

Highlights Of The Fourth Of July Talk By Mr. Harry H. Straus

In his opening remarks, Mr. Straus told the large audience that he was indeed happy to be present for this year's picnic after having missed the occasion last year because of illness. He first paid tribute to the freedom loving men who drew up and signed the Declaration of Independence.

Then Mr. Straus told of the founding of Ecusta, complimenting "each and every one of you who has contributed towards making Ecusta what it is today: admired, respected, by all of those who come in contact with you—be it customers, bankers, or a firm from which we buy."

Of his recent honorary degree of engineering, Mr. Straus emphasized that "while the University honored me as the president of Ecusta, it actually honored our community and each and every one of you working here, because you have given our state an example of what freedom-loving men can accomplish by working together when they are determined to make the American dream come true."

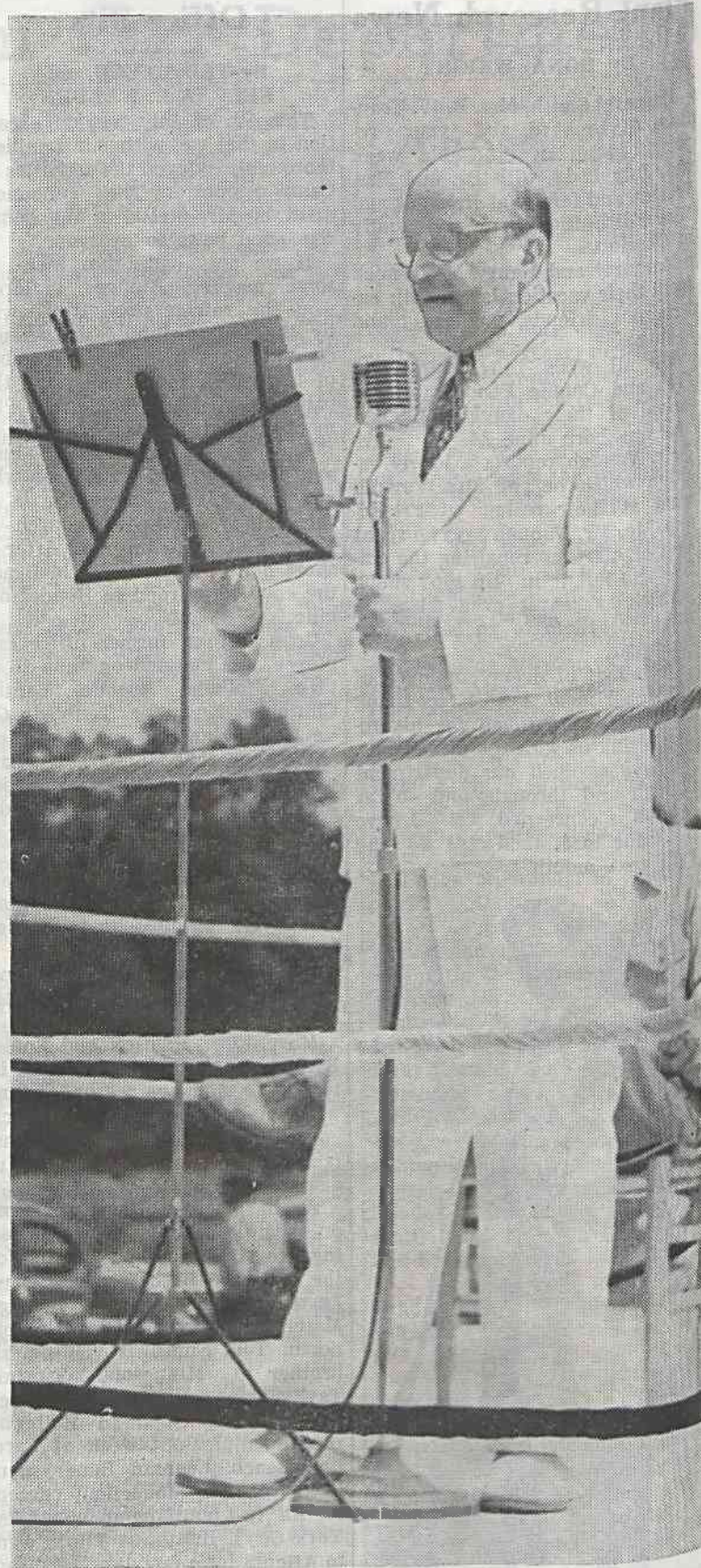
"We have overcome obstacles one after another because all of you entered into the spirit of team work and cooperation, and because you were convinced that what we are doing is for the purpose of building soundly and purposely for the future of all of us.

"Our rewards have been manifold. We have developed—and this is the most important part of any sound business—many satisfied customers who are loyal to us, who appreciate the fact that we have kept them supplied with cigarette paper, booklets, and belts during the long years of war, and who have assured us repeatedly that we can depend on their continuous support, as long as we give them a better sheet of cigarette paper tomorrow, than we did today, and that we will keep our cost within competitive range.

"Now I want to tell you about some of the problems of our companies. As I told you before, it became necessary for us to undertake a very extensive expansion program. Conservatively, this will cost us approximately \$5,000,000. Ecusta is a young concern. It does not have a bank balance big enough to pay for the cost of this expansion work. So, I went to the bankers, and, in addition to what we still owe on our previous loans, I contracted for a new loan, and at the present time we owe about \$8,000,000, and this amount must be paid back over a period of years, at regular installments.

"I make this explanation to you because friends as we are, I feel that you ought to understand something about the financial condition of our company, and I hope in the future to tell you more and more about it. We are proud of our record. We are held in the highest regard by our banks, and they extend to us whatever credit we need. This is a reputation which, as you know, must be safely guarded. In our business lives, as well as in our personal lives, in order to be successful, we must firmly and soundly establish our financial condition, otherwise we may fail, at least in the material things of life. However, there are two other obligations and responsibilities that we must constantly think about: First, the duty which we owe to our customers to provide them with the best cigarette paper which can be made, at a price which is competitive, and by competitive, I mean at a price at which our competitor cannot undersell us; secondly, and which I wish you to know is one that is uppermost always in my thoughts, and that is, that we furnish steady, regular employment for all of us, and avoid, as much as possible, 'lay-offs, shut-downs or other unproductive periods', about which you have heard so much during the past months.

"The surprise which I have to announce today—and



MR. HARRY H. STRAUS DELIVERING SPEECH

it is one of the happiest announcements I have ever made since you and I talked to each other—is that our cost of production during the past six months turned out to be lower than we calculated, and consequently, our results for the period turned out to be better than we expected. For this wonderful result, I give credit and thanks to you. By closer cooperation, by performing a good and loyal job, and by giving us an honest day's work for an honest day's pay, you have succeeded in increasing our production to a larger degree than we anticipated.

"When a situation like this arises in most companies,
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