does remain, however, that Twiggs may have realized some financial gain from the shingle incident. In a letter to his commanding general just prior to Whitney's misfortune, Twiggs implied it was not necessary to manufacture shingles because he had other ways to acquire them.

Whitney initiated a law suit against Twiggs for his actions, but he eventually abandoned the case after the Major was transferred. Twiggs' character was often criticized. A contemporary, Henry Merrell, described the Major as a "large, portly, pompous man, with a reputation of being an arbitrary overbearing officer." Childs' views were much the same, "a little god who could do as he pleased in his own estimation." There was much talk

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17History of Northern Wisconsin (Chicago: Western Historical Company, 1881), p. 1194.


19Reuben Gold Thwaites, Collections of the State Historical Society of Wisconsin, XV (Madison: State Historical Society of Wisconsin, 1900), pp. 72-73.


21Ibid.
concerning his unjust acts, such as horsewhipping the surgeon and other unmerciful whippings, and later, when commanding men in the Civil War, Twiggs turned traitor and surrendered to the Confederates.\textsuperscript{22}

During his sojourn into the Yellow River area, Whitney pioneered the cranberry industry in the territory. Previous to his arrival the Winnebagoes harvested cranberries which grew wild in the marshes of central Wisconsin. They stored them for the winter, but had no means of selling the surplus. Whitney saw possibilities of marketing them through the Wisconsin-Mississippi waterway. He hired Ebenezer Childs who succeeded in finding a market for the berries in the lead mining regions of southwestern Wisconsin and northern Illinois.\textsuperscript{23}

Whitney, being an active speculator, was aware of the possibilities for development of the lumber industry on the Wisconsin River, and his next venture centered around an area which became known as Whitney Rapids. An abundance of pine forests and an available power source made the location an ideal site for a lumber mill. The Menominee Indians in the area encouraged Whitney to build by granting him permission to "erect mills and occupy

\textsuperscript{22}Ibid.

a quantity of land at or near the rapids of the upper Wisconsin."\(^{24}\)

On September 8, 1831, the War Department approved the Menominee's grant.\(^ {25}\) The contract required Whitney to saw "all the lumber required for the proper use of the Menominee nation or the government of the United States at a reasonable expense." Whitney also agreed to deliver to the Menominee chiefs at the mill site varying quantities of powder, shot, flints, tobacco, pipes, and corn, totaling $67.50 per annum. The agreement was for a period of ten years. A stipulation required Whitney to yield control of the area to the government when requested by an authorized officer.\(^ {26}\)

Whitney also engaged in lumbering at Duck Creek below Fort Howard; the present city of Neenah; the Rat River area; and at Stockbridge.\(^ {27}\) But he was particularly interested in the Nekoosa mill and its ability to serve expanding markets to the south. The demand in the north was limited. With the exception of the military posts, a few missionary stations, lead miners, and persons connected with the Indian trade, the whole of what now


\(^{25}\) Ibid.

\(^{26}\) Ibid., p. 10.

constitutes the state of Wisconsin was "entirely destitute of white inhabitants until about 1835."28

By the early 1830's the agricultural frontier had pushed its way down the Ohio Valley to the treeless prairies of Illinois and the area west of the Mississippi. The fertile soil offered the pioneer an opportunity to develop a prosperous farm, but wood vitally needed for his buildings was not present. Fortunately northern Wisconsin contained a seemingly inexhaustible supply of building timber.29

In the early years of the industry, only white pine interested the lumbermen. It was light, workable, and easily transported by water. Before railroads were built into the forest (1870's), Wisconsin rivers were the only transportation facility.30 Whitney's Nekoosa mill, situated on a navigable river in the heart of the northern timberland, was well-located. At Whitney's time present Wood County contained within its limits a source of forest wealth, predominantly pine, exceeded by few other sections in the state.31

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30 Ibid., pp. 6-7.

the area and his associations with the Indians, Whitney was familiar with the potential of the region.

Construction of the mill at "Point Bas" in 1831 made it the first non-military lumbering establishment on the Wisconsin River. David R. Whitney, Daniel's nephew and partner, operated it for seven years until his death in 1838. He was replaced by A.B. Sampson until 1842 when Sampson left to supervise his own enterprise in Grand Rapids. In all, the mill operated for about 15 years.32

The primary markets for lumber sawed at Whitney's mill were the Mississippi Valley and southern Wisconsin. It also produced lumber used in the construction of the first house in Madison.33 The type of machinery employed in the mills is in doubt. It was most likely a whipsaw in a frame connected to a water wheel in the river. This was a common method of operation at the time.34 The minimum price paid for lumber rafted from the mill to as far south as Galena, Illinois, was $25 per thousand feet. In the early 1830's this cost was as high as $60 to $70 per thousand, but in 1856 it had fallen to $20 per thousand.35

32 Ibid., pp. 442-443.


During the same year that Whitney was engaged in the construction of the Wisconsin River sawmill, he played an active role in the formation of the Helena Shot Tower Company. The shot tower, which produced lead bullets, was constructed from lumber cut at Whitney's mill and floated down the Wisconsin. Whitney took advantage of the activity in the lead region by building a trading store at Helena in addition to his two storehouses on the portage.36

Besides the buildings connected with the operations of the tower itself, Whitney built machine shops, a large merchandise store equipped with goods from St. Louis and Green Bay, warehouses, a blacksmiths shop, and a lumberyard where he sold pine sawed at his mill on the upper Wisconsin. Helena and the northern sawmill provided a perfect combination of seasonal employment for Whitney's workers, for the closing of water transportation in the fall marked the beginning of the logging season.37

Whitney's lumbering operation on the Wisconsin was virtually free from competition until 1836 when Amable Grignon and Samuel Merrill built a sawmill near the present city of Port Edwards (approximately three miles up the river).38 But the upper Wisconsin never really "opened up"


37 Smith, Op. Cit., pp. 299-300

to the logging industry until 1836 when Governor Henry Dodge made a treaty with the Menominee nation at Cedar Point. His diplomacy acquired from the Menominees all the territory between the Wolf River on one side, and Lake Winnebago, the Fox River, and Green Bay on the other, and northward into Northern Michigan. Besides this area he purchased rights to a strip of land along the Wisconsin River six miles wide and 48 miles long. The area extended from Point Bas, (the site of Whitney's mill), up to Big Bull Falls, (Wausau). He subsequently gathered rights to the southernmost pine land on the Wisconsin River, a purchase promoted by lumbermen seeking to tap the great reserves of white pine in the area.

The Indian treaties of the 1830's coincided with prosperity throughout the nation. Settlers and speculators in Wisconsin bought 878,014 acres of land before December 13, 1856. Because of fruitful returns from investment in the Eastern lumber industry, capitalists considered Wisconsin timberlands a wise venture. The panic of 1837 brought the wave of land speculation to an end, but the lumber industry continued to grow to meet the demand for


wood in the Mississippi Valley.\footnote{42}  

In 1836 the Indians ceded the 48 mile strip to the government. After land three miles wide on either side of the river had been surveyed, (1839), it was subdivided and sold at the United States land office in Mineral Point, the heart of the lead mining region.\footnote{43} Many lumbermen did not wait for the survey, but rapidly settled the area. By 1841 all available mill sites along this part of the river had passed into private hands, and villages arose along its banks.\footnote{44} The modern cities of Nekoosa, Port Edwards, Wisconsin Rapids, Plover, Stevens Point, Mosinee, and Wausau were at one time sawmill settlements. In 1842 this region had 24 mills operating 45 saws and by 1857, 107 mills were turning out lumber.\footnote{45}

These new enterprises presented Whitney's Nekoosa mill with much competition. Under closer supervision and additional investment the mill would have been more successful, but Whitney had business interests in various parts of the territory. He did not give much personal attention to the mill once it became operative, although he did maintain full control of it until 1854 when he sold half interest

\footnote{42}{Ibid.} \footnote{43}{Rosholt, Op. Cit., pp. 21-22.} \footnote{44}{Raney, Loc. Cit.} \footnote{45}{Ibid., p. 203.}
to Moses M. Strong, a Mineral Point lawyer, politician, and speculator.46

The Territorial Census of 1836 fixed the population of Crawford County, which included most of Western Wisconsin and parts of Minnesota, at 850. Daniel Whitney was listed as a resident of Brown County with a "family" of 49. This figure no doubt includes his far scattered workers in frontier sawmills, lumber camps, and the Helena operation.47

Aside from the shot tower at Helena, Whitney's other major achievement was to plot the downtown section of the present city of Green Bay. To this tract of low, swampy land, he gave the name Navarino. At first he was laughed at for picking such a site, but later developments proved his choice a wise one.48

Real estate bargains periodically attracted Whitney's attention. From 1828 to 1833 he purchased land at the Fox-Wisconsin portage, assuring himself a prior right to any future land route or waterway between the rivers.


Later he became president of a canal corporation in that area. He owned land in Sheboygan, Rock, Calumet, Iowa, Marquette, Winnebago, Brown, Wood, and Manitowoc Counties. Altogether, according to his own listings in 1850, he owned land in nine counties totaling 10,000 acres including approximately 500 city lots, all of which, together with improvements, he estimated to be worth $270,000. Whitney valued his Nekoosa mill and 1,000 acres of land at $11,700, a small part of his total wealth.49

Robert Merrill, a state senator and traveling companion of Whitney's, referred to him as, "one of the most enterprising men in the west... a cheerful companion and an estimable man."50 Moses M. Strong, a business partner, called Whitney "the most enterprising trader in the Northwest."51 Despite these qualities, he was often land poor, over-extended, and pressed for cash. He is referred to as being a generous man, but shrewd in driving a bargain, and held in high esteem by his fellow townsmen.52

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49 Ibid., pp. 295-298.
Hence, through the efforts of Daniel Whitney, Nekoosa became the site of the first sawmill on the Wisconsin River. The water power available, vast stands of white pine and friendly Indians influenced him to build there. It was never a prosperous mill primarily because its small size limited output. Whitney's interests were diversified and the mill suffered from lack of improvements and capable management. Nevertheless his mill on the Wisconsin influenced the movement of the lumber industry up the river.
CHAPTER II

THE NEKOOSA LUMBERING COMPANY

After 1840 the cry of "timber" became a familiar sound in the white pine district of the upper Wisconsin, but frequent waterfalls and rapids on the extreme northern section of the river inhibited the movement of lumber. Consequently the upper Wisconsin pinery region from 1840 to 1870 was limited to an area between Neekoosa, (Whitney Rapids), and Merrill. By 1857 there were over 3,000 men engaged in lumbering on the Wisconsin River.¹ Most of the future lumber barons and skilled workers migrated from eastern regions to speculate in a growing industry or to obtain work at attractive wages. Since the pioneers in Wisconsin's lumber industry were generally without money, it was relatively easy for others to gain control of a potentially profitable mill.²

Men with diversified interests invested in the lumber industry. Moses M. Strong, a native of Vermont and resident of Mineral Point, was a man of many interests.


