

AA: I was deeply concerned about the fact that the animals that (?) got the sniffles and the old (?) their intestines, and so on. I thought there was a better way of doing this. We also felt there was a way of building in a unified food for these animals. Something that had alfalfa, a little bit of dried milk, various kinds of grains. He developed this concept of the vertical hopper onto a wagon wheel (can't hear). He applied energy to turn the hub of the wheel, and the axle. With these groups. This produced the flake. Alfalfa is well-known for having qualities we all need. These produced flakes. The flakes were then fed to animals. They then didn't have the sniffles, the pierced intestines, and all these problems. So Mr. Matthews felt that he had an original concept for what could be better, so he went to Mr. Clarence Sweptkey(?).

JJ: A local tool and dye maker.

AA: The machine shop. Sw. was a client of my father's. He was smart enough to realize that we have to have an engineer and money and management. So he went to my father's law office and asked to get a patent. Second my father asked about getting money and engineering. My father was a great friend of the late Earl Berry who was chief engineer for (?). So they formed a corporation, applied for patents, and so on. This business about my father getting 25% in stock is a bunch of (?). They did employ him to be the manager. Neither Mr. Matthews nor Mr. Sweptkey had managerial abilities. I'm a partner in a law office by this time. My mother and I didn't think that a managerial responsibilities for my father is a good idea for the law office. He could see that this was an opportunity that should be explored. This is a new concept of how you feed the world. Meanwhile they take these flakes and they feed them to rabbits and they multiply. They were bigger, more numerous in their litters. They took these flakes to the farms at Lake Delaven, and Stevens Bros. Farms. All these animals didn't have the problems in their intestines, and they survived. As a matter of fact. I took in the first dollar for Flake-All Corporation. They called it Flake-All because it flaked all. Mr. Matthews decides he gonna be a millionaire overnight. More power to him, but finally my father got Mr. Berry to do this. My father put money into this, he had a management contract. And then a gentleman from Darrien whose name was....Well, he and several others, Marge Bartell's father and brother got involved in developing the machine at the point when Mr. Berry took over and made it something. So the concept was that they would make animal feed. They started and Mr. Clarence Wadkins (?) down in South Beloit, one time they cleaned the machine out with corn meal or cracked corn. One time this thing came out in sort of a collar form, a puffed corn. When it fell on the cold concrete, it broke into pieces. Somebody elected to call these colettes, the French word for small collar. Ed Wilson came along. He was a graduate of Annapolis and he was on leave as a commander and home for the summer to be with his family. He saw these things, and took some home and fried them. He passed them around, fried and salted, and gave them to his neighbors. Somebody else suggested putting cheese on them. I'm selling these flakes to the rabbit growers, because during the Depression, rabbit meat was a heck of a lot cheaper than anything else. When Mr. Wilson did this, they called them corn curls. The people, the basic people--Claire Matthews, and the man from Darrien, all these people-- decided, We going to get in the business of making these things--which they did. Then this became very popular. People from all

over the country wanted to get these things. And these characters (?) corporations, sub(?) corporations, and (?) directory.

VWD: (can't hear)

AA: We'll get to Stacy for the moment(?)....They began allotting to themselves, the shareholders, territories for making corn curls. The unfortunate thing is that they sold the colettes to themselves at a price which could not permit Flake-All Corporation to survive. So they came back to my father and said, I think we need management here which you can provide. The desires of myself as a law partner, my mother, and the others could see how much time and controversy, how uneducated, business-like, some of these people were. They are making corn curls, and selling them off, but Flake-All Corporation was going down the drain because they can't make enough money. Somebody had to take hold. One of their customers was the Elmer(?) Candy Company in New Orleans, they made what was known as Chee-wees. They were much better merchants than these local people. So they began putting these things in tins. Bags were not cellophane, they were glassine. The shelf life of this type of product is extremely important. These characters would, they couldn't do much else, the shelf life of glassine wasn't too good. They'd spread the stuff out and the company was losing money. Arthur and I went down to New Orleans to meet with Elmers. They had a contract whereby they could sell anything in tins or other containers for any price over 15 cents. Arthur and I decided that this is the way to run this thing. So we bought out their rights to sell this product in the containers other than tin. These guys had given the Elmer candy co. exclusive rights to sell in tins and any containers over 15 cents. Meanwhile, the shelf life is important. Art and I went about \$90,000 a piece in debt to buy up their rights. We had in mind, remember, I'm a small, poor lawyer. We had confidence, see. (can't hear some) Mr. Bartell through a licensee of Claire Matthews' who owned stocked that made contracts with Mr. Oscar in Portland, OR. We wanted to terminate his contract because he was paying less than the cost of the product. We took the bull by the horns, Father, Arthur, and I, and terminated his contract. Then the lawyer for this Mr. Oscar was president of the Oregon State Bar Assn. He came up to me, and he had meanwhile gotten a hold of Marge Bartell, and (?) to sue us for three and a half million dollars. They claimed (can't hear, talking about small salaries). We're all contributing our time and effort. The first thing we did was raise the prices at Flake-All. (more can't hear) Started paying 94, 95 dollar a year dividends. It was nothing. It was years before there were any dividends. Marge Bartell Brown, through this Mr. Oscar of OR, sued us. The biggest civil suit in Rock County ever. (Something about ending up paying \$5000 to get rid of something--the litigious nature of ?) Meanwhile Arthur and I figured we should have an Adams Corporation and we would buy colettes from Flake-All at (stuff about prices). A substantial amount above what Darien and these other people were paying.

