The Estate of Alfred I. du Pont and The Nemours Foundation

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"My philosophy of life is exceedingly simple: be fair to everyone, do as much good as you can; be honest with yourself, which means, honest with everybody; . . . if one would keep one's head above water, one must struggle, and use such weapons as our Creator has provided."

—Alfred I. duPont

"As for my philosophy for the future, it is equally simple. One's proper discharge of one's duties and obligations in this world will insure proper recognition in the next—about which, of course, I know nothing . . . That there must be a Divine Providence, as Creator of the Universe, one can hardly deny."

—Alfred I. duPont

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Published by The Estate of Alfred I. duPont
803 Florida First National Bank Building, Jacksonville, Florida 32201
September, 1974

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WHAT ALFRED duPONT PLANNED FOR FLORIDA

"We are now in Florida to live and work. We expect to spend the balance of our days here. We have all the money necessary for any reasonable effort to help Florida grow and prosper.

Our business undertakings should be sound, but our primary object should not be the making of money. Through helpful works, let us build up good in this state and make it a better place in which to live. In my last years I would much rather have the people of Florida say that I helped them and their state than to double the money I now have."

Alfred I. duPont

(As stated by Mr. duPont when he moved to Florida early in 1927.)

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THE ESTATE OF
ALFRED I. duPONT
AND
THE NEMOURS FOUNDATION

Alfred Irenee duPont, the "family rebel" of the Wilmington, Delaware, duPonts, died in 1935 at Jacksonville, leaving an estate in banks, land and securities worth $58 million. His will provided for the estate to be left intact as a charitable trust and for the establishment of a foundation to use the earnings for the treatment of curable crippled children or for the benefit of aged persons.

"It has been my firm conviction throughout life that it is the duty of everyone in the world to do what is within his power to alleviate human suffering," wrote duPont in his will. "It is, therefore, natural that I should desire after having made provision for the immediate members of my family and others whom I have seen fit to remember, that the remaining portion of my estate be utilized for charitable needs."

After payment of Federal and State taxes amounting to some $30 million, as well as providing for his widow, the former Jessie Ball, and for the other duPonts mentioned in his will, the Estate was reduced to about $27 million. The major part of this was in securities, mainly in E. I. duPont de Nemours & Company stock, the remainder in Florida properties, including seven Florida National Banks. Except for the banks, the Florida properties were worth comparatively little in 1935.

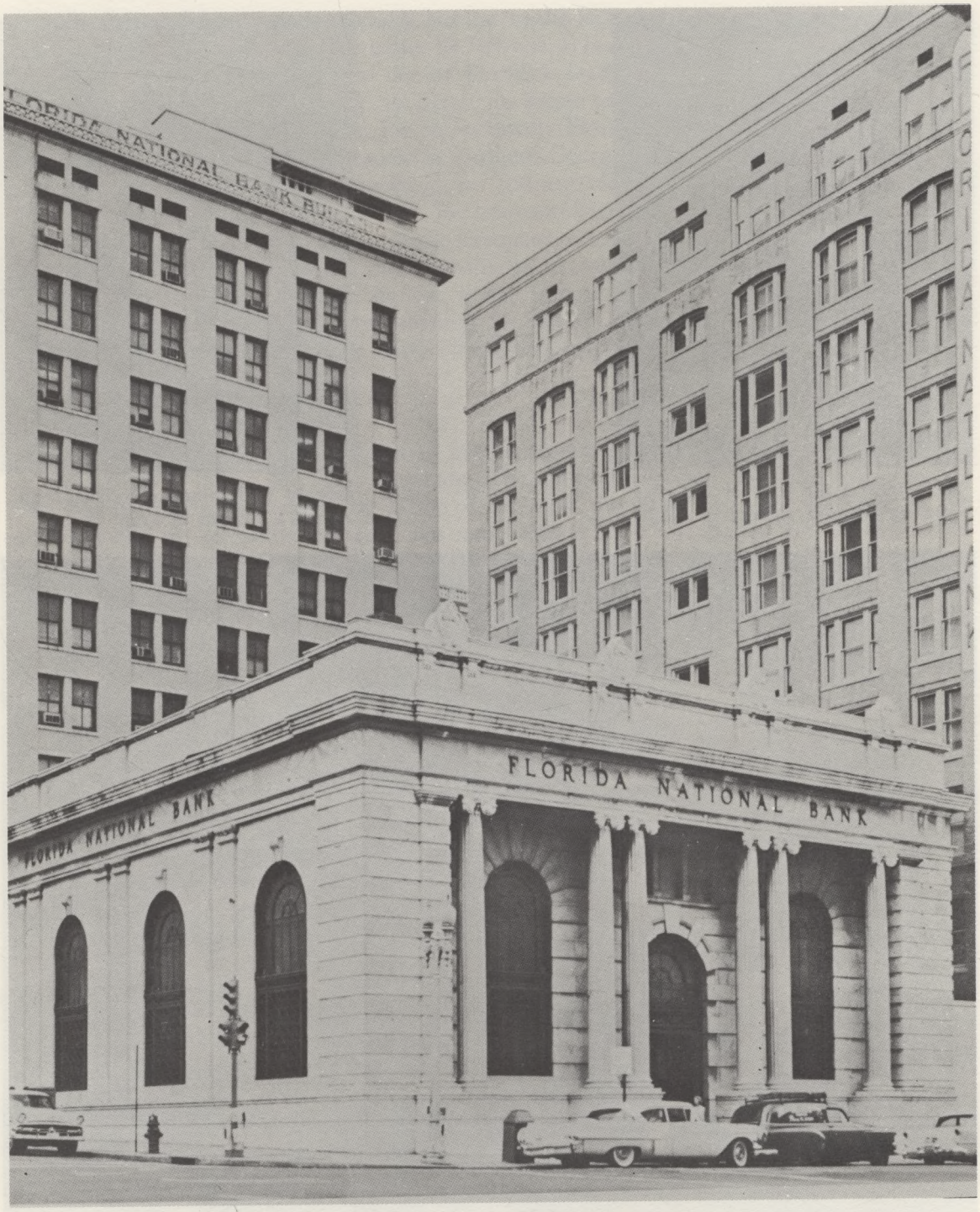
For an estate whose total income eventually was to be devoted to costly charities, it was by no means a large one — nothing comparable to estates left for charitable purposes by Rockefeller, Guggenheim or Ford. But two things happened that were to have an immense influence on the growth of the Estate. One was the fantastic development of Florida. Of equal importance, among the trustees duPont named in his will was Edward Ball, his brother-in-law, who already had been managing the Florida properties for a decade. The other trustees, including Mrs. Jessie Ball duPont, Colonel Reginald S. Huidekoper, duPont's son-in-law, and a corporate trustee, the Florida National Bank of Jacksonville, urged Ball to continue his position as manager.

The trustees were aware of duPont's confidence in Ball and this played no small part in their decision.

"Don't ever let anyone minimize Ed Ball's ability to you," duPont told his wife a short time before his death. "I have worked with him for years; I know his ability, his integrity and his devotion to you and to me and his loyalty to a trust."

At another time duPont told his wife:

"If I had had a man like Ed Ball to manage my affairs, I would have been a very rich man."



In 1929 Alfred I. duPont assumed control of the Florida National Bank of Jacksonville, the first of a banking group which was to become the financial backbone of the state.

Jessie Ball at the time of her marriage to Alfred I. duPont in 1921.

Edward Ball became associated with Alfred I. duPont in 1923.

Mrs. Jessie Ball duPont and her brother, Edward Ball were caught in a happy mood by a *Florida Times-Union* photographer in 1959.

Mr. duPont did become rich enough, but the wealth he had accumulated during his lifetime was small compared with what the estate he left was to become. Under the Trustees' direction the duPont holdings expanded into one of Florida's leading financial and business institutions. The St. Joe Paper Company, in which the Estate has controlling interest, owns a multi-million dollar paper mill at Port St. Joe, in northwest Florida; more than a million acres of timberland in Florida and 55,000 acres in southern Georgia; owns outright or controlling interest in twenty corrugated box factories in this country, two in the Republic of Ireland, one in Northern Ireland, and one in England. St. Joe has controlling interest in the Florida East Coast Railway Company and the Talisman Sugar Company, near Belle Glade. St. Joe also owns valuable property in downtown Miami and Jacksonville, as well as hundreds of acres on the outskirts of developing Tallahassee. St. Joe is the largest single shareholder in the Charter Company, a Jacksonville based firm, owning 21 percent of the common stock. The Estate did own controlling interest in the thirty Florida National Banks before ordered by Congress to divest itself of the group.

The Apalachicola Northern Railroad and St. Joseph Telephone & Telegraph Companies are subsidiaries of the St. Joe Paper Company. The railroad, less than 100 miles long, running from Port St. Joe to Chattahoochee, is one of the most profitable short-line railroads in the country, while the telephone company has more than 17,000 telephones. But neither could have been called a valuable asset when Ball purchased them for duPont in the early 1930's.

"We had to rebuild the railroad and buy new equipment," said Ball. "The telephone company had twelve telephones, all used by the railroad. Everytime a wet razorback hog leaned against a telephone pole the line went out temporarily."

When the Estate took possession of the debt-burdened Florida East Coast Railway in 1961 it was in a run-down condition similar to what the Apalachicola Northern had been. Moreover, it was losing large amounts of money on its passenger service. Ball, as chairman of the board, pressed the installation of modern methods of railroad management, along with the purchasing of new rolling stock and new equipment, including centralized traffic control. He also ordered the mechanization of roadbed maintenance, eliminating the back-breaking, inefficient hand labor of the "section hand."

In 1963, following a strike by railroad unions, the passenger service was discontinued and so was the "featherbedding" by operating crews. Under the union, the railroad was required to use three five-man crews to operate a freight train over the 350 miles between Jacksonville and Miami. After changing the rules in keeping with procedures prescribed by the Railway Labor Act, the F.E.C. used a three-man crew to take a train the full distance.

"We were soon operating more efficiently than would ever have been possible under union domination," said Ball.

While the railroad began to show a profit, so run-down was the line after thirty years of receivership and bankruptcy, that earnings had to be plowed back into modernization and improvements. Today the Florida East Coast is the nation's most modern and efficient railroad — "but," added Ball, "there is still room for improvements, which we are making."

The "Doodlebug," carrying passengers, mail, and express, ran between Port St. Joe, Apalachicola, and Chattahoochee on the Apalachicola Northern. It was discontinued after the highway took such business from railroads.