A graduate of Litchfield Law School, Strong held various governmental positions and was active in politics most of his life. He was the most influential delegate to the state constitutional convention in 1846. Through his governmental positions, he became aware of opportunities for investment in northern Wisconsin. In 1847 he made his first venture into the lumber industry when he agreed to help finance construction of a dam and sawmill on the Wisconsin River near Plover. Within six months he acquired full control and in another year purchased a second mill. Strong never fully devoted his talents to lumbering until 1856, when he organized the Nekoosa Lumbering Company.

As early as 1851 he had plans for establishing a company that would monopolize the pine timber business on the Wisconsin River. That year he visited Maine "for the purpose of enlisting the attention of capitalists in what may be made a very lucrative business on the Wisconsin River, namely the manufacture of pine timber." Upon his arrival he advertised in the Bangor Daily Whig and Courier for "some experienced practical lumber manufacturer, of enterprise, industry, and integrity" to join him as a partner in the lumber business. The legislature of

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Wisconsin encouraged Eastern investment by setting the legal rate of interest at 12 per cent, and by repealing laws calling for forfeiture of the principal if a higher than legal rate of interest was agreed upon by contract. In 1855 a writer boasted that Wisconsin laws gave "a freedom to the value of money unknown in any other state in the union."¹ But despite these inviting circumstances, Strong was unable to find investors.²

Between 1851 and 1856 he delegated the management of his lumber mills to his agent in Stevens Point and turned his promotional talents to railroad building, financing his purchases of stock in the Mineral Point and the LaCrosse and Milwaukee railroads with income derived from his leased mills. In 1856 he sold one of his Stevens Point mills and invested the money in land near Whitney Rapids where he planned to build a dam and mill, and plot the town of Nekoosa when he had sufficient capital. This undertaking marked the first full-scale attempt to harness the rapids and establish a town.³

For many years lumbermen had realized that Whitney Rapids was an excellent location for a sawmill. Advantages were numerous: it was the "lowest rapids" on the river; high banks permitted the construction of a dam; the river had a natural fall of 18 feet; and there was an abundance

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¹Ibid. ²Duckett, Op. Cit., p. 150. ³Ibid.
of local white pine. Strong had first become interested in the Nekoosa property when the Mineral Point land office sold territory in that area after the government survey of 1839. Daniel Whitney still owned the water power and adjacent lands, although his original sawmill was no longer operative. In December, 1852, he hired Strong to appraise his land holdings in the vicinity of Whitney Rapids. In a letter to Strong, Whitney indicated that "in a few years Point Basse [Bas] will be the best point for a town on the Wisconsin River." Strong was impressed by the potential of the site and invested in December, 1854, purchasing one-half control of the water power from Whitney. He also gained control of timberlands bordering the area and encouraged his brother, George, to do the same.

On March 28, 1856, the state legislature issued a charter to the Nekoosa Lumbering Company, the incorporators being Orlando Curtis, Albert G. Ellis, Moses M. Strong, Daniel Whitney, and George W. Strong. Capital stock of $500,000 was authorized and Curtis was hired to sell

10 Wisconsin Pinery [Stevens Point], Jan. 22, 1858.


$230,000 worth by January, 1857. Albert G. Ellis was editor of the Wisconsin Pinery, a Stevens Point newspaper, and Strong's agent in lumber and land sales in the Stevens Point area. In the early 1850's Strong borrowed $500 from Ellis which may have been repaid through stock in the Nekoosa company.  

George Strong served primarily as a seeker of funds, particularly in New England, but was as unsuccessful as his brother had been five years earlier. He also sought to hire an experienced lumberman to supervise the Nekoosa operation, since neither he nor his brother had knowledge adequate to build and operate a lumber mill.

The capital stock of $500,000 was divided into 10,000 shares of $50 each of which subscriptions were to be issued for only $300,000 or 6,000 shares. Money received from the sale of stock was to be used to purchase water power and adjacent lands (from George and Moses Strong, and Daniel Whitney). The stock subscriptions were also to pay for construction of a dam, boom, mills, and for acquisition of additional timberland. The remaining 4,000 shares would


14A.G.Ellis to Moses Strong, Feb. 5, 1855; April 3, 1855; and Sept. 16, 1855, Ibid.

15George Strong to Moses Strong, May 22, 1856; June 20, 1856; June 23, 1856; and June 24, 1856, Ibid.
be reserved as working capital and issued as required.16
The corporation had power to purchase, sell, and manufac-
ture logs, timber, lumber, shingles, and lath.

The charter placed limitations on the types of
buildings the company could construct, and defined the
type of dam to be built.17 Since it was not feasible to
drive timber down the upper Wisconsin, logs were processed
into rough lumber which was made into rafts capable of
running the numerous rapids and dams, and of avoiding
piers and other man-made obstructions.* State law required
that navigable streams be kept open to traffic at all
times. Persons or corporations constructing an obstruction
were required to provide an inclined chute or slide over
which lumber rafts could glide to the water level below.
Often dam companies were liable for damage their obstruction
caused to lumber rafts,18 but Nekoosa received legislative
exemption from this provision.19 A clause in the charter
allowed the company to process any "stray logs" which were
found in the river at the dam, provided an accurate account
was kept of logs acquired in that way. This was an unusual
provision since the Nekoosa concern intended to drive logs
from upstream, and it would have been easy to steal logs

*See Appendix, Figure 2.
from mills they passed, making it difficult to ascertain which logs were "stray logs." 20

Although the company's prospectus may have been propagandistic, it provided some insight into the proposed method of operation. Emphasizing the numerous "advantages" of the site over the mills upstream, it pointed out that the Wisconsin River above Nekoosa was composed of a succession of rapids and eddies with a wild current of 10 to 20 miles per hour which lumber had to navigate. It required courage and skill to run a raft over these obstacles, and pilots received from $5.00 to $15.00 per day. The more hazardous rapids of the upper Wisconsin demanded an eight-man crew to navigate them. This was a substantial expense. 21 Since the Nekoosa mill was to be located on the "lowest rapids" on the river, the lumber could be sent cheaply and directly to the markets on the Mississippi.

The cost of running a thousand feet of lumber from Wausau to Nekoosa was approximately $4.00, whereas logs could be driven the distance for 50 cents, a savings of $3.50 per thousand feet. 22 Furthermore, loss from breakage of rafts and scattering of lumber could be avoided by  

20 Ibid.


22 Prospectus of the Nekoosa Lumbering Company, 1856, Nekoosa-Edwards Archives.
driving logs. Raft construction wasted time at an additional cost. Lumber shipped from Nekoosa to the Mississippi markets could be sent in larger rafts than those which had to run the rapids. These increased the value by at least $2.00 per thousand feet.23

The prospectus listed other advantages of the Nekoosa site. A fleet of lumber floated from the upper mills on high water consumed much time in running the rapids, and in waiting for another rise before continuing. This layover cost at least $1.00 per thousand feet. Lath, edgings, and smaller pieces of lumber wasted at the upper mills could ride the decks of rafts leaving Nekoosa since no serious rapids were encountered on the journey to market. At least $1.50 per thousand feet could be saved by this procedure. Another anticipated advantage was the speedy return of capital. In the upper mills two years elapsed between the cutting and marketing, while at Nekoosa the logs were converted into lumber and marketed in the same year.24

The pamphlet concluded that logs were worth $11.00 more per thousand feet at Nekoosa than at mills up the river. The pecuniary advantages of the Nekoosa site would have allowed the company to "pay such a price for logs leaving a wide margin for profits...that ultimately if not immediately [it would] secure...a monopoly of the

23Ibid., pp. 8-9.  
24Ibid., pp. 9-10.
lumbering business on the Wisconsin River." Illustrating
the savings previously mentioned, the prospectus concluded
that mill owners upstream would be better off to let
"their mills lie idle and rot on their foundations, [rather] than encounter competition at such a disadvantage."25

The prospectus further claimed that it would be more
profitable for mill owners above Nekoosa to sell logs
to the Nekoosa company than to raft lumber to Mississippi
markets. It estimated that the average total cost of
rafting a thousand feet of lumber from mills above Nekoosa
to St. Louis varied from $17.50 to $19.50. The average
value of lumber at St. Louis in 1856 was $20.00 per thou-
sand feet, leaving a profit of 50 cents to $2.50 to mill
owners above Nekoosa. The Nekoosa company anticipated
a total cost of from $12.00 to $14.00 per thousand feet
to raft lumber to St. Louis leaving it a profit of $6.00
$8.00 per thousand.26

Figures quoted by a Stevens Point lumberman and
published in the Wisconsin Pinery in Jan. 1854, dis-
agreed with the Nekoosa company's prospectus. It estimated
that the total cost of running lumber from above Nekoosa
to St. Louis at $12.50 per thousand feet. If sold for
$20.00 in St. Louis, a profit of $7.50 per thousand feet
would be made.27 The major discrepancy was the estimated