Then Sweptkey was lured away by people in other areas. He felt he wasn't being paid enough. We had all kinds of litigious problems. The validity of the patents and all of these things that interfered with the main direction of the company. Arthur and I supplied the money and started Adams' Corporation. Through Elmer(?) we built the building up there, (something that makes no sense). Meanwhile, they made me President of Adams' Corporation. If the thing went down the drain, I'd be the least publicized failure. One day, from New York, it was 1946. Art and I were up to our ears in debt. We're counting

on the (?) through these other licensees, determined that they would take the moment. Which we did. But we still have to buy out the Elmer Candy Co. to buy certain-priced merchandise. Here's Herman Lay of the HW Lay, Frito-Lay Co. wanting a license, and the Frito people calling me wanting a license. The Doolan Brothers that formed the Frito Co., one of them had a long fingernail, and high heels. (Something about if the patents had validity) We got this Adams Corp going, and we took hold gradually of these other licensees. Meanwhile we were being sued. Then the gentleman from whom we were buying our bags, wrote the patent office and got copies of the patent and started into business into Chicago. (can't hear-something about distributing and caramel corn.) Then we had to sue him. His sales manager refuses to testify for him because this guy was telling lies about how we got into business. That was Bill Havel. Bill Havel then came to my father and said, We ought to start our own bag company. So we did. Meanwhile, Carl Deweis(?) was looking for the cheese co. that had originated the Kraft Cheese Popcorn. He had a factory in Chicago that made a cheese mix to spray on products. A very delicate thing--if you have moisture, it will mold. He also had some soybeans he called Salty Soys. His factory burned down and my father decided that, This guy was a genius and I'd like to set him up in business. I'm digressing, but...

JJ: It's all part of it.

AA: Arthur and I recommended that he lend money to Mr. Deweis and this became the Del Food Cheese Co.(?). Del Foods sold cheese to Adam's Corp. We had this National Cellodyne Co., this was after (something I cannot quite get). Uncle Sam came along and said you have a contract with Dupont to buy cellophane and you control your company and you can't buy cellophane from Dupont because this is a monopoly. Meanwhile we were having another lawsuit, Uncle Sam came in and said you can't control prices without a patent. We had patents, but under the federal law, these patents are only good under the jurisdiction of the particular district. You might have a judge in this district who says the patent is valid. But in northern IL you may get a judge who says it's invalid. The only place you can go is the US Supreme Court. At that time, one of the justices of the Supreme Court, I forget his name, said that the only valid patents were the ones that hadn't come before the court! Oh, God. I could go on and on. Adam's Corp. did so well because these products were so unique. The potato chippers were local people, they couldn't afford to deliver their chips without selling something else. Needles, and threads, and all these things. They couldn't make a living on it. So when this product came along, they were delighted to take it on to carry part of their problem. We held up trains in the southwest, for Milwaukee to Kansas City , for hours while we loaded this stuff. We had lots of people going into business in competition with us because of these other contracts, these local people, (can't hear) sold stock. This is how the Bartels got in on it. He sold stock to them at the normal sum. And sold stock all over the place. We had to keep buying up this stock.

JJ: Like Dad's stock. He got it from Claire.

AA: We had to somehow get control so we could run the thing. Everybody gets greedy, but these guys got super greedy! Plus, they weren't business people.

VWD: (can't hear)

AA: Exactly, your husband and the Griffith family were busy making milk, cream, and all this stuff, and raising dairy cows, and not sure what was going on over here. Ron used to come to the board meetings. He was always supportive of our family trying to get this thing sorted out.

JJ: I have here, it's condensed and not accurate, that Daddy now enjoys going to stockholders' meetings in order to nominate Harry Adams for President. He was supporting you guys.