Upon acquiring control of Talisman Sugar Company in 1972, the St. Joe Paper Company began immediately to change over from hand-harvest by machete to mechanical harvest of sugarcane. Previously more than 1,000 cane cutters had to be imported from Jamaica to do the hard labor which field hands in this country refused to do. Today the same work is being done by 40 machine operators. The machines, designed and made in Australia, have proven that this work can be modernized and other sugar producers have also started to mechanize.

Although duPont once stated that he planned to invest $5 million in Florida, he had committed only about half this amount at the time of his death. Today the Estate has a value that would be impossible to calculate, because investments are in properties and securities subject to market fluctuations. Newspapers and magazines have estimated the worth of the duPont Estate from anywhere between half a billion to more than one billion dollars.

"I want to emphasize that this is *their* estimation," said Ball, "not ours."

Today the income from the Florida properties is several times more than the total investment in the state at the time of duPont's death. But as a result of this growth, more funds are available for the founder's charities than he could have foreseen. Since the death of Mrs. Jessie Ball duPont in 1970 virtually all of the Estate's income goes to The Nemours Foundation, for the operation of the Alfred I. duPont Institute in Wilmington, opened in 1940 for the treatment of crippled children. During its first thirty-two years the Institute treated and prepared the way for the rehabilitation of more than 20,000 crippled children. Of these, more than 9,000 required operations by the Institute's orthopaedic specialists. Recently, the number of new patients receiving treatment at the Institute has risen to more than 2,000 a year.

In addition to its treatment of curable crippled children, the Alfred I. duPont Institute has a major training program for specialists, who take with them into private practice improved techniques for rehabilitation of unfortunate youngsters. Currently half a dozen residents spend a year at the Institute, completing their work in orthopaedics or pediatrics, while other medical specialists may spend a week to a month, observing techniques in operations, braces and body casts and post-operative care. Seminars also are conducted at the Institute for specialists working with crippled children.

Research at the Institute has become widely known among medical scientists for work in protein chemistry, blood cell growth, and chemical methods of achieving immunity to diseases. Basic knowledge is being gained which will make an immense difference in the treatment of diseases in the years ahead, for adults as well as for children. An example is the isolation, identification and study of the countless strains of streptococci, the dreaded organism which causes such diseases as rheumatic fever and nephritis. Another discovery is that blood cells can be reproduced in a medium prepared in the laboratory, independent of animal serum. Hopefully, this eventually will make it possible to manufacture blood in sufficient quantity for transfusion purposes. Meanwhile, the Institute has developed a method of auto-transfusion, enabling a child to give its own blood in advance of an operation. This eliminates the risk of the child contracting such diseases as hepatitis or receiving blood that is incompatible with its own.

Over the years the news media have carried very little about the activities of The Nemours Foundation and its principal benefactor, the Alfred I. duPont Institute. For one reason, neither The Foundation nor the duPont Estate has sought publicity. Another reason is that some members of the press have looked upon Edward Ball as a controversial figure. They have attributed to him devious political powers, while politicians, seeking to ride into office on their castigations of Ball, have sought to picture him as a robber baron. At no time have the critics mentioned the crippled childern who are treated and rehabilitated each year with the aid of funds earned by the duPont Estate.

If Edward Ball has to some the image of a controversial person, it may be because he has never been reluctant to meet the challenges of individuals, or the government, when they attempted to stand in his way in the conduct of the Estate's business affairs whenever he thought he was right. In such instances he has always stood up and fought. And it is to his moral credit that he has won virtually all the battles. Over the years he has sought to carry out fully the provisions in Alfred duPont's will. Much of the philosophy of duPont, whom Ball greatly admired, can be seen in his decisions that have affected the Estate.

"My philosophy of life," wrote duPont, "is exceedingly simple: be fair to everyone; do as much good as you can; be honest with yourself, which means honesty with everybody; and, to put it mildly, be most disagreeable to anyone who seeks to do you injury."

His philosophy regarding the future, or after-life, "is equally simple," he wrote. "One's proper discharge of one's duties and obligations in this world will insure proper recognition in the next — about which, of course, I know nothing. . . That there must be a Divine Providence, as Creator of the Universe, one can hardly deny."

DuPont admitted that being "disagreeable" to those who try to do you in "is contrary to Biblical admonition, but," he added, "it is the only practical way to get along in this world. Competition is so bitter and those who succeed have such a multitude of enemies that if one would keep one's head above water, one must struggle, and use such weapons as our Creator has provided."

While duPont had the most tender feelings for suffering humanity — the crippled, the elderly and infirm, the depression-time unemployed, and for the countless little people who lost their savings in "busted" banks—he wasted no sympathy on his rich and able competitors. Nobody could have exemplified the Alfred duPont philosophy better than Edward Ball —not only his philosophy of life but his philosophy about preparing for a possible after-life. And, like duPont, Ball has never shown any reluctance in the use against a "multitude of enemies" such "weapons as our Creator has provided." Like duPont, he has always demonstrated unlimited spunk and a will to defend his rights, particularly those of the Estate.

An example of Ball's application of the duPont philosophy was his fight with Champion McDowell Davis, president of the Atlantic Coast Line Railroad, over who was to get control of the bankrupt Florida East Coast Railway. Early in the 1940's Ball began purchasing the F.E.C.'s defaulted mortgage bonds for the duPont Estate, continuing until he had possession of more than 51 per cent of the $45 million issue. This was enough to give the Estate control of the railway, but Davis took him to court, and there these two crusty individuals engaged for seventeen years in litigation estimated to have cost them $5 million each. One day Ball and Davis, attending an Interstate Commerce Commission meeting at the Whitehall Hotel in Palm Beach, got on the same elevator. Davis punched a button which sent the elevator in the wrong direction.

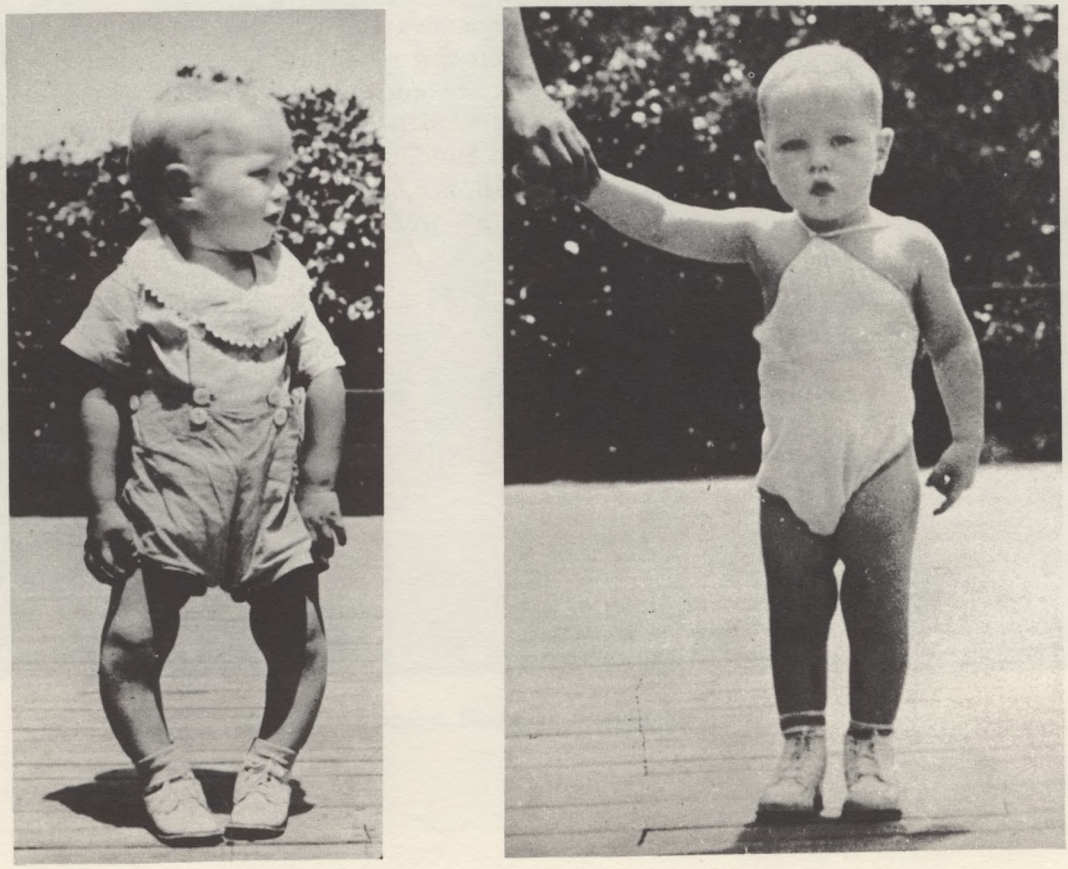
"Mr. Davis," said Ball dryly, "You run an elevator just like you run a railroad."

But Ball isn't a person to hold enmity. Some years after his retirement, Davis sought to build a rest home for the aged in honor of his mother, and, lacking sufficient funds, called upon The Nemours Foundation. Upon Ball's recommendation, the directors responded with a gift of $75,000.

Unlike most major estates left by wealthy individuals, no part of this one can be inherited by members of family, either on the duPont side or the Ball side. Alfred duPont specified in his will that after the death of the last beneficiary all the Estate's income was to be used for the treatment of curable crippled children or for the care of elderly people. He had written his will, however, before the passage of the Social Security Act which provides the help duPont had envisioned. Fortunately, his will gives The Nemours Foundation directors a choice in the use of the funds.

The wording of the will, which restricts admission in the Alfred I. duPont Institute to "crippled children not incurable", has puzzled many persons. You have to understand duPont's philosophy and his use of common sense to appreciate those restrictions. He believed it is society's duty to take care of the incurably handicapped, including the mentally retarded; that the state should provide the funds and whatever institutions were required for this purpose. His decision to assist the curable handicapped was practical as well as humane. For a child to grow impaired and unable to compete on an equal basis with his fellow humans was to duPont intolerable, and inexcusable if the child could be rehabilitated by medical science. It was to this purpose — to prepare the child for a competitive society — that duPont dedicated his fortune. On the other hand, had duPont failed to limit the funds to the rehabilitation of curable children, he might have wound up creating a permanent establishment for incurable cripples and mentally retarded — those whom he considered to be the state's responsibility.

Corrective surgery, made possible by The Nemours Foundation, gave this child, its legs bowed by rickets, a chance to develop normally.