25Ibid., p. 12. 26Ibid.
27Wisconsin Pinery, Jan. 2, 1854.
cost of running lumber to Nekoosa. Several reasons were cited for the disagreement. The Nekoosa prospectus used the figures for estimated money saved by not having to run lumber to Nekoosa as the cost of rafting lumber from Wausau to Nekoosa. The figures in the Wisconsin Pinery were for lumber rafted from Stevens Point, thus avoiding Big Bull Falls at Wausau and Little Bull Falls at Mosinee, two of the most difficult and expensive to run. The prospectus also failed to mention the possibilities of log jams, conflicts with boats, and dam troubles which plagued the log drivers. It emphasized that Whitney Rapids was the "lowest rapids" on the river, but said nothing of the problems encountered and possible losses in running the dam and dells at Kilbourn City, (Wisconsin Dells), and the hazardous railroad bridges below that point.29

Claims that a branch of the LaCrosse and Milwaukee Road was to pass through Nekoosa also proved unrealistic. The proposed road became a victim of the panic of 1857, at a loss of over $30,000 to Moses Strong, one of the founders.31

The Nekoosa sawmill was to be a modern plant utilizing the most up-to-date machinery. The dam and booms


(used to store logs), were to be of "the most substantial and permanent character...as to never yield even to the wildest stages of the river." The prospectus accentuated the durability of the dam and booms; "if every boom and dam above should be swept away at the same time, they would all be brought up and the floating property preserved at Nekoosa."\textsuperscript{32}

The company proposed to erect mills capable of manufacturing 250,000 feet of lumber per day. Operating eight months a year, with 25 working days a month, 50,000,000 feet would be cut per annum. The directors of the Nekoosa Lumbering Company intended to capture over 45 per cent of the lumber industry on the Wisconsin River.\textsuperscript{33}

The financial crisis of 1857 hindered the sale of Nekoosa stock. Curtis encountered difficulty in selling subscriptions to Eastern capitalists, and the corporation could not begin building the dam or mill.\textsuperscript{34} The original company was modified in 1857 when Daniel Whitney, in need of money, sold his portion of the water power to Moses Strong. Whitney's land holdings in the proximity of the rapids were purchased by Moses and George Strong, and the two brothers proceeded to gain full control of the water


\textsuperscript{33}Ellis., Op. Cit., p. 444.

\textsuperscript{34}Orlando Curtis to Moses Strong, Oct. 22, 1856, Strong Lumber Papers.
power and 1,700 acres of adjacent land.\footnote{George Strong to Moses Strong, July 26, 1857; and S.J. Carpenter to Moses Strong, July 27, 1857, \textit{Ibid.}} Unable to find investors in the East, they increased their efforts in Wisconsin and succeeded in interesting two Stevens Point men, lumberman John Slothower and machinist S.J. Carpenter in the project. In September, 1857, Slothower subscribed to $16,000 worth of stock for a note of $12,000, and Carpenter took $4,000 worth of stock for a note of $3,000. Moses Strong valued the land and water power at $40,000.\footnote{Carpenter to Moses Strong, Aug. 1, 1857; and Sept. 7, 1857; John Slothower to Moses Strong, May 16, 1857; and Moses Strong to Ellen Strong, Nov. 13, 1859, \textit{Ibid.}}

Strong then hired Carpenter to make drawings of the non-existent city of Nekoosa to stimulate sales of stock. In January, 1859, the fabricated drawings were completed. The city included a "circular street on the bluff bank and alleys to every lot" with a "nice Gothic Villa" overlooking the river. The availability of water transport was indicated by a steamboat in the river just below the mill, preparing to load lumber piled on the bank. The colorful drawings were impressive, but unsuccessful in raising money.\footnote{Carpenter to Moses Strong, Nov. 23, 1857; and Jan. 25, 1858, \textit{Ibid.}}

While Carpenter was busy drawing sketches of the town, Curtis was drafting blueprints for the mill. In a
letter to Strong in February, 1858, his former agent, newspaper editor A.G. Ellis remarked that he had seen Curtis' drafts for the Nekoosa mill, and if the works were put up accordingly, it would be the most "comprehensive lumbering establishment in the Northwest if not the whole world." He indicated that the mill was creating much excitement in Stevens Point and assured Strong he would have little difficulty selling stock in another year.38

Approximately a month prior to this, Ellis published an article in the Wisconsin Pinery concerning the new mill on the Wisconsin River; "...judging from the character of those engaged in the operation it should be a success." Ellis was a charter member of the corporation in 1856, but apparently relinquished his stock during the crisis of 1857 when it was doubted that the mill would materialize.39

Because of his political aspirations, Strong did not devote much time to the Nekoosa project. Carpenter supervised construction and was directly responsible to Strong, since he held the controlling interest. But from 1858 to 1862, when his organizational skill was most needed, Strong was preoccupied running for state assemblyman and congressman, and directing the state Copperheads.40

38 Ellis to Moses Strong, Feb. 20, 1858, Ibid.

39 Wisconsin Pinery, Jan. 22, 1858.

Carpenter, who was so involved that he built a house in Nekoosa was left to carry much of the burden alone.  

Carpenter needed greater financial backing to continue with the improvements at Nekoosa, for he and Slothower had little money and encountered difficulty in making payments on their stock holdings. Slothower, the greater investor, had most of his money tied up in a lumber shipment to St. Louis. The panic of 1857 lessened the demand for wood and when lumbermen continued to ship to the Mississippi markets, prices dropped from $20.00 per thousand to $3.00 and $5.00 per thousand feet in 1858.  

Slothower realized little profit when he sold his lumber in the fall of 1858.  

In the previous summer, Goodhue and Company, a Stevens Point lumbering firm, expressed interest in purchasing half of the Nekoosa property. Strong decided not to sell any of the land, but encouraged Charles Goodhue to purchase $20,000 worth of stock. Since the stock previously issued was valued at $40,000, "Strong - $20,000, Slothower - $16,000, Carpenter - $4,000," Goodhue would

\footnote{Carpenter to Moses Strong, May 9, 1858, Strong Lumber Papers.}

\footnote{Robert F. Fries, Empire in Pine (Madison: State Historical Society of Wisconsin, 1951), p. 75.}

\footnote{Carpenter to Moses Strong, Aug. 11, 1858, Strong Lumber Papers.}
control one-third of outstanding stock.\textsuperscript{44} He was impressed with the potential of the Nekoosa project, but failed to invest because of a "tight" money market.\textsuperscript{45}

Internal problems plagued the company during the summer of 1858. Slothower remained in St. Louis and refused to travel to Nekoosa for meetings or to offer any financial assistance. A disenchanted Carpenter informed Moses Strong that he believed Slothower would "back out" of the project. For his part, Slothower advised Strong that Carpenter had "involved us in considerable debt with no purpose of profit," and stated that Carpenter was a "very expensive man" to deal with.\textsuperscript{46} The conflict between the stockholders was temporarily resolved in a meeting in the fall of 1858. The directors decided to cut enough timber during the winter to facilitate building a dam in the summer of 1859. Carpenter was in charge of the timber cutting operation, but found it a more arduous task than expected. Because of the "tight" money, men would not work unless the financial status of the employer guaranteed payment. Carpenter had no handy cash, and was authorized

\textsuperscript{44}Charles Goodhue to Moses Strong, May 10, 1858; and Moses Strong to Goodhue, June 8, 1858, \textit{Ibid.}

\textsuperscript{45}Goodhue to Moses Strong, Feb. 1, 1859, \textit{Ibid.}

\textsuperscript{46}Carpenter to Moses Strong, Aug. 11, 1858; and Slothower to Moses Strong, Aug. 29, 1858, \textit{Ibid.}
to offer stock for services rendered. In a letter to Strong he reflected the workers' attitude toward receiving stock, "It is difficult in these times for working men to see any value in the stock when their necessities compel them to work for something to eat for themselves and families." 47

Conditions were so bad that Carpenter was forced to work in the woods with the men. Credit was unavailable and he had no cash with which to purchase supplies. In February, 1859, Carpenter wrote to Strong and requested a suspension of operations because of the poor financial status of the company. Taxes on the property were due and he had no money to pay them. In desperation, Carpenter asked Slothower for $12,500 to carry the operation through the winter. Slothower said it was "utterly impossible" and referred Carpenter to Strong as a source of money. Carpenter called Slothower's behavior "children's play" and refused to have anything more to do with him. There was no money to pay the men, they refused to work, and the company suspended operations in March, 1859. 48

Carpenter initiated several plans to rescue the company from financial collapse. He proposed to have

47 Carpenter to Moses Strong, Oct. 3, 1858, Ibid.

48 Carpenter to Moses Strong, June 24, 1858; June 25, 1858; March 28, 1859; Feb. 5, 1859; and Slothower to Moses Strong, March 28, 1859, Ibid.
drafts of the Wisconsin Valley lithographed illustrating the opportunities available, and entered into negotiations to sell land at Point Bas to a Kilbourn City steamboat line interested in making the point its northern terminus. Strong consented to the money-making schemes, but vetoed a proposal to mortgage the property; he doubted it would bring its worth. He advised Carpenter, who wanted to begin work on the mill, to concentrate on building the dam, but refused to come to Nekoosa. Ultimately disheartened by the lack of progress and the death of his brother, George, Moses Strong laid aside the Nekoosa project and returned to the practice of law and politics.

Although he did not have sufficient capital to do any work during the summer of 1859, Carpenter remained interested in developing the Nekoosa site. In search of money, he met with Slothower who reiterated his previous stand of non-involvement. Carpenter discovered that he could obtain a personal loan from a California friend, but the man would not loan money to the company. He requested that Strong sell him the water power and the adjacent strip of land, and traveled to Mineral Point in April, 1860, to discuss the matter.

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49Carpenter to Moses Strong, June 20, 1859. and Moses Strong to Carpenter, June 27, 1859, Ibid.


