

ORAL HISTORY PROJECT  
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FIRESIDE CHAT  
Chattanooga Regional History Museum

HISTORY OF THE WHELAND FOUNDRY/NORTH AMERICAN ROYALTIES, INC.

By  
Gordon P. Street, Jr.

October 11, 1992

Good afternoon, Ladies and Gentlemen, I'm Elizabeth McCallie, program coordinator of the Chattanooga Regional History Museum and our director, David Estabrook, is way back there on the back row. I want to welcome Mrs. Gordon Street, our speaker's mother; she's one of the loveliest ladies I have ever known. Judy Street is here, Gordon's wife. Sorry Frances is out of town and Gordon Smith. I'd like to recognize a couple of other ladies here in town who were not able to be with us today. One is Charlotte Wheland Fortune and the other is Margaret Wheland Cate. Both are great-granddaughters of George Washington Wheland who began our story over 120 years ago.

The New South was the rallying cry for Southerners and Northerners who believed in reconciliation after the Civil War. Chattanooga embraced industrial development and welcomed Union war veterans who provided cash, energy, and know-how to manufacture goods with local resources, and market them over the excellent river and rail networks of Chattanooga.

The Chattanooga Daily Times in December of 1879 proclaimed, "Go ring your bell and fire your gun; shout glory for goodness come." Ever since I've known Gordon Street he's been ringing bells and firing guns. And, Gordon, don't I remember your shouting "Glory" one night at the ATL House in Chapel Hill? (laughter) It's my great pleasure to introduce one of Chattanooga's leading manufacturers, Gordon P. Street, Jr.

Gordon is going to tell us a very old and a very current success story, the story of the Wheland Foundry, the third largest foundry in the nation and now a division of North American Royalties. Gordon is president and chief executive officer of North American Royalties and has served in this position since 1982. He follows in the footsteps of his very distinguished and beloved father, Gordon P. Street, Sr. Gordon is an outstanding member of our community. He presently serves as head elder of Cross of Christ Lutheran Church, director of the executive committee for the Tennessee Camp for Diabetic Children, member of the American Petroleum Institute, the American Defense Preparedness Association -- I'm glad you're on that one, Gordon -- the Center for Strategic and International Studies, which was quoted recently on the front page of the Times. He serves on the board of directors for the Norfolk-Southern Railroad, the First Tennessee Bank of Chattanooga, the First Tennessee National Corporation. He is an active supporter of his alma maters, the Baylor School and the University of North Carolina, where he is currently chairman of the university's honors advisory board. Gordon, we appreciate so much your being here with us today. Come on up and start shouting about one of Chattanooga's oldest and most successful industries. Welcome. (applause)

I have to tell you to begin with, the Wheland operation is a family-owned business and was when I came to work for the company. And I love hearing all the things you've done over your period of time. I need to tell you that I moved very rapidly up the ladder of success in the corporation, and on every promotion I said, "Gee, thanks, Dad." (laughter) And on the last one I said, "Gee, thanks, Mom." So we are indeed a family corporation, as we were in our beginning with Mr. George Washington Wheland.

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Let's talk a minute about the foundry business. Foundry business is simply a matter of melting a metal and pouring it in a mold to make an item. Our history as foundrymen goes back to Mesopotamia in 3200 B.C. Molds were made of stone, clay, and sand; metals, of course, were copper and bronzes to start with, and the iron age came on much later and continued through history. We have pipes cast in 1664 that are still used in Paris, France.

One of the earliest businesses in this country of a manufacturing sort was the Saugus Iron Works in Saugus, Massachusetts. This was a foundry of several tons a year, making farm and vehicle implements. It went out of business after about 20 years. It has been resurrected and reconstructed by the National Park Service, and now serves as a national historical monument in Saugus, Massachusetts. The oldest operating foundry that continued into the 20th century was started in 1742 and actually made cannon balls for George Washington's Continental Army. Another interesting sidelight to the foundry world is six signers of the Declaration of Independence were foundrymen.