In the will, however, was a provision for the security of his widow which was later to prove embarrassing to Mrs. duPont because it gave critics ammunition to fire at the Estate, at her and at Ball. In addition to leaving his widow an annuity of $200,000 a year for life, a codicil added during the depth of the depression provided that after other bequests and annuities were paid, Mrs. duPont should receive the balance of the earnings of the Estate during her lifetime. Fearing that his wife, whom he dearly loved, would have insufficient funds to live comfortably, he unintentionally added income which eventually would grow to burdening size. Before her death her income was to be as much as $12 million a year, of which the Federal Government took the majority in taxes. Benefits received by other beneficiaries, in specific amounts each year, were not influenced by the Estate's increased earnings. The list of beneciaries has been trimmed drastically over the years as a result of deaths.

After paying her taxes and giving generously to The Nemours Foundation, Mrs. duPont gave away most of her income to schools, hospitals, scholarships and other charities. Since her death all of the income which Mrs. duPont formerly received goes directly to The Nemours Foundation. In 1971, with new millions at their disposal, The Nemours Foundation Board of Directors approved a major expansion of the Alfred I. duPont Institute in Wilmington.

The Institute's ambitious program for the treatment and rehabilitation of crippled children has been made possible as a result of the increased value and the growing income of the vast duPont Estate. But to understand and appreciate how this estate came into being, as well as the philosophy behind it and the non-profit foundation it supports, one must know something about the people who have been involved in building it -- first, Alfred duPont himself; his wife, the former Jessie Ball, and Edward Ball, her brother. Others, too, have played important roles in this dramatic, human story, and they will appear where their names belong.

Nemours Mansion House at Wilmington, Delaware.

Alfred I. duPont in 1902, when, in an audacious move, he offered to buy the duPont Company.

ALFRED IRENEE duPONT

Alfred Irenee duPont was one of the most remarkable members of the remarkable duPont family. His life is told in a 550-page biography, *Alfred I. duPont — The Family Rebel,* by Marquis James, widely known for his Pulitzer-winning life of Sam Houston, *The Raven,* as well as for his biography of General Andrew Jackson. Although not a soldier, duPont was hardly less interesting to a writer. A genius and a non-conformist, he worked his way up in the family's powder-making firm in Wilmington from a laborer. In the right spot at the right time, and with an audacious proposal, he was able to prevent the family from selling the company to outsiders. In short, he bought E. I. duPont de Nemours & Company from the family, then induced the stockholders — the same family members — to accept stock in a reorganized firm in lieu of money.

Alfred duPont was a direct descendent of the founder of the duPont Company. Alfred's father, a company partner, was a powder maker and the son was to follow him in the trade. But it was not to be a situation where the father turned over the tools of powder making directly to his son. Alfred's father and mother died within a month of each other in 1877, leaving five children. The oldest was a girl of seventeen, the youngest a boy of nine. Alfred was thirteen.

The duPont clan got together and decided that the five orphans were to be placed in separate duPont homes. A favorite uncle — Uncle Fred — was selected to inform the children of this decision and request them to comply with it. But the children, already suspecting what their elders were up to, had armed themselves. And when Uncle Fred arrived at the home he was confronted with an ax, a rolling pin, a flint-lock pistol, a bow and arrow and a twelve-gauge shotgun. Alfred, the oldest boy and wielder of the shotgun, told his uncle the children would not submit to the dictates of their elders and would fight to defend their home.

The children won a victory. Uncle Fred, who was reasonable, discussed matters with the other members of the clan. Annie, the oldest girl, was put in charge of the household, including the faithful servants, and the children remained together. Although not in charge of things himself, young Alfred had been the instigator and leader in a critical moment. This was to be a pattern with him for the rest of his life. Alfred Irenee duPont was the imaginative strategist who delighted in setting up machinery — inventing when necessary — and getting things rolling. But there was nothing delightful in administrative work. Throughout his career he succeeded in turning such matters over to others.

After completing his studies at Phillips Academy in Andover, Massachusetts, Alfred enrolled in the Massachusetts Institute of Technology. He studied mathematics, chemistry, shopwork, pattern making, and German. He already could read French. But his grades were not the best. And with good reason: he spent a lot of time "on the town". Although ambitious, Alfred liked to enjoy life too. A cousin, Coleman duPont, who, like Alfred, was to play a major role in the future of the duPont Company, was a second-year student at M.I.T. They were frequently at the theater or at concerts together, while Alfred, himself a musician, got to know many important performers. And when Alfred wasn't enjoying the higher levels of culture in Boston, he was enjoying the lower levels — at John L. Sullivan's bar. He had made a friend of the famous pugilist by trying to drink him under the table, a formidable task for an eighteen-year-old. Although he failed, the engaging personality of Alfred delighted the man who liked to brag that he could "beat anybody in the house." They were to remain fast friends for the rest of the pugilist's life.

In 1884 an explosion at the Repauno Chemical Company plant killed Lammot duPont, in Alfred's mind the ablest member of his generation. Lammot had prodded his company into the manufacture of dynamite. But while experimenting to reduce pollution of the Delaware River, into which the waste acids from the manufacture of nitroglycerin were being dumped, something went wrong. Lammot and five others lost their lives.

The loss of a favorite uncle turned young Alfred's mind away from school and he quit M.I.T. at twenty to return to Wilmington and begin his career in the duPont Company. Like other duPonts before him, Alfred began as a common laborer but soon was promoted to apprentice powder man.

Working his way up, Alfred not only mastered the art of powder making, he redesigned or invented new machinery to improve the powder-making process, and much more safely than in the past. He was to patent more than 200 inventions. Becoming interested in electricity and making friends with Thomas A. Edison, Alfred in 1886 installed electric lights in the family home, one of the first residences in the country to be wired. He was later responsible for introducing electric power into duPont Company mills, after overcoming the resistance of his elders.

Alfred duPont was thirty-eight in 1902 when Eugene duPont, president of the firm and patriarch of the duPont clan, died of pneumonia.

"Consternation took the surviving stockholders of the corporation — excepting Alfred," wrote Marquis James in *The Family Rebel.* "There were hurried, flustered, futile meetings . . . the company adrift, its old leaders dead without a new one in sight."

The surviving top members of the clan were too old, in poor health, inexperienced or timid. None wanted the role of leadership. Although Alfred duPont was looked upon by outsiders as the top producer in the company, he was not invited to the meetings and his name as a possible leader was never brought up. Tending to be blunt, and having an aggressive personality unbecoming to a young man, Alfred had been kept outside the corporate inner circle. Moreover, he was quick to criticize his elders, without consideration of position and prestige or to punch holes in their ideas.

"I suppose I was impulsive — and not always polite," said duPont many years later.

In desperation, the elders voted to sell the company. Alfred learned of the plan through a cousin. He was against selling, but held his tongue while his facile mind came up with a fantastic plan — to buy the company himself. Quietly slipping out of Wilmington, he went to New York to explore the possibilities of obtaining financing in case cash was needed. We are not sure of the details. But a week later, when a stockholders' meeting was called, Alfred was ready. He attended in his working clothes, his hands grimy with powder, and sat through most of the meeting with nothing to say. When an older duPont moved that the company be sold to Laflin & Rand, a competitive powder making firm, for $12 million, Alfred was on his feet. He offered an amendment providing that the firm was to be sold to the highest responsible bidder, which was accepted. Then he sat down. But as soon as the meeting was officially adjourned, Alfred was on his feet again.

"Gentlemen, gentlemen," he called out to gain attention. "Gentlemen, I'll buy the business."

When the surprised stockholders began looking at Alfred with obvious doubt that they had heard him correctly, he repeated:

"Yes, I'll buy the business."

A cousin, Frank duPont, told him he could not have the company.

"Why not?" snapped Alfred impulsively. "If you can't run the company, sell it to someone who can!"

Leaving the meeting, Alfred got into his "horseless carriage" — the second automobile to be purchased in Delaware — and chugged to the home of his dashing, confident and able cousin, Coleman duPont, before whom he unfolded his plans. Realizing he did not have the temperament to head the company himself, he offered "Coly" the presidency. Alfred lacked subtlety in human relations and his tongue was too sharp for the job. Besides, administration bored him.

Coleman agreed to join Alfred only if as president he would have a "free hand" and if their cousin, Pierre, was brought in to make it a trio. That was fine with Alfred, who had intended to ask Pierre to take the presidency if Coleman turned it down. Next day Pierre took a train from his home at Lorain, Ohio, and the three cousins met in the billiard room of Alfred's home to work out a plan.

The audacious plan, presented to stockholders, was accepted. The family agreed to sell the company to the cousins for $15,360,000 — and on the cuff. It was one of the amazing business coups in the nation's history. The cousins put in only $2,100 of their own money. A survey of assets revealed the company to be worth $24 million. Reorganizing the firm, the cousins issued $12 million worth of 4 per cent notes and 120,000 shares of stock with a par value of $12 million. The notes and 33,600 shares of stock, worth $3,360,000 went to old company stockholders. The remaining 86,400 shares, worth $8,640,000 were split among Alfred, Coleman and Pierre. A few months later Coleman worked out a deal to buy Laflin & Rand, the company to which the old guard had wanted to sell the duPont Company. Coleman acquired Laflin & Rand with the same methods he and his cousins had acquired the duPont Company, issuing stock rather than paying cash. This gave the duPont Company control over an additional twenty per cent of the powder manufacturing in the United States.

Alfred duPont, a non-conformist in business, proved in 1906 that he could take nonconformity into his most private life: he divorced his first wife, the former Bessie Gardner and the mother of his children and soon thereafter married a cousin, the beautiful Mrs. Alicia Maddox. For a duPont to divorce a spouse was bad enough in the eyes of the clan, but to marry a divorced cousin whose husband was employed in the company was unforgivable. For a generation a War of Roses was to persist in the duPont family. The easiest way would have been for Alfred and Alicia to leave Wilmington. But Alfred would not retreat one inch, fighting his relatives with everything at his disposal except with the powder made by the family company. Then in 1915 a row exploded between the directors of the duPont Company that was to force Alfred out of the firm.

In late 1914 Coleman duPont offered to sell 20,700 shares of his stock for $160 a share. The company's finance committee, attended by Pierre, Alfred and William duPont, voted to buy the stock, in the name of the company — at that time making millions in earnings from wartime production — but Alfred and William thought the $160 asking price was too high. While Alfred and William thought Pierre was negotiating with Coleman, the wily Pierre organized a group of duPont directors who pooled their resources and their credit to buy Coleman's stock in their names, paying $200 a share on a rising market. Within a short time the stock leaped to 300 on the market, and, after splitting two for one, hit 450 within two weeks.