51Carpenter to Moses Strong, Aug. 5, 1859, Strong Lumber Papers.
Meanwhile, George Strong had willed his Nekoosa lands to his wife, Ellen. She turned the management of the property over to Moses, who had complete autonomy in handling it. In return, she requested whatever share of the property he thought just. Moses suggested selling the water power and immediate land, but wanted to keep the town property which would increase in value when the water power was developed. Ellen accepted one-half of the property, more than she felt she deserved. She was pessimistic about the future of the area, but expressed hope that the "strength and energy of the Strongs would prevail even though the distracted state of the country must effect even the strongest hearts." 52

At the Carpenter-Strong meeting in Mineral Point, the two men reached an agreement by which Carpenter was to eventually gain full control of the water power and the strip of land in the immediate vicinity. The contract stipulated that Carpenter would build a dam, with guard lock and slide for running lumber, and a boom capable of storing logs that would make 20,000,000 feet of lumber. Sawmills equipped with gang saws and rotary saws capable of manufacturing 150,000 feet of lumber per day were to be constructed. The dam was to be completed by July 1, 1861,

52 Moses Strong to Ellen Strong, Nov. 13, 1859; Jan. 9, 1860; and Ellen Strong to Moses Strong, Oct. 11, 1859; and Jan. 2, 1869, Ibid.
and the balance of the facilities by July 1, 1863. Upon fulfillment of the contract, Strong would forfeit ownership of the water power and adjacent lands to Carpenter. Carpenter had no means of his own, depending on his Western friend for financial support. 53

Carpenter and his crew completed the dam by December, 1860, at a cost of about $15,000, and began immediately cutting timber for the mill at an expense of from $4,000 to $5,000. When the ice went out in April, 1861, the high water washed out the guard lock and about 50 feet of the dam. The breaks in the dam caused the river to fall, prohibiting movement of rafts over it. Lumbermen up the river regarded the dam as an obstruction to lumber rafting and removed an additional 50 feet. It took $2,500 to repair the damaged dam, 54 and when Carpenter appealed to his California friend for more capital, he found him unwilling to support the project. The outbreak of the Civil War discouraged speculators who feared that violence would ruin the Mississippi Valley lumber market. Unable to find investors, Carpenter forfeited the contract in September, 1861.

Carpenter and Slothower's insolvency left Strong the sole stockholder, and he hoped to find other parties

53 Moses Strong to Ellen Strong, Oct. 2, 1861, Ibid.
54 Moses Strong to Ellen Strong, Oct. 2, 1861; and Sept. 19, 1865, Ibid.
to take up the work and complete the project. He planned to sell the water power to improve his finances, but keep the town land and profit from its increased worth.  

In July, 1861, Isett and Brewster, an Iowa banking concern, expressed interest in the Nekoosa venture. Strong encouraged them, but the chaotic state of the country was overpowering: "No present man would invest a large amount of money in any enterprise at this time."  

Strong estimated he had spent $575.35 from 1859 to 1864 in search of investors. During the same period he paid $743.79 taxes on the Nekoosa property, an average of $123.96 per annum. In the fall of 1865 his finances were so low that he wrote to his sister-in-law, Ellen, and requested her to pay him $434.93, her share of the taxes he had paid. He was having difficulties in meeting the current taxes and asked Ellen to pay half of them in the future.  

All of Strong's problems concerning Nekoosa were not financial. His absentee ownership also proved to be a disadvantage. Squatters settled on his land and local lumbermen filched timber from the area. Sawmills in the

55 Ibid.

56 Thomas M. Isett to Moses Strong, July 22, 1861; and Aug. 2, 1861, Ibid.

57 Moses Strong to Ellen Strong, Sept. 19, 1865; and Powers to Moses Strong, Dec. 22, 1861, Ibid.
vicinity used his abandoned Nekoosa shop as a supply depot and took what they needed. His hopes of repairing the dam expired in August, 1862, when lumbermen tore out the remainder and burned it.\textsuperscript{58}

In the winter of 1862 Strong gave up interest in the Nekoosa project and established the Phoenix Mining Company in southern Wisconsin. Throughout the war he realized little return from the endeavor and was financially incapable of reviving the Nekoosa mill. He continued to try to sell the water power until 1870, when he began to believe that railroads would bring an end to the lumber rafting era, and that the steam engine would replace water powered sawmills. In September, 1886, he deeded his Nekoosa holdings to his daughter, Agnes, and granddaughter, Anna, with hope that "during their life times its great natural advantages" would be "appreciated by discriminating and enterprising capitalists."\textsuperscript{59}

Thus the Nekoosa Lumbering Company never materialized and the town, dependent upon the mill was vacated. In their attempt to capture 45 per cent of the Wisconsin River lumber industry, the directors of the company undertook

\textsuperscript{58}George Gardner to Moses Strong, Jan. 16, 1860, Robert Wakely to Moses Strong, Jan. 6, 1862, Mrs S.J. Carpenter to Moses Strong, Aug. 10, 1862, and Moses Strong to Ellen Strong, Sept. 19, 1865, \textit{Ibid.}

a monumental task. After the drastic financial condition of the country led to the dissolution of the original corporation, a smaller version was planned by S.J. Carpenter who may have succeeded had he had financial support to rebuild the dam. Throughout the brief life of the company the desire and industriousness of Carpenter was one of the few bright points. Strong was too preoccupied with his political life to be of any significant assistance and Slothower rapidly lost faith in the company when lumber prices dropped. Carpenter's California friend refused to contribute after the Civil War broke out, and Carpenter lost his life fighting for the Union forces. With his death in 1863, the Nekoosa Lumbering Company perished.
CHAPTER III
THE BIRTH OF A PAPER MILL

By 1880 Whitney Rapids had lost its appeal as a site for a lumber mill. It was no longer essential for a mill to be built on a river; steam engines replaced water wheels, and railroads transported lumber to market. The once vast stands of white pine in the vicinity of the river were depleted, and lumber mills moved inland to tap the unexploited territory. The town of Nekoosa, plotted by the lumber company in the late 1850's, ceased to exist when the company failed to become operative. Workers who had settled there moved to the neighboring towns of Centralia and Grand Rapids (Wisconsin Rapids). The dissolution of the town was completed when the principal store was floated downstream to Lone Rock and made into a hotel. The town disappeared, but the cascading waters of the Wisconsin River remained. The high banks and relatively narrow channel continued to be an inviting site for an industrial plant, though the great expenditure necessary to erect a safe and enduring dam discouraged possible investors.¹

George Wood, a Grand Rapids real estate agent, realized the potential of the location, and on December 3,

1887, purchased the water power and 1,000 acres of land from Moses Strong for $4,500. Wood controlled the property until November 17, 1888, when he sold it to Thomas E. Nash for $8,000. Nash was one of the largest cranberry growers in the state, and at that time was operating a flour mill in Grand Rapids. He first entered the Wood County area in 1877 as the station agent for the railroad at Centralia, and was elected to the state legislature in 1884. In 1885 Postmaster General William F. Vilas appointed him chief clerk, and he left Centralia to reside in Washington. Through working with Vilas, he formed a cordial, lasting, and eventually profitable relationship. ²

In 1887 the Centralia Pulp and Water Power Company established itself eight miles upstream from Nekoosa. The mill initially produced ground wood pulp, but it added two paper machines in 1890 and became the first paper mill on the Wisconsin River.³ The president of the corporation was close to Nash and possibly influenced him to become involved in the paper industry. In December, 1891, Nash first displayed his interest in the growing industry when he appealed to J.A. Kimberly, a Fox River Valley paper magnate, for financial support to construct a paper mill

²Ibid., pp. 250, 312.
at the Nekoosa site. The president of the Kimberly-Clark Corporation offered no support other than his best wishes, and hinted that the paper industry was a poor investment because of the scarcity of good pulp wood and rising costs. Referring to the possibility of a profitable paper industry developing in the proximity of Nekoosa, he stated: "The Wisconsin River Valley has merit but not as great as the Fox River." 4

Nash was only temporarily discouraged. In the winter of 1892, L.M. Alexander, secretary-treasurer of the Centralia company wrote Nash and informed him the company was making 20 per cent profit at the mill. Another investor, "Mr. P." [probably A. W. Patten] told him that his Fox River paper business was making 40 per cent. 5

Inspired by these comments, Nash continued to search for investors and succeeded in getting the backing of L.M. Alexander and Frank Garrison of Centralia, A.W. Patten and John McNaughton of Appleton, and William F. Vilas, former Postmaster General. All of the larger investors were actively engaged in industry. Alexander was secretary of the Centralia paper company and president of the John Edwards Manufacturing Company, a lumber mill located three

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4J.A.Kimberly to Thomas E. Nash, Dec. 22, 1891, Ibid.

miles upstream at Port Edwards. Patten was president of the Neenah Paper Company and one of the largest investors in the paper industry along the Fox River Valley. McNaughton was secretary-treasurer of the Neenah Paper Company and general manager of Patten's affairs. 6

These men organized the Nekoosa Paper Company in January, 1893, with capital stock of $350,000 to be distributed at $100 a share. Nash transferred the property (915 acres), and water rights to the company for $50,000 worth of capital stock. He became president at a salary of $1,800 a year, Frank Garrison was vice-president, and L.M. Alexander secretary-treasurer. 7

Before construction could begin, various problems had to be overcome. Since the closest railroad was over three miles away and the town was not settled until after the mill construction commenced, the location lacked mail service, transportation, and telephone connections. The Chicago, Milwaukee and St. Paul Railroad completed a spur line from Port Edwards to Nekoosa by June, 1893, alleviating the transportation problem. The line was built to the mill without any expense to the company other than the forfeiture of right of way. The railroad granted Centralia rates for


7 Merrill, Loc. Cit.
both "in" freight and "out" freight and extended a rebate on all timber, lumber, cement, lime, and machinery received before December 1, 1893. To rectify the inconvenient mail situation, Nash appealed to William F. Vilas, a stockholder with connections in Washington, and through his influence, mail began arriving six times a week starting August 31, 1893.8

Excavation for the mill and dam started as soon as weather permitted. Excess dirt was used for leveling streets and a log storage area adjacent to the mill. The town of Nekoosa, plotted in the spring of 1893, was to be located on the west side of the river on land owned by the company. To insure full control of the town site, the company purchased an additional 40 acres of land from George Wood at the "high price" of $1,500. Despite the cost, directors of the company considered it a "judicious investment," since the future "loop district" and railroad depot were to be located there. The town land was completely cleared and 198 lots plotted by the summer of 1893. By December, 60 lots had been sold at an average price of $65.00. The company was confident that "if times would improve," the remaining 138 lots would be sold and the

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previously purchased lots would be paid for.  