So this country has a history of working with iron and of making things. Perhaps in our earliest history around the time of our break with the British Empire, we were driven to make things, not only out of necessity, but out of pride. And the times and tax acts . . . accompanying legislation coming out of Parliament, our raw materials had to be sent to Britain, cost estimates sent back, thereby denying us the manufacturing revenues and enriching the Island's home quarters, which did not please our forefathers one little bit. So we had an early history of foundry. The foundries continued through, mostly in the North, up until the Civil War time.

We think of things like steam engines and railroads and iron implements as being very common. They were not all that common. To give you a little idea of how common they are today, the average American home has two tons of castings in it. Now, I remind you that a pipe joint is a casting. I also remind you that an artificial heart valve is a casting. So there is a lot of it around us today.

We had our earliest foundry here, and many of you who are interested historians know the Bluff Foundry up here near the Hunter Art Gallery. This operation took advantage of the natural resources available in this area, principally an iron source called brown ore or limonite. It was a low temperature requirement to melt it, which was helpful in the early days. Charcoal was a wood-based coal and was the principal source of fuel for the operations. This foundry, as you know, did not survive the Civil War. It was torn down by the Union Army. The stones were used to make the bridge across the river, and I think that bridge was lost in the '67 flood.

The Civil War had brought a large number of very bright, innovative, and energetic men to this community. One of them was George W. Wheland; the other, interesting enough, was William Street, though I don't think from anything we've read, they knew each other at that time. Mr. Wheland

spent the time here in the siege of Chattanooga, participated in the Battle of Missionary Ridge, and then was mustered out with Grant's army. He returned to this area in 1866 and stopped in Athens, Tennessee. He was much enamored with the climate and terrain of the country, as well as the natural resources and the people. He set up a small foundry and metal repair shop and blacksmith operation in Athens, making things like frying pans, skillets, various sized pots. The oldest casting we have, I'm sorry is not here, is a frog cast in Athens, Tennessee, by the Wheland Company. Ornamental iron work was part of the day.

In 1873 he made it to Chattanooga and bought two and a half acres at the location where we remain to this day, 28th and Broad Street, one block west of Broad. There he built a two-story wood building that was used to house his foundry, his workshop, his drafting shop, and his pattern shop, and carried out his principal business there. He was one of the North's fine entrepreneurs. He started several businesses in Chattanooga, the Chattanooga Plow Works, which you-all have documents on that operation upstairs. The Aetna Foundry Company was started by George Wheland, and he became in his lifetime a very active and strong member of the community. The thing that made this such an attractive place to Mr. Wheland was the water transportation and the rail transportation. Our first rail transportation came in here in 1849. By 1870 we had a strong rail system through here, much of which had been built during the war.

The raw materials became available to us, coke being a significant one. Coal mining really didn't get large emphasis until the late 1860s. The Sequatchie Valley and Cumberland Plateau mines were a significant source of both coal and coke. You will hear us talk about coke in the iron business a great deal. Coke is simply coal from which the sulfur and resins have been driven by a limited oxygen cooking process. Coke was available at the Dunlap Coke Yards which were a significant source of coke, and today being nicely restored in Sequatchie Valley. The availability of iron, the availability of water power -- steam engines were coming into play and were a significant factor in being able to adapt to the steam engine. Normal businesses were able to separate farther away from the water sources alone. There could be numerous gristmills; there could be numerous sawmills; there could be numerous forging operations, all kinds of things that needed power, which heretofore had been restricted to waterways.

This meant that there was good business in making gristmills, which Mr. Wheland did, sawmills, some surprisingly large and effective sawmill equipment, much of which was used up in what is today the Smoky Mountains National Park, removing huge trees. We have some photographs in our archives that show trees that are 89 feet in diameter that have been sawed and are being sawed by Wheland produced sawmill equipment.

Very little is known about Mr. Wheland, at least in our archives. He was known as a clean, crisp, fair, hard-working man; you could never

find him in his office because he was constantly in his plants. That probably is as nice a compliment as you can pay to a maker of things, a manufacturer. It is a maxim that we in the corporate world can quite often forget, and that is don't forget the plant floor. Because that's where it is all done. No matter how smart you think you are as a manager, it's done on the plant floor. And George Wheland knew that and practiced it. He remained active in his business until he died in 1929. He had gone through the evolution of small steam engines, of lots of lumber mills, of lots of gristmills. Incidentally, it's hard for me to realize that we didn't have big flour companies -- General Mills -- couldn't think of the name of a major flour company. Small mills -- he made a lot of the gristmill parts. His work was done with care and with excellence.