Alfred duPont exploded when he learned the details of the behind-the-scene dealing of his cousin, Pierre. He began a battle among stockholders and the directors were taken to court. But the directors who backed Pierre outnumbered those who backed Alfred and in 1916 he was booted out of the company. He was defeated further when, in a ballot ordered by the Federal Court, stockholders voted in favor of letting Pierre and his associates keep the stock they had bought from Coleman.

The furore his divorce and marriage of a cousin had created among the duPont clan was nothing compared with the explosion that followed Alfred duPont's challenge of the company directors whom he sought to force into giving up the stock they had purchased from Coleman. Although he lost the battle, the bitterness engendered, particularly in his cousin Pierre, was never to heal. And many of the family not involved in the deal blamed Alfred for the widespread news coverage of the "scandal." But while the battles with the clan may have kept Alfred physically fit and mentally alert, the ostracization from the society in which they had moved all their lives proved traumatic for his wife. Although Alfred had built her a mansion at Nemours, a 300-acre garden estate outside Wilmington, Alicia's health continued to decline. She died in January, 1920. One year later Alfred duPont married Miss Jessie Ball, and with his marriage he launched a new career in Florida — a career for which he would be much better remembered than for anything he had done in the past.

DuPont had known the Ball family, of Balls Neck, Virginia, on Chesapeake Bay, between the Potomac and the Rappahannock rivers, since 1900. Jessie was then sixteen and her brother, Edward, twelve. It was at Balls Neck that Alfred lost his left eye in a hunting accident in 1904. He frequently hunted on the Ball's plantation and was an admirer of Captain Thomas Ball, the father, who had served in the Ninth Virginia Cavalry during the Civil War. He fought with General J.E.B. Stuart in the Battle of Yellow Tavern in Virginia, an engagement which marked the end of the effective use of cavalry in modern warfare. The Confederates, armed with swords, were no match for the Northern cavalrymen who, armed with repeating rifles sat on their horses and shot down the charging, rebel-yelling Southerners. Captain Ball had three horses shot from under him and Stuart lost his life.

Although poor compared with the the duPonts, the Ball family was among the oldest in Virginia, having settled there in 1650. The mothers of George Washington and James Madison were products of the family. Captain Ball had practiced law in Texas and served as Assistant Attorney General of the United States. The crusty old soldier was a favorite of duPont, who never missed a chance to see him and his family while on hunting trips to Balls Neck. During the hectic years ahead he returned less frequently to Balls Neck, and, meanwhile, Captain Ball moved his family to California. A good correspondent, duPont continued to keep in touch with the family, including Jessie, the most attractive of three sisters. By the 1920's all the sisters had married except Jessie, now a teacher in San Diego public schools. At the time of their marriage Alfred duPont was fifty-seven, Miss Ball thirty-six.

Although rapidly becoming deaf — he had been hard of hearing since a young man — Alfred duPont's marriage to Jessie Ball marked the beginning of the happiest and most satisfying period of his life. While the duPont clan may not have forgotten the "'scandal" their relatives' activities had caused, they found the charming Mrs. duPont acceptable, and many who had been estranged for years from the rebellious Alfred began to renew their friendship. With the help of his wife, Alfred was able to bring about reconciliation with his children, which meant an acquaintance with seven grandchildren he had not known before. Being several years older than his wife, whom he expected to survive him, duPont encouraged her to take an active interest in his business affairs and charitable activities. And so the former school teacher moved into an office adjoining that of her husband in the Delaware Trust Building in Wilmington and began a new career as a business woman.

In 1923, duPont made a decision which was to have unforeseeable consequences for the future of the Alfred I. duPont fortune. He employed his brother-in-law, Edward Ball, as manager of his several enterprises, including a defunct trading company he was closing out. Ball, thirty-five, had behind him years of experience as a traveling law-book salesman in the West. A pair of gold cuff links he won as the outstanding salesman of the year he was to wear for the rest of his life. Sharp-witted, a hard worker, forthright and honest, he made an immediate hit with duPont. Within a short time he had given the younger man his deepest trust, and Ed Ball, who had arrived with the intention of working a year for duPont, found himself staying on. To give him experience in banking, duPont made him a director of the Delaware Trust Company.

Alfred duPont had known Edward Ball for more than twenty years, since the early part of the century when he hunted at Balls Neck. As a teenager, Ed had been an excellent shot and knew the woods, the shore and the wildlife as well as an Indian. DuPont frequently invited Ed to join his hunting party. He liked Ed's nimble wit and practical philosophy. He had never forgotten the lively teenager who was always scheming to avoid going to school. And when Edward Ball appeared at Wilmington in answer to duPont's invitation, he was taken in as a member of the family.

That fall Edward Ball journeyed to Florida with Mr. and Mrs. duPont on their yacht, the *Nenemoosha.* Having seen south Florida, he left the yacht at Jacksonville while Mr. and Mrs. duPont continued on their annual winter tour — staying variously at the Royal Palm Hotel in Miami, the Breakers or Royal Poinciana in Palm Beach, then the Clarendon at Daytona Beach until its closing in late March, after which they returned to Jacksonville for a few days, staying at the Mason. Ball, in the meantime, took a tour of northwest Florida.

"Mr. duPont had been watching the development of the Florida real estate boom," he recalled, "and it was partly as a result of his suggestion and partly my curiosity that made me want to see northwest Florida."

Buying a new Chevrolet, Ball headed west, but discovered that the pavement ended at Lake City, sixty miles from Jacksonville, and he was not to encounter pavement again until he reached Milton, twenty miles from Pensacola — a rugged distance of 400 miles. For much of the way the road was little improved over the trails built by the military in the 1830's during the Seminole Indian War. But he had been used to roughing it, and along the way he took many side trips to see what the country was like.

At one time northern Florida had been the most populous part of the state, with cotton plantations, a thriving sawmill and naval stores industry and rich ports. But Ball found endless miles of cut-over pine forests, decaying towns and poverty-ridden inhabitants living on remote farms. He also found beautiful Gulf beaches, inaccessible because of an absence of good roads. Returning to Jacksonville, he found an invitation to join the duPonts at Sanford for a trip down the St. Johns River on the *Nenemoosha.* As the yacht approached Palatka, duPont pointed to a piece of property along the river.

"Ed, do you think you could buy that property for me?" he asked. "I'd like to consider building a home there."

"I'll find out," replied Ball.

Going ashore, Ball went to see Judge Augustus Long, who said he owned one-third of the property.

"I'll use my good offices to induce the others to sell," he said.

Returning to the *Nenemoosha,* Ball informed duPont that the property would be his within a short time. It was not until a year later that Ball learned that Judge Long had only one-twelfth interest in the property. By this time duPont had become discouraged.

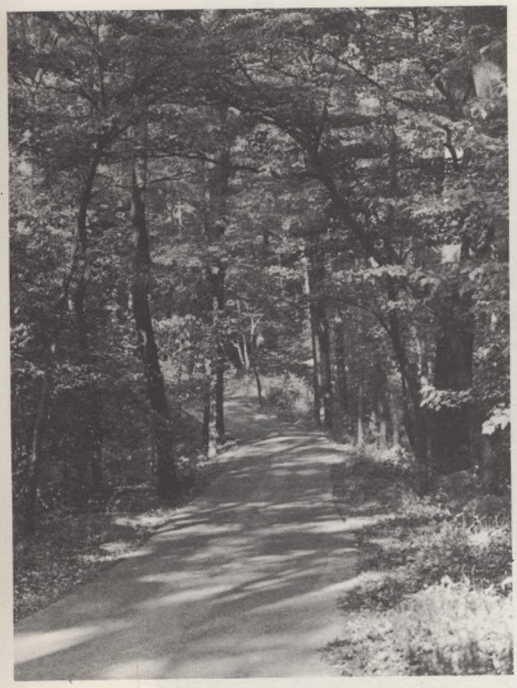
"Ed, I think it's going to be too long for me to wait on you to buy that property," he said.

Meanwhile, Ball had bought the first property in northwest Florida for duPont — St. James Island in Franklin County and East Peninsula on St. Andrews Bay, in Bay County. These purchases were followed by the acquiring of 40,000 acres in Walton County. Those early purchases were strictly speculative. DuPont believed that the boom, going full blast in south Florida, would include all of the state before it blew up. Before Ball was through buying, he had some 96,000 acres, together with 800 lots in an old subdivision at Carrabelle, a Gulf fishing village. The total cost was $803,311 — a little more than eight dollars an acre.

In January 1925, the duPonts were back in Miami and Edward Ball was with them. DuPont had never seen a boom at close range, and after studying the mad Florida land boom, then approaching its zenith, he confided to his brother-in-law:

"Ed, it is the craziest thing I ever saw. These people are on the brink of the precipice right now; and they talk about the good times only getting started."

Ball, who had seen booms and "busts" in California and Alaska, agreed. Yet, duPont was one of the few who made real money off the boom in south Florida. Two lots he purchased at Miami Beach for $33,000 Ball was later to sell for $165,000. But this was to be the extent of the duPont investments in south Florida. After the death of James Deering he was offered Vizcaya and its 160-acre estate for one million dollars. But Mrs. duPont with one mansion, Nemours, in Wilmington to look after, discouraged the purchase of another.



Nemours, the 300-acre estate of Alfred I. duPont, was left by its builder as the site of an institute for the treatment of crippled children, and he provided in his will that after the death of his widow, Jessie Ball duPont, the mansion, the beautifully landscaped grounds, and picturesque woodlands would be made available for use and enjoyment of the public under rules set up by The Nemours Foundation. Above is a portion of the woodlands at Nemours. Deer are frequently seen along this road.

The Nemours mansion as it is today. Inside is a veritable museum.

Impressive view from the front of the mansion.

This gate was made in the eighteenth century for Catherine the Great of Russia.

Carillon Tower at Nemours, burial place of Alfred and Jessie Ball duPont.

In Delaware, meanwhile, a development occurred which helped to persuade Alfred duPont to make one of the important decisions of his lifetime — to move his residence to Florida. His cousin, Pierre duPont, now chairman of the duPont Company Board of Directors, accepted the office of Delaware Tax Commissioner. Although Pierre lived at his garden estate at Longwood, Pennsylvania, he maintained a suite at the duPont Hotel in Wilmington which he listed as his legal residence. In taking the tax commissioner's job, he promised to equalize the tax burden by making the rich pay their share, and let it be known that the members of the duPont clan would enjoy no favors. Shortly thereafter a deputy called on Alfred and asked to see his books. He never got to.