Construction of the dam and mill began in July, 1893, after completion of the railroad. During the first month a labor shortage induced the company to solicit workers. The local newspaper, the Wood County Reporter, published a notice throughout the month of July that work was available for 60 to 70 men at $1.50 to $1.75 a day. This rate was considerably higher than the $13.00 to $20.00 a month paid for workers in area woods. But a rumor had spread through central Wisconsin in June that work on the plant had been suspended because of a financial crisis, and this may have contributed to the difficulty in obtaining workers. The newspaper denounced the gossip and by July 24, the dam crew was completed, and construction was underway at $1.75 a day. Work was still available for anyone interested in doing common labor at the mill site for $1.50 a day, but by October, the only work remaining was exceptionally heavy labor in the stone quarry.  

In August, 1893, the company completed the stone foundation for the mill and was progressing on the first.

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10 Wood County Reporter, July 13, 1893; and Oct. 19, 1893.

story. The dam was only half finished, for the crews encountered granite in the excavation for flumes and water wheel pits. The stone required steam drills and dynamite before it yielded.

The company employed 250 men and 16 teams of horses during the peak of construction. About 200 of the men were residents of Wood County; others came from such towns as Phillips, Appleton, Mauston, and Kaukauna. The monthly payroll varied from $10,000 to $14,000. The local paper testified to the area's indebtedness to the project stating that, "The progress of this extensive plant during the stringency of the money market is the means of giving employment to a large number of men who would otherwise be idle." Two months later the paper made a more sweeping statement; "No two cities in the state are suffering less by the hard times than Centralia and Grand Rapids." The paper indicated that the Nekoosa Paper Company had paid out nearly $14,000 in wages the previous month, and that the people had much to be thankful for.

As the mill grew so did the town. Three new business establishments opened in August; these, with the saloon, restaurant, boarding house and grocery store

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13 Wood County Reporter, Oct. 19, 1893.
built previously, formed the heart of the business district. Some construction workers, guaranteed jobs when the mill began operation, built houses in the new town. Better telephone communication and improved local streets and roads to Port Edwards helped the population reach 415 by 1895.  

The dam cost $56,199.44. It was 888 feet long, 64 feet wide at the base, and 22 feet high, composed of one continuous crib of 12 by 12 timbers packed with granite rock reinforced with over 20,000 wagon loads of fill. The head it raised furnished power during all seasons to 37 horizontal turbines set in stone flumes.

The mill buildings cost $132,141.50. The company used the finest materials available. Walls were brick; floors were formed from plank laid on timber, and the roof was composed of plank laid on timber supported by iron trusses. Bricks, a size larger than normal, were purchased from a Watertown manufacturer at $5.75 per thousand; 1,211,500 of these large bricks were used, whereas use of the regular size would have required 1,541,500. Use of the large bricks was a shrewd idea, since bricklayers were paid by the number of bricks they laid rather than by the

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14 Ibid., Aug. 31, 1893; and Aug. 8, 1895.

hour. A Kaukauna company, hired to do the brick work, charged $4.25 a thousand excluding the 140 foot smoke stack for which the rate was $6.50 a thousand. Steam heated a portion of the mill; hot air warmed the rest. The company purchased doors and windows from an Oshkosh firm, and had electric lights installed by a Minneapolis company. 16*

A mill producing a consumer product such as paper demanded the finest equipment available in order to compete successfully. The grade of paper produced depended upon the quality of pulp, experienced supervision, and a superb paper machine. The directors of the Nekoosa company realized this and sought the best machine they could buy.

In February, 1893, acting on behalf of the Nekoosa Paper Company, Thomas E. Nash wrote to A. Aldrich, president of the Beloit Iron Works, regarding the purchase of two new Fourdrinier paper machines. The Beloit company had been recommended by Secretary-Treasurer Alexander who three years earlier had negotiated the purchase of two machines for the Centralia Pulp and Water Power Company. Nash also asked an Eastern manufacturer, Rice, Barton, and Fales Machine and Iron Company, of Worcester, Massachusetts,


*See Appendix, Figure 3.
to send estimates to Nekoosa. Both companies enthusiastically replied they had the best machines available.

Aldrich offered the Centrailia machines as examples of the quality of his company's work, and the Massachusetts company referred to its excellent reputation in the Eastern papermaking region.¹⁷

Previously, the Beloit company had built a paper machine for exhibition at the World's Columbian Exposition in Chicago, and in March, 1893, Aldrich attempted to interest Nash in purchasing it as soon as the fair closed. The machine, built to advertise the company's product, represented the ultimate in design and actually produced paper on the fair's midway. The company invested practically all of its surplus funds in hopes that the machine could be sold at the end of the Exposition. The panic of 1893 forced the company to sell the 106 inch machine to gain liquid capital. Consequently, though Aldrich, in March, asked $21,000 for it, he sold it in April to the Nekoosa company for $19,240. A plaque awarded at the Exposition for a "very high standard of workmanship and productiveness [illustrating] a great advancement in the art of papermaking," attested to the machine's capabilities. Charles S. Barton, president of the Massachusetts company, expressed disappointment when informed of Nekoosa's choice.

¹⁷Charles S. Barton to Nash, March 6, 1893; and A. Aldrich to Nash, March 17, 1893, Ibid.
He had anticipated the order for both machines, but was confident his company would get the order for a 116 inch machine in the near future. The Massachusetts company was eager to get one of its heaviest and most modern machines into the Midwestern papermaking region.  

A disagreement developed in the fall of 1893 over the effect the panic had on the price of the machine. A.W. Patten, a large stockholder, indicated that the recent price rise was uncalled for since the cost of labor and material had been lowered due to the panic. Barton replied that labor had not changed and that the drop in the cost of material did not pertain since the parts were purchased before the panic took effect.

Barton was surprised that the Nekoosa stockholders favored buying another Beloit machine at a lower price; he emphatically stated that he had studied Beloit's product at the World's Fair and "it couldn't compare with [our] machine for a moment." Apparently Barton's argument was convincing; in November, 1893, Nekoosa purchased its second machine from his company at a cost of $24,350.  

18Barton to Nash, April 27, 1893; Barton to A.W. Patten, Nov. 18, 1893; and Aldrich to Nash, March 24, 1893; and March 30, 1893, Ibid. J. Marshall Buehler, "Paper Machine with a Hallmark," The Papermaker, XXXIII. (Spring, 1964), pp. 45-47.

19Barton to Patten, Nov. 18, 1893, and First Annual Report to Stockholders 1894, Nekoosa-Edwards Archives.

*See Appendix, Figure 4.
The total cost of real estate, buildings, and equipment for the original mill and dam was $489,546.01, a tremendous expense in such unstable times. During the year most of the construction took place (1893), more business failed than in any previous year in the nation's history. The mill survived primarily because of the financial stability of the investors and the increased demand for print paper. One of the major purchasers of Nekoosa paper was the J.W. Butler Company, a Chicago distributing firm, which signed a business agreement in the fall of 1894.

In 1894 the Nekoosa mill hired 113 men at a standard wage of $1.25 per eleven hour day for common labor. They worked an average of 28 days a month, and thus earned an average annual wage of $420. This compared favorably with the $417 national average annual wage of employees in the paper and wood pulp industry in 1894.

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20 1894 Balance Sheet, Ibid.


The mill proved to give an impetus to the economy of the area by consistently meeting payroll demands and purchasing most of its pulp wood from local farmers. Prior to the mill, great quantities of wood had been burned or destroyed because of lack of apparent use. In the last decade of the nineteenth century, the company paid $1.50 to $2.50 per cord for pulp wood cut in four foot lengths and at least three inches in diameter. 24

Creation of the Wood County Bank in the spring of 1894 indicated the prosperity of the area and the financial status of the mill's directors. Frank Garrison was president, L.M. Alexander, vice-president, and Thomas E. Nash was on the board of directors. The bank was capitalized at $50,000 with these men and William F. Vilas being major stockholders. By the turn of the century this bank was the most prosperous one of the three in the twin cities of Centralia and Grand Rapids. 25

From the beginning the irregular flow of the Wisconsin River hindered dam construction and papermaking. The Minocqua and Tomahawk Dam Companies controlled reservoirs in the head waters of the Wisconsin. Reflecting their management by logging concerns, they held water back during


25Wood County Reporter, April 12, 1894; and Jan. 23, 1900.
the river's low stages in order to float logs down the river in dry periods. This tactic was disastrous to the mills and in 1895, several of them shut down because of low water. That same year a bill introduced into the state assembly questioned the legality of this holding action. But it received little attention and manufacturing interests along the river decided to organize the Wisconsin River Hydraulic Association for the purpose of maintaining a steady flow of water. Thomas E. Nash, instrumental in the formation of the association, appealed to upstream logging concerns to join, but fearful of conflicting interests, they refused.

The projected Hydraulic Association failed, although several interested parties (including Nash), purchased the Minocqua Dam Company with the hope of solving future water problems. With the exception of a seasonal water shortage, the mill ran at full capacity during the summer of 1895, and the company made plans to construct an addition to house a third paper machine to be purchased in 1896.

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26Ibid., Sept. 27, 1894; March 7, 1895; and Sept. 12, 1895. T.B. Scott Lumber Company to Nash, Sept. 17, 1895; Nekoosa-Edwards Archives.