AA: We were concerned all along about these things going different directions. I mentioned Archibald one time, during 46 or 47. We couldn't make corn curls with cheese, but out in California they were doing a good job with a little butter, salt and pepper. But the main thing was to develop cheese. One day this fella calls from New York. Matthew Archibald. (can't hear) I see this can of Chee-wees from the Elmer candy co. I've traced it all the way back to Flake-All Co. I think you're making a big mistake by not making a big thing of this. I'd like to buy a piece of the action. (can't hear) but we can't get any cheese. (can't hear but I think it has to do with oil--vegetable or whatnot) he said, Perish the thought! No problem. My best friend divorced his wife and I married her and she's a Morrow of the Morrow Nut Houses (?could have fun with this!?) (can't hear, but about oil and cheese) we can give you all the oil and cheese you want and I'll be out tomorrow morning. I'm flying tonight to Chicago. I'll be there on the 11:15 train in Beloit. I'll have a can of Chee-wees in my hand, you can recognize me. So I went over and met him and sure enough, he wanted to put money in this thing. He wanted to provide us with the oil and cheese and wanted to buy into the company. He said I'm tired of flying these airlines, I fly in these flying boats. I've had fires, dissident people, I don't want any more of it. I married my best friend's wife because he mistreated her. (can't hear) I've looked around, I'd like to move to Lake Delaven, and I'd like to buy a piece of the action. We didn't mind, we needed the money and help. so Archie bought into the company. He became the sales manager. Meanwhile we built this new plant(?), and Humphrey Foster (can't hear).

JJ: (lots of laughter) When did you have time for your law practice?

AA: We didn't! (can't hear) So Archie came and was the sales manager. He had itchy feet, you can't sit still too long if you've been traveling, flying, being the captain of an aircraft.(Something about a plant in Hawaii) 1950 you couldn't import (something). so Archibald and I went out there. About two weeks before that I had bad kidney stones. ///

End of side 1

Side 2

AA: (can't hear--something about bleeding excessively) . We were up in Portland and went up to Seattle (can't hear). Then got a plane to Hawaii. At that time it was the longest overseas, nonstop flight in the world. Archie said, You know I'm a pilot, this was a double-decker, Boeing (?) This guy (can't hear--something about all this stuff and fire?). We were down on the lower deck, at the bar with some other people, we were just short of the point of no return, (can't hear) All of a sudden we smell smoke (can't hear--something

about captain running through to the luggage area and then coming back) I look at Archie and his face is green. A fire on a plane is a serious thing. The captain says, Who's smoking Murats? Remember those things? To be nonchalant, you smoked Murats! He said, who's smoking Murats, will you please stand up? (can't hear). At this time, we were beyond the point of no return. Two of the motors are gone. This is a seventeen-hour flight (can't hear). We look out and see these army planes out alongside...

JJ: Escorting you because they know you're in trouble?

AA: (can't hear)

JJ: What was the trouble?

AA: A fire in two motors. They had these carbon dioxide things to put the fires out. That reminds me of a long story, turn that off.

JJ: Is it one that can't be heard?

AA: No, it's clean. (a long story about two Polish bros. on an airplane.)(lots of laughter) (back to original business story, but hard to hear.) (something about somebody going out of business, moving to Canada, and "harassing us from there.") Then the question was whether we should or shouldn't have licensees. Should we have our own distribution? We licensed the Frito- Lay people. I had gone to Europe and licensed the largest food company in Germany. Then in 1956, Father died and Arthur and I had these things combined. Meanwhile, lots of things had happened. People couldn't get a license with us because of these initial contracts. (something about licenses given out that were taken over by others) Then we're moving along very well. Have distr. of our own. Along came the fire in '59. (can't hear) We'd had been (cornered?) by a number of companies to sell out. (something about tax bill being enormous.) We still owed money, we needed new machinery. If you die, you have no liquidity. We thought we'd have to sell the business, we couldn't stay in it. If one of us dies, the taxes would be so enormous, we couldn't pay off the debt. (can't hear--Am Holding Council?) We had been approached by the Beatrice co. This was encouraging, because by this time we had operations abroad. Beatrice only had one operation abroad and that was interest in a dairy in (?). We had consolidated foods wanting to buy us. A fine opportunity to sell Flake-All, (?) Foods, and Adams. But they wanted to kick out all the people. (can't hear--something about Bill Kearns and someone hired by Dad himself, the old guard) said we think you ought to sell to us, build up your law business and consider (?). You can be our personal representative. (Beatrice in Asia). So we sold out. We decided that between Arthur and I and McClary, who was instrumental in making this a good co., and (?). We took cash because they wouldn't give us stock, because at this time their stock was (?). We should give them x amount of money. (sales manager, somebody thought he should have more) (?) said I notice you have a company car, and blah, blah. So Matt started his own company. (can't hear) Did a great job. Pate was working for Adams Corp. Beatrice became a large successful company. They began putting in managers, with expense accounts. Then the price freeze came on farm products. the farmers couldn't raise the price of grain, the manufacturers couldn't raise the price of the product. While they were still making money by and large, and losing here and there, they felt that they could put their money to better use in this sort of

a posture of things. (...elected to terminate...) Very sad. (can't hear) Flake-All was finished off before that. We had Alpha and Beta companies to phase this out as they took over. The bldg that houses Adams Corp was sold to Gen Electric Pension Fund. Flake- All had been moved. I was part of Adams International until I retired. It's still continuing.