"I'll be damned if I'm going to have Pierre going over my books," snapped Alfred.

And to thwart any further attempts by his old enemy to check him, Alfred transferred all his Delaware land holdings except Nemours into Florida corporations. Shortly thereafter he decided to move his legal residence to Florida. He already had purchased a beautiful home site on the St. Johns at San Jose, a new subdivision just south of Jacksonville, having given up plans to build at Palatka.

Upon moving to Florida in 1926 duPont opened an office in the Barnett National Bank Building in Jacksonville, then the center of banking, industry and communications in Florida. He was sixty-two. Sources placed the paper value of his wealth at between $70 million and $200 million. He had no specific plans. But he was a rare kind of genius who knew that if opportunity did not present itself one could make his own. He and Mrs. duPont moved into the Mason Hotel, later to be called the Mayflower, and began making plans for a Florida home. Harold Saxelbye, a Jacksonville architect, designed the house in the Mediterranean style popular in the 1920's and containing a mixture of Gothic, Spanish Renaissance, and Baroque influences. The lavish hand-carved and hand-decorated ceilings, reminiscent of the voluptuous 1700's in Europe, went well with the extravagant exterior. On the ground floor were two drawing rooms, library, den, main dining room, breakfast room, dining room for the servants, two kitchens and a large pantry. Upstairs were six bedrooms, with servants' quarters in separate buildings. Saxelbye achieved a success with the design of the house and gardens that would become even more pleasing over the years after such styles were passe. The duPonts called the estate "Epping Forest", after the homestead where Mary Ball was born in Virginia. They moved to their Florida home in early 1927.

Viewing the future from a newly adopted home in Florida, duPont began to take stock of what was happening to the state during that post-boom period. While the rest of the nation was enjoying a Coolidge era prosperity, Florida was in the midst of an economic crisis. The collapse of the boom, followed by the devastating 1926 hurricane, had left the state in acute distress. Property had plunged from unrealistic high prices to what was now unrealistic low prices. Hundreds of millions of dollars in paper wealth had been wiped out, and in the process so had family fortunes. Now banks were failing and the common man was losing his hard-won savings. DuPont began looking into the banking situation as well as into the opportunities for the buying of large tracts of land at low prices. Moreover, in the back of his mind was a plan to help Florida, a state he had long known and admired and of which he was now a resident.

Alfred I. and Mrs. duPont in Miami during the real estate boom. Mrs. duPont discouraged her husband from buying Vizcaya.

Although a hard-nosed capitalist, duPont believed wealth should be used for the benefit of mankind: the young should have good schools, playgrounds, music, proper medical care, decent homes; able-bodied adults, men and women, should work hard, and there should be work for all; and, after their working days were over, the aged should enjoy the comforts due them. So keenly did he feel about the care of elderly people that he espoused legislation to provide indigent persons with pensions.

During the 1920's several states were considering old age pensions, but only Montana had such a law, a weak one which gave counties an option in its adoption. DuPont wanted Delaware to be the first to adopt a state-wide law. When it was defeated by the 1929 Delaware State Legislature, duPont set up his own pension plan, the first state-wide pension plan in the United States. Opening an office in Wilmington, duPont began sending checks to needy persons over sixty-five throughout Delaware. The next Delaware Legislature, its conscience having been reached, was to adopt a state pension plan, relieving Alfred duPont of a responsibility generally conceded to be that of society.

What duPont had failed to accomplish in Delaware in 1929, perhaps he could in Florida. But he would use different tactics. Florida was a poor state compared with Delaware. Its greatest need was jobs.

A letter to a friend early in 1927 throws some light on the state of Alfred duPont's mind at that time.

"You will doubtless be surprised at my taking this step," he wrote, explaining the reason for his change in residence, "but . . . . I had no other course left to pursue. The golden tentacles of the wealthy class have been quietly laying hold of the whole state of Delaware. They have managed to control every office, both in the state and in the city of Wilmington."

Alfred I. duPont was to be a resident of Florida nine winters, dying at "Epping Forest" of a heart attack in 1935. He was approaching the end of his seventy-first year. During his residence in Florida he had laid the foundation of an estate that was to become one of the largest in the nation during the next three decades. Its income was slated to be used for the benefit of humanity, as provided by duPont's will and in keeping with his philosophy.

Epping Forest, completed in 1927, was Mr. and Mrs. duPont's
Jacksonville, Florida, winter home.

April 29, 1935

House Concurrent Resolution No. 11

By

Messrs. Bishop of Jefferson, Getzen of Sumter, Robineau and Chappell of Dade, Wood of Liberty, McNeil, Frost and Christie of Duval, Collier of Collier, Black of Bay, Bonifay of Santa Rosa, Edney of Okaloosa, Robinson of Wakulla, McLeod of Franklin, Driver of Polk, Kelly of Pinellas, Denison of St. Lucie, Hazen of Palm Beach, Baker of Palm Beach, Butler of Charlotte, Rogers of Broward, Ives of Columbia, Buchholz of Alachua

WHEREAS, On this, the Twenty-ninth day of April, A. D. Nineteen Hundred and Thirty-five, our Great Redeemer and Savior saw fit to take from our midst, one of the most beloved and esteemed characters of the State of Florida, the Honorable Alfred I. DuPont, deceased; and,

WHEREAS, The membership of the Florida Legislature, being appreciative of the untiring efforts and interest in the great State of Florida in its development and future on the part of this beloved character and benefactor, the Honorable Alfred I. DuPont; and,

WHEREAS, The membership of the Florida Legislature desires to give formal expression to the family and relatives and friends of the late Honorable Alfred I. DuPont, indicating the esteem and respect of each member of the Florida Legislature for the Honorable Alfred I. DuPont; and,

WHEREAS, The membership of the Florida Legislature realizes the great loss to our great State in the death of the Honorable Alfred I. DuPont, a Christian character, philosopher and benefactor, and is appreciative of his interest and efforts in behalf of the State of Florida;

BE IT, THEREFORE, RESOLVED BY THE LEGISLATURE OF THE STATE OF FLORIDA, That the Legislature of the State of Florida, the Senate and the House of Representatives therein concurring, do herewith express to the family and relatives bereaved by the death of the late Alfred I. DuPont, the deepest and sincerest sympathies of each and every member of the Florida Legislature;

BE IT FURTHER RESOLVED BY THE LEGISLATURE OF THE STATE OF FLORIDA, That the membership of the Florida Legislature, realizing that the State of Florida has lost from its midst, a great benefactor, and friend in the recent death of the Honorable Alfred I. DuPont;

BE IT FURTHER RESOLVED, That a committee of five shall be appointed, three of whom shall be members of the House of Representatives and two of whom shall be members of the Florida State Senate, appointed by the Speaker of the House of Representatives and the President of the Florida State Senate, to take such steps as are necessary in the purchase and delivery of a floral wreath and to have the same presented at the home of the deceased, the Honorable Alfred I. DuPont, as an expression of our deepest and sincerest sympathies from the memberhsip of the Florida Legislature.

BE IT FURTHER RESOLVED, That a copy of these resolutions, certified to under the Great Seal of the State of Florida by the Secretary of the State of Florida, be immediately and shall forthwith be forwarded to the bereaved widow, Mrs. Alfred I. DuPont, Jacksonville, Florida.

BE IT FURTHER RESOLVED, That a copy of these resolutions be spread upon a page of the Journal of the House of Representatives and the Journal of the Florida State Senate and made a permanent record of the State of Florida.

BE IT FURTHER RESOLVED, That a copy of these resolutions be furnished to the press.

THE FLORIDA NATIONAL BANKS

Once settled in Jacksonville, Alfred duPont was ready to begin putting into practice his social and economic views, aimed at making Florida a better place to live. A rich man himself, possessing everything a person could want, foremost of which was a happy marriage, duPont needed no additional wealth. But Florida was suffering a recession. Banks were beginning to fail throughout the state, and many others, including the most respected institutions, were on the brink. DuPont was not the kind of person who could stand by and do nothing. Moreover, he believed strongly in Florida, forseeing that it would continue to grow. In the meantime he had continued to buy property in northwest Florida and in 1929 was beginning to give some thought to the possibility of building a pulp and paper mill to utilize the pine trees which his increasing numbers of acres were producing. But he turned his thoughts first to the failing banks.

Wedging into the banking industry through the purchase of a sizeable interest in the Florida National Bank of Jacksonville, duPont put Edward Ball on the board of directors and waited. He felt that the recession was far from running its course. While the rest of the country was thriving under Coolidge prosperity, with an ever onward and upward trend of a bull market, Florida was still readjusting itself from the collapse of a record boom. By April of 1929 more than eighty Florida Banks had failed, which meant that one out of every four banks in the state had closed its doors. The public, having lost its confidence in banks, was steadily withdrawing deposits and the slightest rumor could start a run on a reputable bank with a history of soundness. Bank balance sheets purporting to list assets and liabilities meant nothing, because in many instances the major part of the assets were in properties worth a fraction of their boom-time value.

After the failure of the Southern Bank & Trust Company in Miami, the *Miami Herald,* in order to prove that Miami's other banks were sound, devoted a full page to list their financial statements. Taking the statements at face value, one would have thought the prestigious Bank of Bay Biscayne to be as sound as the First National Bank of Miami. But the Bank of Bay Biscayne failed in 1930, in a wave of bank runs that followed the stock market crash of 1929.

Most of the Bank of Bay Biscayne's assets were in properties worth little more than the back taxes owed on them. Because Edward Romfh had refused to lend First National's money on inflated property values during the boom, his bank was one of two in Miami to keep its doors open.

DuPont, who in the meantime had acquired a majority interest in the Florida National Bank of Jacksonville, took control in the spring of 1929, leaving Arthur F. Perry as president, but giving Edward Ball authority to represent him as principal owner. On July 12 the Citizens Bank of Tampa failed, bringing down with it fifteen other banks in the area. This resulted in a run on Jacksonville banks, including the Florida National. Ball cabled Alfred duPont, then in Europe, and asked permission to put $15 million of his funds behind the bank. Mr. duPont replied:

"YOU'RE ON GROUND USE OWN JUDGMENT BUT PULL OUR BANK THROUGH."

Ball called the bank's staff together and read the cablegram. Tellers could now greet the depositors cheerfully:

The Alfred I. duPont Building, home of the Florida National Bank & Trust Company of Miami, was opened in 1939. It was the only high-rise office building to be constructed in Florida during the depression-ridden 1930's.