27Wood County Reporter, June 13, 1895; and Nov. 14, 1895.
Nash succeeded where others had failed primarily because he encountered little difficulty in finding investors, since the prosperity of other mills proved the industry to be profitable. The new mill benefited from technological advances; being one of the first in Wisconsin to produce paper strictly from ground wood pulp and equipped with modern machinery. Wages were among the highest in the area, and it offered steady employment to residents of the rapidly growing town of Nekoosa. The financial crisis and initial problems of production caused concern, but the wealth of its stockholders and a growing demand for paper promised the area a bright future.
CHAPTER IV

PROGRESS AND PROBLEMS

The company enjoyed prosperity throughout the depression of the 1890's, declaring a 15 per cent dividend on all capital stock, effective February 1, 1896. As the demand for paper continued, new equipment improved the mill's capacity, and with the addition of a third paper machine print production rose to 50 tons a day, the largest on the Wisconsin River. In the spring of 1896, the company began construction on the most costly addition to the mill since its inception in 1893. This was a sulphite mill with a 30 ton capacity. Equipped with the most modern machinery available, it cost approximately $90,000. Its completion made the Nekoosa complex the greatest industrial plant on the Wisconsin River.1*

The sulphite plant was necessary to add strength and durability to the paper product. Paper made from ground wood pulp was weak because its component fibers


*See Appendix, Figure 5.
were short, whereas sulphite chemical pulp produced a long, stronger fiber of superior quality. Due to the expense of the process, a mixture of the two varieties was usually used in the manufacture of print paper. 2

In 51 weeks of operation in 1896, the company paid wages totaling $80,972.14 and employed an average of 200 workers per month, although during the construction of the sulphite mill as many as 242 were on the job. The company operated on an 11-hour day and a 13-hour night shift; the average wage was $8.00 a week (approximately the same as 1894), but eight men received over $18.00 a week. Three boys under 18 and seven women were paid $4.50 to $5.00 for a week's work. The company produced print paper, the primary market being newspapers, and encountered no labor problems during the first three years of operation. 3

The sulphite mill was completed by May, 1897, and the company initiated a "plant beautification program." It received international attention during the summer and fall of 1897 when paper manufacturers from China and Sweden visited to learn the art of sulphite papermaking. In addition, a number of industrialists throughout the United


States as well as the superintendent of the Oconto Falls sulphite mill praised the plant as one of the finest in the nation. Throughout the fall and winter of 1897 more improvements were made and the mill ran at capacity.4

Reflecting the close business relations between paper mills in the Grand Rapids area, several companies formed the Northern Paper Company in February, 1897. This corporation, composed of the Nekoosa Paper Company, John Edwards Manufacturing Company, Centralia Pulp and Water Power Company, and the Grand Rapids Pulp and Paper Company, was formed for the purpose of purchasing pulp wood for member mills. The mills, with the exception of the latter, were controlled by the same people and had interlocking directorates. The president of the Northern Paper Company was Thomas E. Nash, the vice-president was L.M. Alexander, and the treasurer was F. Garrison. Through the corporation the members hoped to obtain pulp wood at lower prices.5

During the winter of 1897-1898, the handling of pulp wood became a serious problem. An average of 100 sleighs carrying two to three cords a load, and several railroad cars arrived daily. Nash purchased ten used

4Wood County Reporter, April 1, 1897; May 13, 1897; May 20, 1897; Sept. 9, 1897; Oct. 7, 1897; and Nov. 11, 1897.
5Ibid., Feb. 11, 1897.
logging cars with the hope of solving the troublesome task of transporting logs around the mill. These, pulled by horses, proved to be inconvenient and costly. Realizing a locomotive would be economically more feasible, Nash purchased a used switch engine from a Chicago concern for $20,000. He computed that it would pay for itself within three years. 6

Despite the purchase of the Minocqua dam, the water shortage problem again became apparent in January, 1898. The Minocqua Dam Company, composed of Wisconsin Valley industrialists, had entered into a contract with the Eagle River Dam Company to insure adequate flow of water throughout the year. The Eagle River company acted fraudulently, since it did not have the amount of water stored for which it contracted to release. Consequently, the Minocqua company drew steadily upon its reserve, and lowered the water level of lakes above the dam. Located on the Tomahawk River south of Minocqua, the dam became the subject of great controversy, and legal efforts were made to have it removed. Conservationists objected because it prevented fish migration, and lumbermen protested that it impeded the running of logs. Extremely low water in the summer of 1898 intensified their discontent, and on June 9, the dam

6Nash to F.M. Pease, Oct. 19, 1897; H.K. Porter Company, Feb. 9, 1898; and Fritz-Hugh Company, Feb. 18, 1897, Nekoosa-Edwards Archives.
was destroyed by dynamite. Nash was greatly disturbed and "extremely anxious to have the guilty parties punished." 7

There was much concern in Minocqua about the destruction of the dam: bridges were washed out; thousands of dollars worth of property was damaged; and the previously beautiful lake shore was turned into mud. Much resentment was displayed toward the Minocqua Dam Company for its inability to maintain the dam according to law. In the fall it constructed a new dam and the local newspaper urged businessmen to take action to stop construction as it was only a "nuisance and detriment" to the community. Built according to law, the dam functioned well and resolved previous bitterness. 8

Despite low water and destruction of the Minocqua dam, the Nekoosa company more than doubled the previous years' output of paper. It paid $104,000 in wages and declared a ten per cent stock dividend to be paid by February 1, 1899. During that year it added pulp facilities and remodeled the wood room. The mill had an excellent relationship with the town; it built recreational areas, contributed to churches, and paid 90 per cent of the total

7 L.M. Alexander to Herman Finger, Jan. 21, 1898; and Henry Sherry, Jan. 21, 1898; Nash to Lake Shore Lumber Company, March 23, 1898; and E.R. LeFevre, June 11, 1898, Ibid.

8 Minocqua Times, June 9, 1898; July 17, 1898; July 14, 1898; and Sept. 29, 1898.
collected taxes. The major handicap of the company was its inability to provide adequate safety standards for the men. Hardly a week passed without someone being seriously injured; men were constantly getting their clothing caught in machines, hands crushed by rollers, or lacerated by flying belts.9

During the summer of 1898, The Manufacturer's Paper Company contracted for the total output of 12 Midwestern paper mills, including four Grand Rapids area mills. Nekoosa, producing 60 tons of paper daily, was the largest producer to contract with the firm. The Manufacturer's Paper Company was a cooperative marketing outlet sponsored by member mills, with offices in New York and Chicago, that sold newsprint to large newspapers throughout the country. The Nekoosa company affiliated with it for only a few months, primarily because Nash felt the Midwestern mills should act independently of Eastern concerns. The directors wanted to join the marketing company to be assured of an outlet during the slack period of the depression, but Nash convinced them that a slump was natural following a phenomenal rise.10

9 1898 Report to Stockholders, Nekoosa-Edwards Archives. Wood County Reporter, April 28, 1898; May 5, 1898; May 12, 1898; June 2, 1898; and Aug. 18, 1898.

In the summer of 1899 the company experienced a decline in sales, and the following winter fought a severe pulp wood famine. Lack of snow prevented the hauling of wood in the customary manner, and mills flooded with orders could not fulfill their demands. The Centralia and Grand Rapids mills were forced to shut down, but Nekoosa continued to operate by utilizing wood stockpiled for emergencies. The demand for paper, as well as its price increased when the J.W. Butler reserve house in Chicago burned, and several newspapers in Chicago, Cleveland, Indianapolis, and Kansas City began to purchase newsprint manufactured at Nekoosa.11

Hardly had the company weathered this crisis when fire jeopardized its future in January, 1900. A paper machine, temporarily shut down for repairs, suddenly burst into flames. Within minutes the entire 90 by 170 foot machine room was blazing. The fire, fed by oil and dry paper dust, rapidly spread to the adjoining finishing room which was relatively empty because of the heavy demand for print paper. Fortunately the mill was equipped with pumps and hoses, and the night shift eventually brought the blaze under control. The village of Nekoosa had no fire department, so the company summoned help from Grand

11Wood County Reporter, June 22, 1899; Sept. 21, 1899; Nov. 2, 1899; and Jan. 11, 1900. Guy Nash to Thomas Nash, March 30, 1900, Nekoosa-Edwards Archives.
Rapids. The Grand Rapids steamer covered the eight miles in about 30 minutes including loading time; no time was consumed unloading because it arrived just in time to see the fire extinguished. But the near disaster emphasized the need for a local fire department and Nash helped finance one.

Total fire damage was estimated at $40,000, a sum entirely covered by insurance. But the company had to absorb a heavier loss encountered by the delay in manufacturing paper while the machine was being repaired.12

The rising cost of raw material and static prices paid for the finished product encouraged 18 paper mills to combine and form the General Paper Company. L.M. Alexander was secretary and T.E. Nash was a director of the corporation organized in the summer of 1900 to sell the products of its member mills at set prices. The association was for all purposes a trust since it controlled the Midwestern paper market, but it hoped to avoid being condemned as such. A price list and statement of purpose was published and sent to all potential customers. Newspaper interests immediately objected to the "trust," but the government did not bring suit against it until 1904.13

12Wood County Reporter, Jan. 18, 1900; and Mar. 15, 1900.

English papermakers visited the central Wisconsin paper mills and expressed astonishment at the intelligence of operation and speed at which the Nekoosa mill was run. They freely admitted American mills were far superior to European ones. The new, $43,000, 128 inch paper machine was especially impressive, and its addition solidified Nekoosa's position as the largest paper manufacturer in the state. George Whiting, a prominent Neenah industrialist, referred to the Nekoosa mill as "the giant of them all," a title acquired in just seven years of operation. In 1900 the company diversified its product by producing manilla and fibre paper in addition to newsprint. The mill was running at capacity, utilizing four machines to produce 80 tons of paper daily.\textsuperscript{14}

From time to time, however, there were complaints. In 1900 the Kansas City Times, a major buyer of newsprint, voiced disapproval at the quality of "white paper" obtained from Nekoosa. It indicated that Nash was not fulfilling his promise to equal the quality of paper used by its competitor, The Kansas City Journal. To illustrate the difference, the newspaper sent copies of the two papers and pointed out that the rival paper was whiter, cleaner, and free from specks. The Kansas City company demanded that

\textsuperscript{14}Contract between Persey and Jones Company and Nekoosa Paper Company, May 25, 1900, Nekoosa-Edwards Archives. Wood County Reporter, July 5, 1900; Aug. 9, 1900; and Sept. 13, 1900.
the quality improve or it would fail to renew its order.\textsuperscript{15} Exactly what caused the paper to be inferior was not known, but it may have been dirty water or not enough pulp used in its manufacture. Paper made during the shortage of pulp wood several months previous to the objection may have been sent to Kansas City.