During the war, World War I, the company turned its efforts to making shells for artillery pieces and guns for the large naval ships and some artillery pieces. Wars were significant in the Wheland history and were times of complete occupation in war effort. Peacetime became a little more difficult. But after the turn of the century, actually in the boom of the 80s, the 70s and 80s, I'm certain there were "hallelujahs." It was a busy time; it's interesting again to us when we are totally automotive today. But in that time there weren't a lot of automobiles. As a matter of fact, in November 1900 there was an automobile show in New York City where there were 32 exhibitors. The cars sold from \$800 to \$1300; they had 8,000 visitors. And the newspaper reported at the close of the show that they were certain horse would be the prime mover of people for the next several decades. Does that tell us anything about newspapers? (laughter) This phenomenon of the American love affair with the automobile was beginning at the turn of the century.

Another phenomenon took place on January 10, 1901, totally unrelated to Chattanooga, but nonetheless significant to the Wheland operation. This was the date that the gusher came in on the Lucas No. 1 in Spindletop, Texas. This was this nation's, this continent's, first gusher, and it squirted for ten solid days at 100,000 barrels a day, a truly phenomenal occurrence. It was the change of the fuel source from wood to a more petroleum oriented base. You'd had oil in this country in Pennsylvania; the first gusher interestingly enough was in Russia. But 1901 brought significant events, money was made, millions were made; Mellon was there, Rockefeller was there. It was a fascinating game; 285 wells were producing by the end of 1901, and the field was completely dead in 1903. In 1910 additional wells were drilled on the flanks of the field. The original wells were drilled on the top of the dome structure. Over-production and uncaring and uneducated production had depleted the pressure of that reservoir. Geology imprudent, they moved off on the sides, picked up additional fields, then Texas Railroad Commission came in, established production limits that were to preserve the life of the reservoir in what was almost a totally mini-science of petroleum engineering and reservoir engineering. It was a time when the entrepreneurs resisted. If I can produce 10,000 barrels a day, I'm going to do it.

It got so bad that the governor of Texas sent in the National Guard; that did not work well at all! So they sent in a Texas Ranger, Charcoal Gonzales, by name. And he lived up to the motto of the Texas Rangers, "one riot, one man." There are fascinating stories, not all of which I think would stand close scrutiny, but they are fun about how you used the Methodist Church for the jail, by simply running chains underneath the pews and buckling people to them with handcuffs. He went and padlocked the valves closed on wells that were overproducing. That lasted about ten days of that operation going on till the producers found that if they put in left-hand valves, closed them tight, Charcoal Gonzales would padlock them wide open. (laughter) The order was sooner or later returned, and there began a huge building of wealth, the beginning of the American petroleum industry.

There was a drilling rig . . . apparatus was called a rotary drilling rig. Heretofore most of them were what we called an impact type of drilling. A rotor drilling twisted the drill pipe with a bit on the end. Parker Drilling Company started this kind of equipment; second in the country was the Lucey Boiler Company that started building rotary drilling equipment, and that was located here in Chattanooga. In 1920 Colonel Lucey sold the Lucey Drilling Company works to Mr. G. W. Wheland. He continued to make those items, which were crown blocks which went at the top of the rig, slush pumps which pumped mud into the well bored, and I won't bore you with the dynamics of drilling. But basically, you had to take mud and flush it down into the hole to bring out the cuttings from the bottom of the hole. This was done with a piece of equipment called a slush pump, not very romantic but it was the term that to this day applies. This line of equipment was considered innovative. Wheland had strong engineering and practical sense about him, and he improved the line and it continued to be a major item for us until his death in 1929.

At that time he had two sons that were interested in the business, Mr. Ned and Mr. Z. W. Wheland. Mr. Ned took over as president and served as president until 1947. This period was a hard time, if you can remember back either in actuality or in history, reading to 1929. The company did as most others did; it held together. It held together with personal perseverance by owners and personal perseverance by employees. They became a family. I think the company from all . . . came through that as a much tighter knit organization than it had ever been before. We, to this day, have the results of some of the men's efforts at that time, some of their tools, some of their books we were talking about earlier with a friend of mine here. These ideas remain with us. We have some of the old equipment that these men used which in today's world of computers are still very fascinating.