"Mr. Jones, here is your money. You know, I suppose, that Mr. duPont has placed $15 million at our disposal."

The news spread and the long line of worried depositors began to thin out. By noon the run was over.

Ball already was negotiating for the opening of a bank in Lakeland, which was to become the second in the Florida National Group of Banks. Three of Lakeland's four banks had failed, and confidence in banking was at a low ebb as a result of a scandal associated with the closing of the city's First National Bank. The president would go to prison after being found guilty of embezzlement. Ball, under the instructions of duPont, bought the building of the defunct First National and opened the new Florida National Bank at Lakeland in September. The reaction of Lakeland's 18,000 population was spectacular. The first day's deposits were $436,000, and the first month's deposits totaled $1.5 million. The reputation of Alfred duPont was spreading through Florida.

The third Florida National Bank was opened at Bartow in November. Having lost its two banks within the past six months, Bartow was for a time a town without banking. Within thirty days deposits in the new duPont bank exceeded a million dollars. Banks number four, five, and six in the Florida National Group were opened in 1930 at Orlando, Daytona Beach, and St. Petersburg. In Miami, President James Gilmore offered to sell duPont his Bank of Bay Biscayne, but after Ball reported on the poor condition of its assets the offer was turned down.

Threatening disaster touched the Florida National in St. Petersburg in the spring of 1931 when the Central National Bank failed. The news spread quickly and within thirty minutes the lobby of the duPont bank was jammed with worried depositors. President C. D. Dyal had only $152,146.12 on hand, while deposits totaled $1,761,995.95. But by noon Edward Ball, at that time in Miami, had more funds on the way by automobile — $85,000. from Lakeland and $43,750 from Bartow and he arranged to borrow $350,000 from Tampa. Dyal, beaming with confidence, stood on the balcony of the mezzanine and addressed the crowded lines of depositors:

"I know you don't want to lose your place in line," he said, "so I have arranged to have the restaurant next door serve sandwiches and coffee."

It was more than a good will gesture; Dyal was hoping to slow down the progress of the line until additional money arrived. It worked, but still the lines kept pressing forward until closing time. Next morning long lines had formed before the bank opened, but in the meantime $650,000 had arrived in Jacksonville, which the tellers stacked high on the shelves of their cages. When depositors saw the stacks of greenbacks the lines began to thin out and within twenty minutes the run was over. Florida National had weathered another one, which did nothing to harm the group's reputation.

Four months later, on August 17, 1931, the seventh and last Florida National Bank du Pont would see organized opened in Miami. The Third National of Miami was in serious trouble and Mr. duPont had moved in to take it over. But the Comptroller of the Currency, J. W. Pole, looking for a way to liquidate the bank without loss, required duPont to guarantee more than $1 million owed to depositors.

"Mr. Pole, don't you know that would be illegal under banking regulations?" asked Ball.

"Yes, that's true," said the comptroller, "but I'm waiving those regulations."

DuPont made the guarantee but enough confidence was generated in the new Florida National Bank & Trust Company that he never lost a cent. He, himself, took over as Chairman of the Board of Directors, and the first day's deposits established a record for the state — $882,-892.61.

Edward Romfh, president of Miami's First National and the most influential banker in southern Florida, bought ads in Miami's newspapers to welcome the newcomer. A *Time* magazine article on the opening of the Miami bank started like this:

"When two and a half years ago Florida's banking structure was toppling a Strong Man came to save it. He was Alfred Irenee duPont, stormiest of the great Wilmington family . . . To Florida he brought new, sound banks, all with the name of Florida National. Last week in Miami the newest of these began business. . . ."

Among the notes the Florida National acquired along with the purchase of the defunct Miami bank was one signed by Maule Industries, which had borrowed heavily. Unable to foresee any chance of meeting the payments, the owner called on duPont and offered to turn Maule Industries over to him if he would release his note. Although it would have been an excellent deal, duPont refused. Instead, he arranged for Maule to pay off its note at one per cent interest. Better times returned and Maule survived, to be sold years later to the Ferre family of Puerto Rico and become one of the major industries in Dade County.

After the death of duPont in 1935, new banks were added to the Florida National Group at the rate of one a year until thirty were established throughout the state from Key West to Pensacola.

The man behind this growth of the duPont banks was Edward Ball who has kept the title he used while duPont was living — co-ordinator. While the Group banks were closely affiliated with the Jacksonville Bank, through co-ordinator Ball and his staff, each was a separate institution with its own officers. And a substantial part of the stock in each bank was owned by the people in the community in which it operated.

A modernization of Florida National's banking houses began in 1938 with the erection of the seventeen-story Alfred I. duPont Building in Miami. It was to stand for years as the largest commercial building in the Miami skyline, its interior a showplace of beautiful marble finish. The Florida National Bank & Trust Company of Miami occupied quarters on the second floor, reached by escalator.

A new ten-story Florida National Bank Building was erected in Jacksonville in 1961. With an adjoining six-story parking garage, it occupies an entire block. The first floor exterior is of black, polished granite, with the remaining nine floors of white Alabama limestone. Ball's office is on the eighth floor, where the headquarters of the duPont Estate and the St. Joe Paper Company are located. By the time the duPont Estate was forced by Federal order to sell its control of the Florida Group in 1971 virtually every one of the thirty banks was housed in a new building.

In 1966 Congress passed an amendment to the Federal Bank Holding Act, prohibiting charitable trusts from engaging in both banking and non-banking enterprises. This action was believed to have been directed specifically at the duPont Estate. Nevertheless, the duPont Estate was ordered to sell one or the other of its major enterprises by 1971, either the Florida National Banks or the St. Joe Paper Company and its subsidiary holdings, including the Florida East Coast Railway. The Estate Trustees voted to sell controlling interest in the banks, offering 3,200,000 shares on the open market. Although the Estate retained 2,330,638 shares, it had divested itself of control. Then in 1973, the Federal Reserve Board ordered the Estate to sell the rest of its holdings.

At the time of the sale by the Estate, the Florida National Banks had completed the role their founder had envisioned, having become the backbone of the state's financial institutions. Deposits exceeded one billion dollars, with capitalization of $100 million. With $1 of capital to each $10 in deposits, this ratio was substantially higher than the national banking average, attesting the soundness and the undisputed reputation of this banking group.

Photo, above, shows depositors making run on Florida National Bank
at St. Petersburg April 17, 1931.

ST. JOE PAPER COMPANY

Although his banks required much of his time, Alfred duPont was not to be diverted from his interest in northwest Florida. Year after year Edward Ball went from county to county buying land, most of it cut-over timber land on which second growth was slowly returning. Recession that followed the "bust" of the boom in other parts of Florida had greatly lowered property prices. An absence of good roads, which prevented development, also affected values. Tallahassee, for instance, was difficult to reach except by train. Ball wore out a car a year over the rough roads, most of them little more than wide trails.

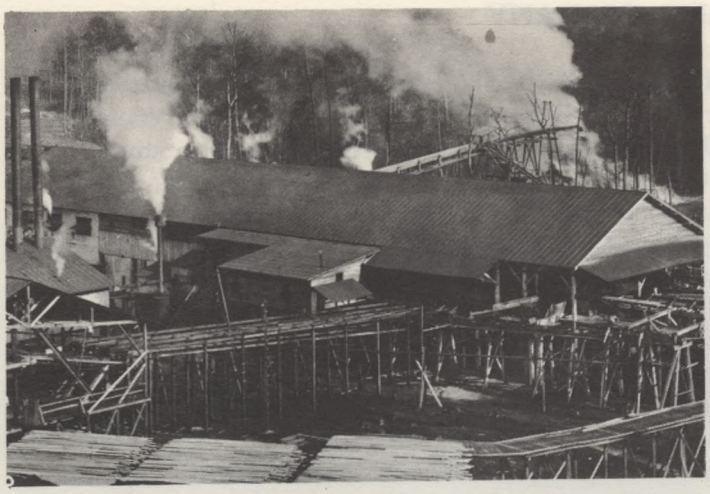
Realizing that without roads the area could never hope to develop, duPont spurred the organization of the Gulf Coast Highway Association. DuPont, however, never saw northwest Florida, depending on his brother-in-law to represent him. With duPont money and his own energy, Ball made the highway association the most forward road-building organization in the South. Three important highways were built: U. S. 90, extending from Lake City to Pensacola by way of Tallahassee and the middle part of the Panhandle; U. S. 98, routed through the Gulf Coast communities, and U. S. 19, connecting Tallahassee with Tampa and St. Petersburg. The Alfred I. duPont Bridge, spanning East Bay near Panama City, was named in honor of the man who purchased the bridge bonds.

In 1933, in a single transaction, Ball added 240,000 acres to the duPont holdings in Gulf, Bay, Liberty, and Franklin Counties, together with virtually all of Port St. Joe, a town on St. Joseph Bay. In this deal, Ball also acquired a sawmill and five companies — the Apalachicola Northern Railroad Company, St. Joseph Telephone & Telegraph Company, Port St. Joe Company, St. Joseph Land and Development Company, and Port St. Joe Dock & Terminal Company.

When duPont took possession, Port St. Joe was little more than a run-down fishing village, with 400 to 500 inhabitants. But it had seen two decades of good years, beginning in 1910 when a sawmill began operations and timber cutters started cutting the virgin pine from a forest that began at the town's suburbs and extended for nearly fifty miles in three directions. The Apalachicola Northern Railroad was extended from Apalachicola to Port St. Joe, and a large wharf was extended into the bay to deep water. Within a couple of years Port St. Joe grew from one family to more than 2,000. But when Ball purchased the town, it was almost as dead as it had been before 1910. The timber had been cut, the sawmill was idle, the wharf rotting and most of the population had left. Those who remained were dependent almost entirely on fishing to make a living.

This was not the first time the area had had its ups and downs. St. Joseph, as Port St. Joe was known a century earlier, had been for a time Florida's most prosperous and most promising city. The first Florida constitution was written here, which a monument and museum commemorate today. St. Joseph was the first place in Florida to be promoted as a resort. And it was between here and Lake Wimico that the first railroad, with steam engines instead of horses, operated in the state.

St. Joseph was created in 1835 as an "instant" community. Although its life was short, St. Joseph enjoyed a boom like nothing Florida was to see again until the middle 1920's. Palatial entertainment and gambling houses attracted fun-seeking planters and businessmen and St. Joseph gained a reputation of being the "richest and wickedest city in the Southeast."



Sawmills like this seven-stack mill of the Calhoun Timber Company virtually denuded the forests of northwest Florida in the early 1900's.