The decade 1891-1901 was a prosperous one for the central Wisconsin River Valley. In less than 30 miles, from Stevens Point to Nekoosa, five paper mills of tremendous capacity maintained the area's economy. The population more than doubled, to 25,000, and Nekoosa grew to a prosperous community of 1,200 people. Wages paid in the Nekoosa mill were more than double the national average for the paper and wood pulp industry, and the company's success enabled Thomas Nash to build a $40,000 "castle," the mostly costly residence in the thriving city of Grand Rapids.\textsuperscript{16}

Despite prosperity, labor unions made strenuous efforts to organize the paper industry. Early in 1902 Fox River Valley paper workers went on strike at the urging of Eastern representatives of the United Brotherhood

\textsuperscript{15}Kansas City Times to the Nekoosa Paper Company, June 18, 1900; and June 21, 1900, Nekoosa-Edwards Archives.

of Papermakers. Initially the strike talk evaded Nekoosa since it paid higher wages and workers signed yellow-dog contracts.

But in February union representatives visited Nekoosa in an attempt to organize workers. After they felt that they had the necessary unity, the union, in a letter to Nash, demanded that the working week be lowered from 72 to 65 hours, the work day begin at 7:00 A.M. rather than 6:00 A.M., the mills be closed at 5:00 P.M. on Saturdays, and week-end workers be paid time and a half. If these conditions were not met, the union threatened, the workers would strike on April 5. Nash replied that the union had over-estimated its control of the men and the demands were too "ridiculous to be seriously entertained." He doubted the men would strike because of cordial relations that existed between the workers and the company, and he stated that no "organizer or bloodsucker" representing an alleged union would ever be permitted to inject his "vile slandering lies" between workers and management.17

Nash became more concerned about a possible strike when Stevens Point papermakers walked off the job in late February, and an editorial in the Wood County Reporter

17Wood County Reporter, Jan. 23, 1902; Feb. 6, 1902; and Feb. 27, 1902.
appealed to the workers not to strike, but to take differences directly to management. Nash reached an agreement in March, granting a portion of the workers' demands, but he refused to recognize the union. Men were awarded time and a half for week-end work and were not obligated to work Sundays except in case of emergency.

The union failed to win the right to represent all the workers, but it did capture a small following and sought to pull the men off the job on April 5. Two days prior to the deadline, the Nekoosa company announced that every man who did not report for work as scheduled would permanently lose his job. On April 5, 55 men refused to report for work, three of the four paper machines were shut down, and Nash had a strike to settle for the first time. Fortunately, no violence occurred, even when non-union men replaced the strikers. There was little picketing, since most of the unemployed went to work for the railroad and shoveled sand for $1.75 a day. This was a substantial drop from the $3.35 received at the mill, but enough to get along on. By May 1, the mill was running at capacity again without a union man on the premise.18

Thus, skilled management continued to rescue the company from its troubles and allowed it to profit. From 1896 to 1902 the company expanded, adding a sulphite plant

18Ibid., Feb. 27, 1902; March 6, 1902; March 20, 1902; April 3, 1902; April 10, 1902; April 24, 1902; and May 1, 1902.
and paper machines, engaging in railroading, and joining a cooperative marketing outlet. But with the expansion came problems: the company's dam at Minocqua was blown out, fire nearly destroyed the mill, and the first strike temporarily halted production. But these were overcome and the mill retained the title of the largest industrial complex on the Wisconsin River.
CHAPTER V

THE ROAD TO CONSOLIDATION

From 1902 through 1904 the Nekoosa Paper Company reclaimed prosperity. The plant operated steadily with the exception of the autumns of 1903 and 1904 when it shut down briefly because of high water. Despite a strike by Fox River Valley papermakers, labor relations were consistently good; higher wages and the manner in which the company handled the previous strike discouraged any recurrence. During this period much of the mill was remodeled, concrete floors replacing plank, and timber beams giving way to steel. In an attempt to make the factory more pleasing in appearance, the company landscaped the grounds and enclosed them with a white-washed fence.

Despite its sustained volume of production, the rising cost of raw materials limited the company's profits. Pulp wood shipped from northern Wisconsin, Michigan, and Canada reached a peak price of $4.50 a cord in 1906. Since the mill consumed over 35,000 cords a year, this increased expense greatly concerned the directors. To help solve the pulp wood problem, Nash purchased timberland in northern Wisconsin and shipped wood to Nekoosa.

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2Wood County Reporter, Aug. 9, 1904; Jan. 27, 1905; and June 6, 1907.
Inconsistent flow of the Wisconsin also remained a problem. The controversy over the legality of the actions of the Minocqua Dam Company had already indicated need for a regulatory body controlled by the state or acting under its auspices. The failure of the Wisconsin River Hydraulic Association in 1895 had revealed the difficulty in satisfying all parties concerned.

Paper mill owners influenced initiation of a proposal in the state legislature to permit formation of a company to control the river. The group would have been granted the power to construct dams in northern Wisconsin creating huge reservoirs primarily in Vilas County. An assemblyman from that county, supported by conservationists, objected to the bill, feeling passage would ruin the natural beauty of the area by "turning beautiful lakes into cesspools." Other factions protested the proposed company's right to eminent domain, its power to tax logs, and to collect tolls from owners or lessees of water power on the Wisconsin and its tributaries. Opponents did agree that the company should be state controlled to prevent it from operating exclusively for personal gain. The paper mill interests maintained that the beauty of Vilas County would be enhanced, and that action beneficial to paper mills would be advantageous to all industries utilizing the Wisconsin.3

3Ibid., May 12, 1905; and April 4, 1905.
Responding to this opposition the legislature passed a modified bill in September, 1906, incorporating the Wisconsin Valley Improvement Company. The corporation authorized capital stock of $100,000 to be distributed at $100 a share. Thomas E. Nash was a charter member and director, and the Nekoosa company held 34 shares. Men affiliated with paper mills, lumber mills, and power companies along the river controlled the stock.4

The corporation formed was to make the river more serviceable for navigation and for power consumers by storing water in seasons of floods and releasing it in times of drought, making the flow as uniform as possible. The state placed restrictions on the size of dams to minimize the flooding of valuable timber and farm land. No dam or reservoir could be constructed unless the plans were approved by the state board of forestry. To make the company more palatable to conservationists and lumbermen, all dams erected had to provide sufficient fishways and adequate slides, chutes, guide booms, and piers for the passage of logs. All industries utilizing the Wisconsin paid tolls in proportion to the amount of benefit received from the reservoir system.5

To eradicate any misconceptions about its purpose, the Improvement Company distributed a brochure stating its

4"Wisconsin Valley Improvement Company," a brochure distributed by the company, 1906, Nekoosa-Edwards Archives.

5Ibid.
intentions. It emphasized that Wisconsin rivers were capable of producing more power than those of any other state east of the Rockies excluding the Canadian boundary. Since the state and the federal government showed little interest in developing the Wisconsin River's potential, it was necessary for a private concern to take action. 6

The cooperation necessary to form the Improvement Company previously had been exhibited in the formation of a common marketing agency, the General Paper Company. Owned by member mills, this selling agent for 23 companies did an annual business of from 10 to 12 million dollars. Contracts issued to mills were directly proportional to each one's daily production, and the Nekoosa mill, one of the top producers in the state, was furnished with many contracts. In 1904 the Nekoosa Paper Company renewed its contract for five years, L.M. Alexander was re-elected secretary, and Thomas Nash was an influential member of the board of directors. 7

The renewed contract could never be fulfilled, for in March, 1904, the Supreme Court's decision in the Northern Securities case extended the Sherman Act to include stock transactions and manufacturing combinations that acted in restraint of trade. The decision encouraged the

6Ibid., Wood County Reporter, June 10, 1907.

7Wood County Reporter, May 31, 1900; Dec. 23, 1904; and May 2, 1905.
newspaper market to pressure the state to bring action against the General Paper Company, claiming it acted contrary to the newly established precedent. Litigation began in May, 1904.  

The General Paper Company was composed of mills previously in competition with one another in the manufacture and sale of newsprint, manilla, fibre, and other papers. It had absolute power to control and restrict the output of member mills, fix the price of their products, and determine to whom and under what conditions they would sell. It secured command of a portion of the middle, south, and western states' paper market when The Manufacturer's Paper Company, a competitive selling agency, agreed to cease competition in parts of those territories.

Members of the company maintained that they did not organize to restrain trade and never intended to violate the Sherman Act. When subpoenaed to appear before a court-appointed examiner to present records of business transactions and answer questions, they refused, claiming these were contrary to provisions of the Fourth and Fifth Amendments to the Constitution. The circuit court demanded compliance or punishment, and when this order was appealed to the Supreme Court, it supported the lower court's

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decision. Consequently the General Paper Company ceased to exist.9

When asked his opinion of the decision, L. M. Alexander replied the company acted for the good of the industry. He implied that it was intended to be legal, that it sold paper at the market price, and that its dissolution would ruin smaller mills unable to compete. Alexander felt that the company was a victim of the times and that the term "trust" could be applied to any business combination regardless of its benefits to an industry. He indicated that the newspaper trade, responsible for the anti-trust action, would regret it because of an inevitable rise in prices.10

Upon dissolution of the General Paper Company, papermakers realized the need for a new selling agency and attempted to establish one within legal limits. Late in 1906, the International Paper Company secured options on 38 Midwestern paper mills and planned to effect a merger within 12 months. The Eastern-based corporation, which already controlled 60 per cent of the national newsprint market, desired to gain full control and dictate prices. All former members of the General Paper Company were eager to enter the new selling group because of the rising cost

9General Paper Company et. al. v. United States, 201 U. S. 117 (1906).
10Wood County Reporter, May 17, 1906.
of raw materials and comparatively low price of paper. A representative of the company visited the Grand Rapids area in August, 1907, and disclosed the merger would take place shortly, but did not say how it would avoid anti-trust action. The organization exaggerated its progress; it had never succeeded in circumventing anti-trust laws, and that fall, abandoned its efforts to control the Midwestern mills. 11