Very little was done with the company except it continued its work with sawmills, which was going quite well. Gristmill work had petered out pretty well by that time. Rotor drilling continued to be a strong source of income for them. Charlie Wheland, Charlotte Fortune's dad, worked for Wheland Company at that time, and was doing sales work, spent time down in the Texas Gulf Coast selling in the East Texas fields.

At the same time we will come to the Street side of this history. Very quickly I'll tell you what happened to William Street after he was here in Chattanooga. He went back to Pennsylvania; he was mustered out and he began to mine coal, moving southward with a British investment in the coal industry. The British mines were also hunting for iron sources, thinking that they might find somewhere the Pittsburgh of the South. This ultimately they did find in Birmingham, Alabama. William Street ceased mining in Dayton, Tennessee, moved to Chattanooga where he retired and raised his family. His son, my Grandfather J. Harry Street, got his apprentice, journeyman's and master's papers as a machinist, working for the Wheland Company. He subsequently left and started his own business called the Street Brothers Machine Company. The Street Brothers Machine Company was involved in World War I and World War II in the manufacture of steam anchor . . . for the war fleet, naval fleet. It was a business where the two men, Mr. Wheland and Harry Street, had a cordial and friendly relationship. My father started working in summer jobs as a "step and fetch it" and "gopher" in the Wheland Company as a young man.

World War II obviously changed the depression picture. It brought a full press for the American industrial might; it is a great testimony to a people in a nation to see what it did to bring this country to a position of world leadership in an extremely short period of time. Wheland Company was busy, Street Brothers was busy. My dad at that point was working for the company, working for Street Brothers, and also working for Wheland in that Street Brothers were consulting engineers for the Wheland Company. And he spent a lot of time in Washington since most of the business in the wartime was government business. He had the reputation of being a bright, young, innovative engineer. And a man came to Dad and asked him for some help on an engineering problem. Dad said, "I'll be glad to look at it." And came back a couple of days later and said, "Here's the solution." The man said, "That's wonderful, put your price on it. We'll go before the Price Equalization Board, get it approved, and we'll go from there." Dad said, "Wait a minute. You asked me for my help, my companies are not involved in it. I'm glad to have been of service." Okay, end of that chapter, and just keep that little chapter tucked away in the back of your head, because it will rise again a little later.

The Wheland family, after World War II, really did not wish to continue in the manufacturing business. Mr. Ned and Mr. Z. W., both of whom I remember and both of whom were wonderful men. If any of you knew them I remind you of how nice they were. Those of you who didn't know them are just not as lucky as I am. They were fine men. Charlie Wheland had more interest in the Double Cola Bottling operations; he did not wish to continue. So they hired my father to help them sell the business, and Dad's comment was that he did such a good job, he bought it himself, which he did in 1947. I can remember being told as a little boy, "It's like buying a sick horse; we're going to make it well, and then sell it for more than we paid for it." And it's the only thing

in which my father's failed, because we've never sold it. (laughter) Dad reconditioned through technical innovation. The oil field drilling equipment we continued to make, sawmill equipment; sales effort was picked back up; manufacturing began to pick up some.

The GIs were coming home. Employees -- we've got pictures of employees, men standing outside the Employee Office, the Personnel Office looking for work. At the same time there were other people realizing that the GIs were coming home. One of those groups is what was known as General Motors. General Motors realized they were going to have to build more cars than they had ever built before, at a rate far greater than any they had ever built before. So they began to think of out-sourcing. Out-sourcing is simply buying a part which you need to make your car from someone else. They looked to the South because they'd heard of cheap labor. They had also heard of good manufacturing results during the war effort in the South. So they began to look southward. They were so keen and set on this project that they formed an ad hoc committee of the board of directors of General Motors to carry this out.