In 1920 Port St. Joe was a busy sawmill town, from which shiploads of lumber went to Eastern ports and to Europe. When Edward Ball purchased 240,000 acres of cut-over land in the surrounding area in 1933 for Alfred I. duPont the sawmill was closed down and the town was dead.

A marble monument, erected in 1922, marks the place in old St. Joseph where Florida's first constitution was signed in 1839. The photograph was made in 1937, and, as can be seen, nothing remains of once thriving St. Joseph.

After the United States acquired Florida from Spain in 1821 the trading post of Apalachicola, at the mouth of the Apalachicola River, blossomed into a thriving port and in 1825 a customs house was established. Cotton, lumber, and naval stores were shipped downstream from plantations along the river in Alabama and Georgia as well as in Florida, and transferred to sea-going vessels. But in 1835 the United States Supreme Court handed down a decision which took away the ownership residents claimed on the lots where they had built their homes and businesses.

Earlier, during the second Spanish occupation, the trading firm of Panton, Leslie & Company had purchased from the Indians 1,250,000 acres of land extending from the Apalachicola River to St. Marks and reaching sixty miles inland. John Forbes & Company, which acquired this tract, in turn sold the land on which the town of Apalachicola was situated to the Apalachicola Land Company. The residents refused to acknowledge the title, and a lawsuit ensued. The surprise ruling by the Supreme Court in favor of the land company caused a furore. Refusing to pay the exorbitant prices the land company wanted for its lots, a major percentage of the residents, vowing they would "ruin Apalachicola," moved to nearby St. Joseph Bay and started a new town.

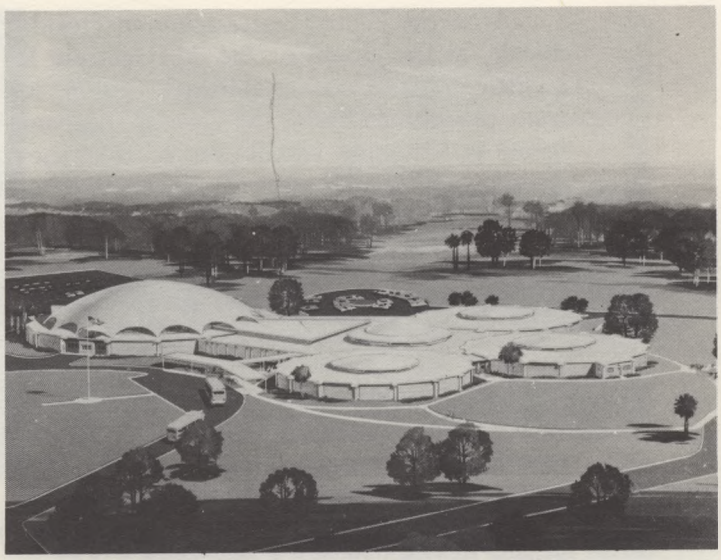
One year later Florida's first railroad was in operation, with two Baldwin locomotives running the eight-mile distance between St. Joseph and Lake Wimico, an arm of the Apalachicola River. In the meantime an 1,800-foot dock was built to deep water, so that the largest ships afloat could be docked. By this time St. Joseph was booming and land prices were skyrocketing. Florida's first State Constitutional Convention met at St. Joseph on December 3, 1838, adopting a constitution on January 11, 1839. The Constitution became effective after Florida was admitted to the Union on March 3, 1845, as the twenty-seventh state.

Although St. Joseph claimed as many as 6,000, the resident population is not believed to have passed 2,000. St. Joseph's promoters, having given up their dream of ruining the commerce of Apalachicola, began promoting the area as a resort. A race track was built and coastwise passenger service between New Orleans and Charleston began stopping by St. Joseph, bringing new customers to the gambling and pleasure houses. Then, in the summer of 1841, yellow fever hit. It was an unusually virulent form, striking down many of the town's leaders. By August less than 500 persons remained at St. Joseph. Nor did those who deserted return after summer when the fever had vanished. Real estate prices collapsed, the town's bank failed, as did the railroad and other businesses.

By 1843 St. Joseph was virtually deserted except for its graveyard and a few hardy fishermen. Many of the houses were dismantled and removed to Apalachicola. What structures remained were destroyed by a hurricane and storm tide in 1844. The Post Office Department got around to discontinuing the St. Joseph post office in 1854.

In 1909 one family, that of S. H. McPhaul, lived in what was one time St. Joseph, but activity returned the following year with the arrival of a sawmill. Efforts were made to reestablish the St. Joseph post office, but another St. Joseph, in Pasco County, Florida, had been established in 1893, and the residents of St. Joseph Bay were told they would have to think up another name. They came up with "Port St. Joe", and the Port St. Joe post office was established in August, 1910. Eight years later the St. Joseph post office in Pasco County was discontinued, but by that time the residents of Port St. Joe had learned to like the name of their town.

Alfred I. duPont spurred the building of roads in northwest Florida. This is the Gulf Coastal Highway, U.S. 98, skirting St. Joseph Bay near Port St. Joe.



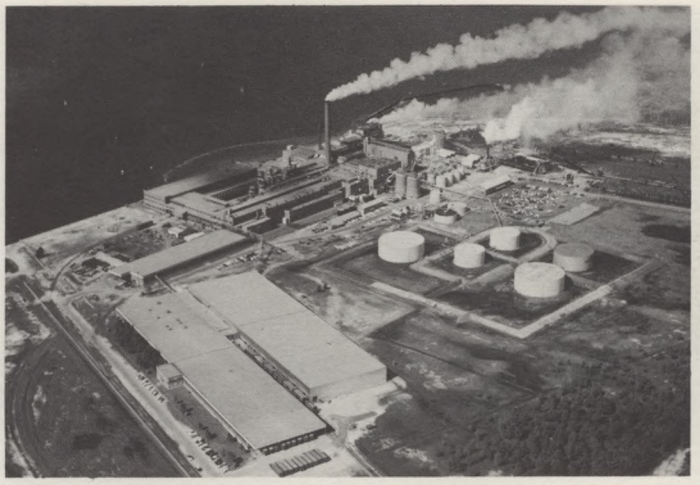
Port St. Joe, now the seat of Gulf County, built this modern junior-senior high school in the early 1970's.

Port St. Joe was for two decades the center of a thriving sawmill business. The Parkwood Lumber Company sawed tens of thousands of board feet of lumber, which was hauled to the deep-water port's large wharf by cabbage-head engines and loaded onto steamships and sailing vessels. After the timber was cut the mill closed and most families moved away. Port St. Joe's better years were behind it in 1933 when Alfred duPont bought the town lock, stock and barrel.

Now that he owned Port St. Joe, what would duPont do with it? He had in the back of his mind the building of a paper mill, but at that time was not sure what kind of paper the mill would produce, kraft or newsprint. Meanwhile, he observed the experimenting with the manufacture of newsprint from pine being done in Savannah, Georgia, by Dr. Charles H. Herty. And while waiting on the outcome of Herty's research, he ordered the run-down town transformed.

Although duPont did not visualize the creation of another St. Joseph, he felt confident that something worthwhile could be done with Port St. Joe. It was a unique place, with thirty-five feet of water in St. Joseph Bay. Moreover, duPont had absolute economic control of the town. His aim was to transform it into a model community of tree-lined streets, shops, and housing with improved schools and playgrounds for children, and a brighter outlook for adults.

But to have an ideal community one had to create jobs, and duPont wasn't losing sight of this. Private business operated efficiently for profit, but paternal concern for the community it served, was the basis of duPont's economic and social philosophy. While engaged in directing the rehabilitation of Port St. Joe, duPont went ahead with plans for a paper mill. Some time before his death in 1935 he gave up the possibility of producing newsprint.



The St. Joe Paper Company mill, left, as it was in 1948, with the growing town of Port St. Joe in the background. By the 1960's the mill, right, had been expanded and a box factory added. But greater expansion and improvements were to be made in the 1970's, among them facilities for removing 99.5 per cent of air pollutants.

"The newsprint business does not look very promising at the present time," he wrote a friend. "We are now looking into the kraft situation."

Kraft, a German word for strength, is a tough variety of paper used for bags, wrapping, and for the manufacture of corrugated boxes. When made specifically for box production it is known as "paperboard". The method was discovered by a German chemist, who, unable to obtain backing, went to Sweden where the first kraft paper was made in commercial quantities. A kraft plant was built at Roanoke Rapids, North Carolina, in 1909 by the Roanoke Rapids Paper Manufacturing Company, and this plant was followed by a number of others, mostly in the Southeast.

The St. Joe Paper Company was founded in 1936 by the Trustees of the duPont Estate. The mill, a joint venture with the Mead Corporation, an established paper-making firm, began operations in 1938. Mead operated the mill while the Estate handled financial matters. In 1940 the Estate bought out the Mead interest and took over the operation with Edward Ball as president.

The rated daily capacity of the original mill was 300 tons of "paperboard," but with improvements production was increased to 400 tons daily in the 1940's. Meanwhile, the demand for paperboard was increasing, due to the popularity of the corrugated container. Container material was made by sandwiching corrugated kraft paper between other sheets of kraft. The corrugated containers were much lighter than wood and much more economical. Moreover, corrugated containers could be pre-cut, shipped flat, and assembled as needed, thus eliminating much costly storage space.

Viewing a trend toward increased use of corrugated containers, the St. Joe Paper Company in 1943 purchased its first corrugator. In 1945 a second corrugator was installed in new and larger quarters. Early in 1946 St. Joe acquired half interest in a container plant at South Hackensack, New Jersey, and later that year acquired half interest in the New England Container Company at Chicopee, Massachusetts. The remaining half interest in the South Hackensack plant was later acquired, as well as controlling interest in the New England plant. A container plant opened at Houston in 1947 was designed and constructed by St. Joe and was a forerunner of a string of other modern operations, among which was a major factory built at Port St. Joe in 1950.