Nash expanded his paper mill interests in 1906 by organizing the Port Edwards Fibre Company of which he became president. He was the major stockholder, and John McNaughton, L.M. Alexander, and G.F. Steele held the remaining stock. The company, which produced sulphite fibre, capitalized itself at $240,000. Steele came to the Grand Rapids area shortly after the death of Frank Garrison in December, 1905. He replaced Garrison as manager of the Centralia and Port Edwards mills, and became vice-president of Nash's lumber company. Steele was well qualified for the position; prior to his appointment he was superintendent for the International Harvester Corporation in Chicago. 12

Poor health caused Nash to delegate his managerial duties to his son, James, in the fall of 1906. The younger


Nash had assisted his father for several years and was cognizant of the rising costs and slacking market. By the fall of 1907, numerous Wisconsin mills cut production, but the Nekoosa mill continued full-scale operation.\(^{13}\)

Throughout its history, the mill kept labor problems to a minimum by paying higher wages than unionized competition. In 1907 machine tenders at Nekoosa received an average of 38 to 46 cents an hour compared to a 24 cent average on the state's 43 other mills. Nekoosa's wages reflected the over-all prosperity of the area. By 1908 the village had a population of 1,500, an increase of over 700 since the turn of the century.\(^{14}\)

At this time paper mills in the area furnished employment to the increased population, but rising costs limited profits. The directors of the Nekoosa and Port Edwards mills realized they were similar in operation and could function at less expense if consolidated. Early in his career as manager, Steele had worked for a merger and in the summer of 1908, his efforts were rewarded with the formation of the Nekoosa-Edwards Paper Company. The corporation consolidated three of the largest paper and sulphite mills in Wisconsin: the Nekoosa Paper Company,

\(^{13}\)Wood County Reporter, Jan. 11, 1906; Oct. 27, 1906; and Jan. 4, 1908.

John Edwards Manufacturing Company, and the Port Edwards Fibre Company. Nash forfeited his timber holdings in Ashland County to the new company, and it purchased Garrison's holdings, leaving control of the stock in the hands of L.M. Alexander, G.F. Steele, John McNaughton, and Thomas and James Nash. Capital stock of $3,000,000 was distributed at $100 a share, and Thomas Nash named president. The corporation employed 684 workers, more than half at the Nekoosa plant. Through consolidation it hoped to give better service, diversify production, and increase the quality and quantity of its product.\(^{15}\)

In addition to papermaking, the company undertook to buy and sell real estate, build apartment houses, sell electricity, construct and operate railroads, and engage in logging and dam building, provided the actions conformed to law. Because of this variety of interests, it had a significant effect on the economy of the area.\(^{16}\)

The advent of the Nekoosa-Edwards complex marked the termination of the Nekoosa Paper Company. The latter was not dedicated solely to making profits, but had concerned itself with village affairs as well. People in Nekoosa depended upon its steady operation and were seldom disappointed. It

\(^{15}\)Wood County Reporter, June 25, 1908. Articles of Organization of the Nekoosa-Edwards Paper Company, June 15, 1908, and an announcement sent to the paper industry, Aug. 31, 1908, Nekoosa-Edwards Archives.

\(^{16}\)Articles of Organization of the Nekoosa-Edwards Paper Company, June 15, 1908, Nekoosa-Edwards Archives.
managed to survive hard times and, by shrewd management, continued to profit while other companies failed. Talk of consolidation had taken place since 1906, when dissolution of the General Paper Company placed area mills in competition. All concerned parties realized a merger would be beneficial and, led by G.F. Steele, strove to effect one. The close business and social relationship between stockholders of Nekoosa and neighboring mills simplified the task, and in 1908 they chose Thomas E. Nash, whose health had improved, to guide the future of the youthful company. The success of the Nekoosa Paper Company exemplified his managerial talents, and his capable leadership assured the Nekoosa-Edwards Paper Company a profitable future.
CHAPTER VI

CONCLUSION

The numerous advantages of Whitney Rapids as a site for a sawmill were obvious during the lumber rafting era. As early as 1831 Daniel Whitney realized its potential and built a pioneer sawmill. But because of his absentee ownership, limited investment, and distant markets, the mill provided little income, although it inspired the building of other mills in the vicinity. In relation to his trading and transportation ventures, the mill at Nekoosa received limited attention. Little is known of the first sawmill on the Wisconsin River, primarily because Whitney kept few records, and those he did keep were destroyed by fire.

The rapids in the northern Wisconsin proved to be dangerous and expensive for lumbermen. Moses Strong, active in the lumber industry of this region, realized these problems could be solved by building a mill at Whitney Rapids, the last on the river. Strong proposed to build the largest sawmill in the Midwest and monopolize the upper Wisconsin lumber industry. He also hoped to profit by selling lots in the newly plotted city of Nekoosa adjacent to the rapids. Strong, like Whitney, had diversified interests and encountered difficulties concentrating on the building of the
sawmill. The panic of 1857 had a disastrous effect on his finances and impeded work on the Nekoosa project. When he did find investors, they became insolvent within a short time and Strong had to option the water power with hoped that it would be developed, thus increasing the value of his property.

S.J. Carpenter had completed a dam and begun work on the mill when a spring flood washed out a portion of the dam. The outbreak of the Civil War further discouraged investment in such a speculative project and Carpenter relinquished control to Strong. Had Strong abandoned his political activities and concentrated his managerial talents toward the lumber mill, it may have been successful. By the 1880's railroads replaced the Wisconsin River as a means of transportation making water power no longer essential, thus Strong discarded further hope of revitalizing the Nekoosa Lumbering Company.

Thomas E. Nash realized that the force generated by the river at Nekoosa could benefit man, and in the late 1880's purchased the water power and immediate land. Nash, influenced by L.M. Alexander and supported by wealthy men, built the second paper mill on the Wisconsin River in 1893. The financial crisis made things difficult, but the perseverance of the stockholders enabled the company to begin operations in 1894. The company's success encouraged the building of similar mills in neighboring cities. In 1896 it added a
sulphite plant and became the largest paper manufacturer in the state.

Opportunities for employment at the mill furthered the growth of Nekoosa. From 1900 to its consolidation in 1908, the company took part in attempts to control the flow of the Wisconsin River and fix prices of the products of Midwestern mills. It experienced its only strike in this period, one which ended abruptly when management hired new workers at a raise in pay. The company paid some of the highest wages in the industry, and bargained with the workers even though they were not unionized.

From its inception the mill employed the finest and most modern machinery. One of the first Wisconsin mills to depend solely on wood as a raw material, Nekoosa initiated the utilization of a chemical process to make pulp from wood. Consolidation of the three paper mills in 1908 benefited all parties and allowed them to produce a better product at less cost.

The company grew rapidly from 1908 to 1966, and in 1965 employed over 2,100 workers in four mills producing over 600 tons of paper daily. The mills continued to be among the finest and best equipped in the industry. The Nekoosa-Edwards complex operated six hydroelectric plants and controlled more Wisconsin timberland than any other industrial concern. It became one of the nation's top producers of fine writing, printing, business and converting papers.
The product changed considerably after 1900, but the goal remained the same: to strengthen its reputation as a producer of quality papers. Without the determination and ingenuity of such men as Thomas E. Nash, it is doubtful the Nekoosa-Edwards Paper Company could have ever materialized.
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SELECTED BIBLIOGRAPHY

I. PRIMARY SOURCES


A section of the Moses M. Strong papers. These papers are divided into five categories; land, lumber, mining, railroad, and general correspondence. The papers contain mostly copies of letters to his relatives and business associates, although some contracts and memorandums are present.


A ten volume collection of letters, business contracts, financial statements, annual reports, newspaper clippings, and company brochures of the Nekoosa and Port Edwards mills, and a general history of the area from 1850 to 1966.

II. GOVERNMENT DOCUMENTS

U.S. Supreme Court Reports:

General Paper Company et. al. v. United States, 201 U.S. 117 (1906).

Northern Securities Company et. al. v. United States, 193 U.S. 197 (1904).


III. BOOKS


A good general description of the Wisconsin River.
This study of wages in the United States contains a section dealing with paper and wood pulp products.

A biography of Moses M. Strong, primarily political, but one chapter is devoted to lumbering. Information on Strong's Nekoosa activities is limited.

A comprehensive history of the lumber industry of Wisconsin. It contains little information on the mills at Nekoosa.

A textbook in business history. It contains a chapter describing business difficulties and failures between 1866 and 1897.

This general history of Wood County includes a useful narrative by Frank Wood, a real estate agent. There is little detail of the paper industry.

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A thorough history of the lumber industry. Much of this material was collected through personal contact with lumbermen.

Brief sketch of the paper industry which was of limited value since no individual mills are studied in detail.
Keir, Malcolm. *Industries of America - Manufacturing.*
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IV. ARTICLES

History of the "Columbian" paper machine including a vivid description of its operation at the World's Fair.

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A summary of the early lumber industry in Wisconsin, 1820-1850.


A detailed account of lumber rafting on the Wisconsin, valuable description of the early period, 1840-1860.


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This supplies information concerning Daniel Whitney's trading and transportation services in central Wisconsin.


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A copy of Daniel Whitney’s original contract with the Indians granting him permission to build at "Nekoosa."


Includes a statement by Moses Strong concerning the early settlement of Wisconsin.

V. NEWSPAPERS

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Minocqua Times, June, 1898 - October, 1898.

Wisconsin Pinery, [Stevens Point], January, 1850 - December, 1859.

Wood County Reporter, [Wisconsin Rapids], January, 1890 - December, 1909.
APPENDIX
Figure 2. Lumber rafting on the Wisconsin River.*

*"Picturesque Nekoosa," a brochure distributed by the paper company in 1896.
Figure 3. Nekoosa Paper Company's dam and mill in 1894. *Ibid.*
Figure 4. Interior of the mill showing paper machines number one and two.*

Figure 5. Nekoosa Paper Company's dam and mill in 1896, showing the new sulphite plant at the right.