Now, go back to the Washington engineering project chapter. The man that Dad helped chaired that ad hoc committee, and heard that the young fellow he remembered from Washington, a fellow by the name of Street, had bought the company called Wheland in Chattanooga, Tennessee, and they had a little foundry operation. So that group came to Chattanooga and asked my father if he would be interested in really getting into the foundry business. And Dad said, "Yes," not having any idea what the foundry business was like. They took him to Detroit, showed him all the things they were going to need, and they asked him after the tour was over if he'd seen anything that he thought he could make. He said, "I saw a lot of things I didn't want to make." But to make a long story short, General Motors gave us our first contract to make brake drums for Chevrolet. They arranged for the credit with the J. P. Morgan Company, a million dollars, which in 1947 was a lot of money, and gave us enough business to carry and cover the full debt service of that loan. And that was because of a young man doing a nice turn for a person in Washington. Herein lies one of our corporate credos, myths, if you wish it, and that is if you're asked for help, give it. If it's a business deal, make it the business deal. If it's not, you don't charge for your help. And we have continued that through the years, and we think it continues to pay dividends for us.

Loops I and II were built, then III and IV in Plant 1. We began to make -- at one point we were making 100 per cent of the brake drums for Chevrolet. Now we are dealing here in iron castings; we are dealing here for the first time in the South in production line work. Many people here in Chattanooga said it simply could not be done. People here wouldn't do it. So a great training effort was undertaken, education.



And we're back in the same job today, training and education. To make every man and -- ladies, don't be offended, but in those days, it was a 100 per cent male operation on the plant floor. The men were trained, the men were explained to. Management was taking great pains to explain to everybody how important their job was in the . . . continuing process. Karl Landgrebe had come to Chattanooga from the Ford Motor Company to join Wheland and was heading its foundry operations. That may have been the most successful thing my father ever did was getting Karl Landgrebe to whom we owe a great deal. And all those of us connected with the foundry hold him in very high esteem. Karl is still with us today in a consultant role. Karl Landgrebe was walking down the line and we had an operation there.

I guess I really should stop for a second here and explain what a production unit is; it's called a loop and a loop is a circle, actually it's an oval. But at the beginning of it, a mold is made, then iron is poured in the mold. Then the mold moves along and cools until the liquid iron becomes solid. It can be broken apart, the iron casting removed, and put on another system to go cool further. Then the whole cycle starts again with the mold being made and so forth. At the end of the cooling period -- in those days the flask which was made in two parts had clamps on each end and the clamps had to be knocked off. So here was this man knocking off clamps, looking under the hood. And Karl came up to him and said, "What are you looking for?" He said, "Boss, I'm looking for the end of the line." And Karl took him over and said, "Wait a minute, this is a continuous process," explained to him how important he was and how it was modern production technology and so forth, walked away thinking that he had done a grand job of explaining to a man his place in the industrial process. Karl looked back over his shoulder, the man had thrown his hammer down and was walking off. Karl ran up, grabbed him by the shirt, "Where are you going?" He said, "Boss, I quit. I ain't going to do no job I can't finish." (laughter) And I think we still have some folks that feel that way because I've seen them never quit until the job was finished.

The stories of the early days of the foundry are in some part humorous and most part are simply day by day hard work. It has been a history more of people than of things. People today continue to be, were under Mr. George Wheland, were under Mr. Ned Wheland, were under my father, and I hope are under my leadership, our company's most important asset. It's a great failure of the accounting profession, in my opinion, that they have not been able to put a value on people. But I don't know that I really trust the accountants to do it anyway.

The Wheland Company under Gordon Street was the first company to have company paid -- first company in the southeast -- to have company paid medical insurance, for not only its employees, but its employees' dependents. It introduced the first life insurance program for employees. It brought the wage rate in Chattanooga up significantly, for which I don't think we got any accolades from the local business

community. But it was something that simply had to be done and should have been done and was done. And I don't mean to speak disparagingly of anyone else in the manufacturing community here at that time. Much was done by hand that is today done by automation.