I established business in Greece. You could only take five percent of your capital investment out of the country. (Something about the Bank of Athens) It used to be a Favored Nation, now its a part of the Common Market. Once a year, Beatrice has a meeting of its international people. They had nine million in sales that year. They had Greek ships distributing the product with money from Adams International. When I retired, they moved to Miami, a better place for them. What was good was that we helped them get their feet in the door of these countries. Savoy, in the Cuarcas is the largest candy manufacturer and canner (?) for the Fisher company. They came in with Beatrice by way of Adams International. I could name a bunch of companies, which I come back to Claire Matthews and my father. He wrote me a letter, saying he was still alive and holding. I said, Claire, so help me, I've been thinking about you. I hope you're still holding. (can't hear--something about dinner). There were lots of side things. One of them was the patent litigation in Chicago. George I. Haight was a classmate of my father's from law school. He was a prestigious patent lawyer. He's the one who represented Minnesota Mining in their Scotch tape thing. We went into his office. He had a clock over his mantle. He said, Now Harry, you're my classmate and friend, I want you and your sons and associates to understand that I charge a thousand dollars an hour for consultation. Time is money. I charge \$1500 an hour in court. Father was a member of the Union League Club in Chicago. We'd go to the Union League in between federal court hearings and sit in the bar and Dad didn't drink, and he didn't want us drinking. We'd drink Virgin Mary's and George would drink something called a Bees Knees, made with honey and gin or vodka. (some story about a gift G made to Union League that was unsuitable to have around the house)

RAD: (something about Claire and Sweptkey and litigation.)

AA: Sweptkey became a Trojan horse.

RAD: Sw and Matthews were working on it. They felt a need of help. So they got your father and Earl Berry in. They weren't incorporated at that time, but you did incorporate and had a quarter of the stock then?

AA: No, had nothing then. This was part of the problem.

RAD: Who held the stock?

AA: The Elmer canning co. had something like 51%. They had control. You and finally father took some stock in lieu of fee. Arthur and I had to buy the controlling stock in Flake-All. We really stuck our necks out. That's a long story. But father was getting along in years. We felt that he didn't want to keep this thing up. Mother didn't want him to. All these cantankerous, litigious people, as a husband--you don't want your wife to be subjected to this sort of thing. And I was young enough, stupid enough, and fortunate enough to do it. I had nothing to lose. My son, who had made up some toy airplanes that hung on wires said, Dad, you could sell some of those.

RAD: I got the impression that the stock was split up pretty widely. There were factions.

JJ: Eventually, the Adams got control.

RAD: There were several factions that wanted control. Several times, before meetings, I'd have people coming in who wanted to buy my stock.

AA: It was very unhappy.

RAD: The company wasn't making very much money.

AA: They were losing money!

RAD: Any money made was used to pay the officers.

AA: One day Carol said, you need to file this stuff. I said that I had files all over the place. But what's in them, I don't want to throw away. I'm thinking of one day writing the history of the company, all our experiences over the years. They were very interesting times. So we went through the files. Forget the snack food business! This is why Adams Corporation is called Adams corporation--corn curls division, because the facets beyond the snacks are marvelous. Snacks were just in the bottom of the pan. I've got all these records and letters. Stuff from all over the world about the granulation of food and mixing them all up. Your father is mentioned in some of these. I hesitate to through them down the drain. That would be a terrible mistake.

JJ: My rule is: don't throw away anything!

AA: I have a feeling of affection and dedication to these things and I don't want to tear them up. I'm not about to buy them a new filing case. When we built the new Y. We needed 50,000 dollars. We couldn't give them all that. I talked to Ron and said, I hear you're giving up the milk business, I know how much this meant to you and your father. How about a donation? And he gave me a very generous donation. I never forgot that. I have a few other things along that same line. (?) made a pledge and then died. His wife came over and said she wanted to recognize the pledge. Several people did the same thing. They knew that at that time, your fortunes as a dairy farm were not rising. You were making other provisions for your future. You were very generous.

RAD: Didn't they put names up?

AA: On tiles.///

End of tape.