The machine shop and the foundry both continued at the 2800 Broad Street address. Our acreage at that point had spread to about 14 acres, I believe. The sawmill and oil field work continued there. My father continued to be active and very interested in the oil field equipment side of the business. As a matter of fact, he had been out in Texas for a couple of weeks, selling -- trying to sell oil field drill equipment, and wanted to see, as I remember the story, the head of Standard Oil of Texas. He went up to see the man; the fellow wouldn't see Dad. The secretary was just as nice to Dad as she could be, but Dad never did get to see the man, came back, hurt his feelings, you can imagine. Young entrepreneur, captain of industry, refused an audience -- made him mad and hurt his feelings. Came back home suffering therein the fate of all of us who travel for any length of time, that is, a stacked up desk. So there he was in his office with, I'm sure, about 18 inches of paper, and a call came from the front gate. He said, "There's a young fellow named Jack Morgan out here to see you." Dad said, "Tell him I can't see him; I've been gone for two weeks, I've been -- wait a minute, I have just been through that. Send him up, I'll see him." Dad tells the story that in came a very nice looking young man, gray suit, who gave him his card: J. P. Morgan III. Dad said, "Good gracious, don't ever tell somebody you're Jack Morgan!"

I can remember, and my mother will likely have a more accurate picture, but I'm going to tell my version of it, of Jack Morgan coming to dinner that night. And he was a charming man, I was vaguely impressed that that's who he was, but J. P. Morgan didn't mean a whole lot to me at that juncture. But he was a nice man, and he made some comment about how he and his wife had saved their money and bought their first sailing boat. Well, my father drummed that in to me for years -- here was J. P. Morgan III, who with his wife, had worked hard and saved their money to buy something they wanted. I would say in about 1965 -- I was working for the company then -- maybe a little later, I picked up a book called "The House of Morgan" and in it was this wonderful paragraph talking about J. P. Morgan III who bought his first sailboat; it was a 132-foot three master. (laughter) And I went into my father, "You lied to me." But the story of Jack Morgan at the front gate and too busy to see is another one of our corporate myths, and whose moral we follow to this day. And that is: if you are there and somebody comes to see you, you take the time to see them. And that stands you in good stead too, because that's part of the Golden Rule. I know when I call on somebody, I would love to be able to see them. We have not suffered in the least from that premise of operation.

Wheland continued to make the rotary drilling equipment. In 1951 the Korean conflict was under way. We were asked to get back into the

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armament business in a big way. We were too heavily committed to the foundry to shut it down and expand the machining operation back in its previous location. So we built the plant on Signal Mountain Road that is currently the Komatsu plant as a defense operating division, ordnance division, for the Wheland Company. There we built tank tubes, 90- and 105-millimeter tank guns. That was a remarkable plant. For those of you who don't remember, that ridge went from its peak almost, sloping down fairly steeply to Signal Mountain Road. That plant site was dug out, the whole plant was built in something like 180 days. It was a remarkable construction and engineering feat, to which we are indebted to any number of Chattanooga organizations. We moved at that time also the rotary drilling and sawmill equipment operations over there.

Oil field drilling equipment was not selling all that well, nor had it really sold all that well after the war. Oil was clearly going to be a fortune-making enterprise. So lots of the GIs coming back from World War II wanted to get into the drilling business, into oil business. The only problem was none of them, and not many people, had lots of money. So one of the ways that you would get a well drilled was the drilling contractor would take part of the risk, and he would drill a well for somebody, for, let's say, a quarter interest in that well. If it was a dry hole, the drilling contractor lost out; if it was a producer he gained the wealth of that risk. In order to sell our drilling equipment to the drilling contractor, we entered into projects of a similar nature with that contractor, where he could have our equipment to drill his well and earn his share. But, in turn, he would give us a portion of his share, until so much money had been spent on that account, at which time the equipment would be his, free and clear. This worked quite well; it was a risk-sharing process. It was not at all uncommon; it was done across the country. We were small, we needed to do it; we simply did not have the money with which to finance those kind of operations. The end result: it put the Wheland Company . . .

End Tape 1, Side 1  
Begin Tape 1, Side 2

Gordon Street, personally, had become interested in the oil business, principally through, I expect, the exposure to the industry through my mother's father, my grandfather, Preston Lowrance who was active in the early days, the very first days of the Oklahoma oil fields. Dad had small interests and royalty interests, and then became impatient as most young entrepreneurs do, I expect, and became dissatisfied with royalty interests because he had no say-so over the operation, so he began to take working interest personally. It got to the point where there were two combined sources of petroleum income to the Wheland operation, one through Wheland directly, the other through Gordon Street, personally. Because the tax structure at the time, the personal tax rate was so high, the two operations were joined into what was called Gordon Street, Incorporated. We had the Wheland Foundry, and a little bitty print division of Gordon Street, Incorporated. Petroleum became an

integral part of our operation. This continued until in 1966 it became apparent to us that we could spend our capital and our time more profitably in other areas of manufacture than in the area of making sawmills and rotary drilling equipment. So in 1966 we sold those two lines of production to the Brewster Company of Shreveport, Louisiana. That company continued making sawmills and rotary drilling equipment, slush pumps, particularly up until the mid-70s at which time they closed.

So Wheland remained a foundry operation. Today the company employs about 1300 people, the foundry has 900 people, roughly, in the production floor. We are the third largest foundry and we are the largest independent foundry in the country probably. We have produced over one-half billion castings. We have the capacity to produce 2,000 tons of iron a day, 100,000 castings a day, probably the most significant end result of which is that over half the cars on the road today have a part made by the Wheland Foundry here in Chattanooga, Tennessee. We are immensely proud of that.

It's a tough competitive world. When I went to work for the company in 1960 there were roughly 3300 foundries in the country at that time. Today there are less than 1000. The centralization, horizontal, and vertical integration has taken place. Two of our big competitors, the General Motors and the Ford foundries have their own inhouse operation, and there are other companies that have their own inhouse foundries. Air pollution has made it very difficult for some operations where the pollution control equipment can be more costly than their entire net worth. We think the foundry industry that is left in existence today is extremely strong. It is technologically advanced; it is not without its problems. It is exciting in terms of the automotive sector of the foundry industry in that the major consumers in this country, Ford, General Motors, and Chrysler are in an out-sourcing mode once again, and we are glad to see that after World War II.

We are now making another type of iron besides gray iron, we are making ductal iron; we started that operation in the late 70s. This will allow us to make parts that have more strength required of them than do the gray iron parts -- brake calipers, hubs, knuckles. Gray iron parts for you-all's information are brake drums, disks, brake rotors, compressor parts, pump parts, and that sort of thing.

Wheland is a group of people; it is committed to its own management. The company has been able to generate and retain enough capital to meet most of the foundry's capital needs. It has had a strong enough asset base to be able to go out and borrow adequately for the needs that we could not internally cover. Karl Landgrebe has retired. We have our current vice-president, Ron Reese, here with us today. Ron is younger than I am, and I find that very frightening, but I am sure he will make history. And I take a great deal of comfort in his

being with us, and I'm appreciative of you being here today.

My father died in 1982, and I wrote a comment or a letter of thanks and appreciation, really, for all the kindness in our company newspaper, for all the kindness shown to our family by the employees, and in it I said something that I feel holds very true today, that in my father's passing we were not left behind, but we were left a future. I feel that today we leave no one behind in our company, we leave them a future, and the future does involve people. Oh, to give you a bragging comment on our own city: I've never found a place with better people. The work ethic, the kindness, the caring and the consideration is best here of any place I have seen. And I will match our company, man for man, now pardon me ladies, person for person, because we have women on the production floors now. Person for person we'll beat the socks off of anybody in this country, and we'll give them a heck of a run anywhere in the world. I am proud of our company. I hope I have shared a bit of the interesting history with you. I hope you-all will be with me to see what the future looks like. And thank you for having me. (applause)

Thank you Gordon, that was a wonderful, fascinating update from Mesopotamia right to this minute. I can tell why you're such a good leader, just like your father. We have some punch here and David Estabrook back there is going to take us upstairs to see the steam engine that Gordon donated to the Museum, and maybe Gordon can explain it, I won't venture to try. And I want you to also notice right behind the steam engine there is a letter that was written by George Washington Wheland and Newell Sanders, both signed it. It was the original Chattanooga Plow Company which began some of this long, wonderful story. Thank you so much for coming, we are so glad to have you-all here today. (applause)

End Tape 1, Side 2  
END OF SPEECH