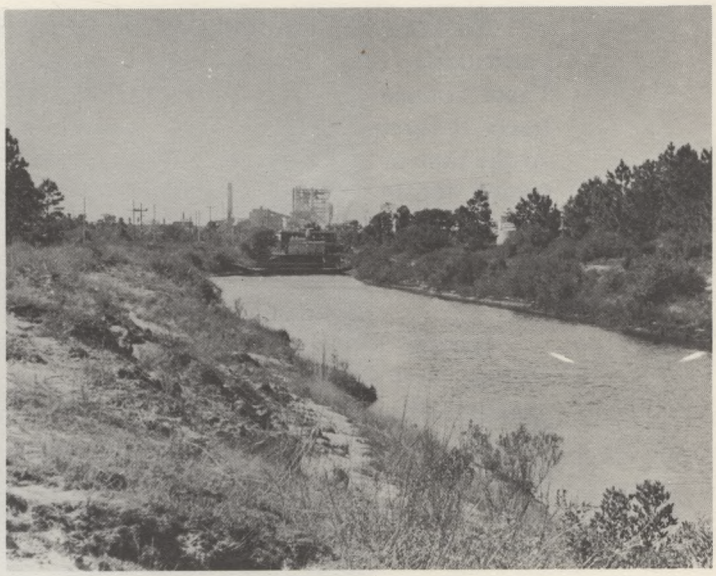
In addition to these plants, St. Joe today owns outright or has controlling interest in box factories at Reserve, Louisiana; Baltimore, Maryland; Chesapeake, Virginia; McKees Rocks, Pennsylvania; Rochester, New York; New Castle, Delaware; Northlake, Illinois; Hartford City, Indiana; Louisville, Kentucky; Memphis, Tennessee; College Park, Georgia; Birmingham, Alabama; Charlotte, North Carolina; Lake Wales, Florida; Laurens, South Carolina; Mesquite, Texas; Waterford, Ireland; Dublin, Ireland; Craigavon, Northern Ireland, and at Knowsley, England, near Liverpool.

St. Joe ventured into the foreign field in 1958. While on a trip to Ireland in 1957, Edward Ball visited the National Board and Paper Mills, Ltd., at Waterford. Organized by the Industrial Development Authority of Ireland, in association with the Industrial Credit Company, Ltd., the firm operated both a paper mill and a box plant. It needed a more stable source of raw materials, however, as well as managerial and technical assistance. Ball's visit was returned the following year when the chairman of Industrial Credit came over to see the Port St. Joe mill and box plants. A short time later an agreement was signed which turned over the management and operation of the Waterford Plant to the St. Joe Paper Company. The company eventually purchased the plant.

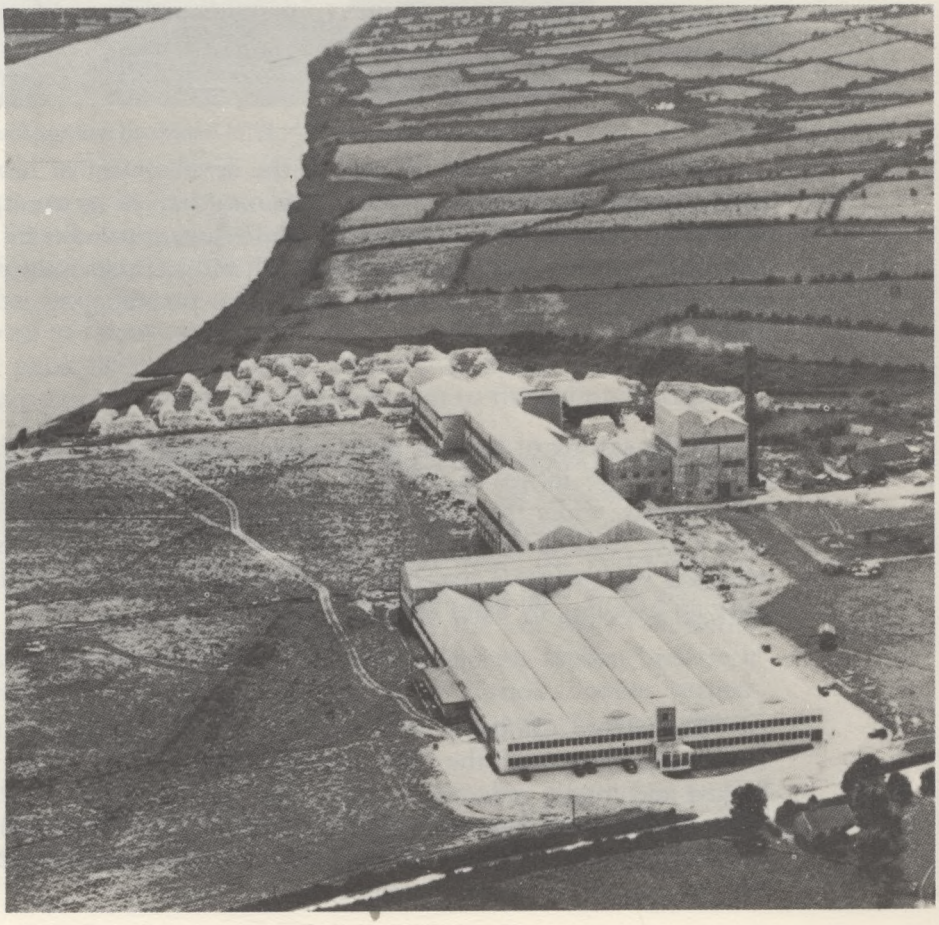
An ever increasing demand for paperboard has kept pressure on the Paper Company mill since it began operating in 1938. As the company began acquiring additional box plants it became obvious by 1950 that a major expansion was necessary. With the rate of increase, production would have to be tripled, which would mean a need for a vast increase in facilities for pulpwood procurement as well as a new source of fresh water. The mill at that time obtained water from deep wells but this source already was proving inadequate. With full expansion, the new mill would require an estimated 35 million gallons a day.

As work on expansion began in the early 1950's, the company started cutting a canal across country eighteen and one-half miles from Port St. Joe to the Chipola River. But the canal had to cross several streams, as well as the Intracoastal Waterway, without interfering with them. This problem was solved by routing the canal beneath through pipes forty-two inches in diameter, which functioned as a siphon. Water pumped from the Chipola River flowed by gravity to Port St. Joe where it supplied the needs of the huge paper mill as well as those of the community and other industries in the area.

As was foreseen, another major plant expansion was necessary in the 1960's. The water supply was more than adequate. The production of the Paper Company today is 1,250 tons of paperboard and 500 tons of bleached pulp, making it one of the largest paper and pulp mills in the nation.



Enormous amounts of wood and wood-chips, left, are required for the huge St. Joe Paper Company mill, which operates around the clock. Right, an eighteen and one-half mile canal was dug between the Chipola River and Port St. Joe in the 1950's, supplying fresh water for the paper mill and for the town.



The National Board and Paper Mills, Ltd., at Waterford, Ireland, was acquired by the St. Joe Paper Company in 1958.

To keep up with mill growth, it has been necessary to expand subsidiary operations, particularly the growing and harvesting of pulpwood. Early after the creation of the Paper Company, a Woodlands Division was set up to provide a source of pulpwood, while new tracts of forests were purchased to produce the wood that would be needed in the years ahead. At the time of his death, duPont owned 280,000 acres in Northwest Florida. At one time he had owned 466,747 acres, but sold 192,747 acres to the Federal Government for the establishment of the Apalachicola National Forest.

Located just outside Tallahassee, the Woodlands Division operates under three sub-divisions: land acquisition, land management and wood procurement. Working under the headquarters office are six strategically located forestry units in northwest Florida and one in south Georgia. Each unit has its own establishment under a head forester, who lives on the property, as well as a staff assistant and workers, together with reforestation and fire fighting equipment. The entire operation, as well as the St. Joe mill and box factories, is directed by J. C. (Jake) Belin, who lives at Port St. Joe when not on the road.

Although the St. Joe Paper Company owns more than a million acres of forest lands in Florida and 50,000 acres in southern Georgia, it buys 60 per cent of its pulpwood from other producers. While the Woodlands Division plants and maintains the company's forests, it does none of the harvesting. Instead, trees to be cut are sold to a local broker or dealer, who cuts and ships the logs to Port St. Joe. More than 50 per cent of the wood is hauled by St. Joe's own Apalachicola Northern Railroad, the rest by truck.

Competition for wood, as well as the development of new technology, is bringing about rapid changes. St. Joe soon will be obtaining half of its wood from its own lands. This means harvesting some 40,000 acres a year, while buying wood from another 40,000 acres owned by individuals outside the company. But with the increase in the number of veneer plants and the newly developed chipping sawmill, the mill is obtaining an increasing amount of its raw material in the form of chips.

In the sawing of lumber, the chipping sawmill produces chips rather than sawdust. A log as small as five inches in diameter, de-barked and run through the chipper, yields two planed two-by-fours, while the scrap wood is reduced to chips and blown into a waiting truck. When loaded, the truck is driven to the paper mill at Port St. Joe, where the chips are weighed and unloaded by a machine that tilts the truck until the chips pour out. In this way the chips require no handling by hand labor.

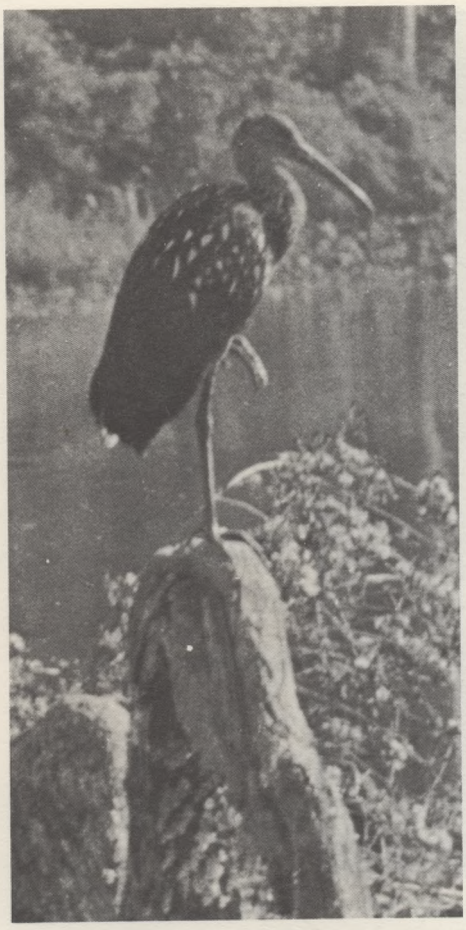
The Paper Company sells logs to the chipping sawmills and buys chips in return. Under the agreement, the mills buy logs of all sizes. Those too small for saw-logs are debarked and totally reduced to chips. One cord of chips, or 128 cubic feet, is roughly equivalent to 2500 board feet of lumber. A cord weighs 5,000 pounds. The paper mill's requirements per year are 800,000 cords, or 4 billion pounds of wood chips. Heretofore, the mill obtained 100 per cent of its wood directly from the forest.

Millions of pine seedlings are produced in St. Joe's nurseries each year.

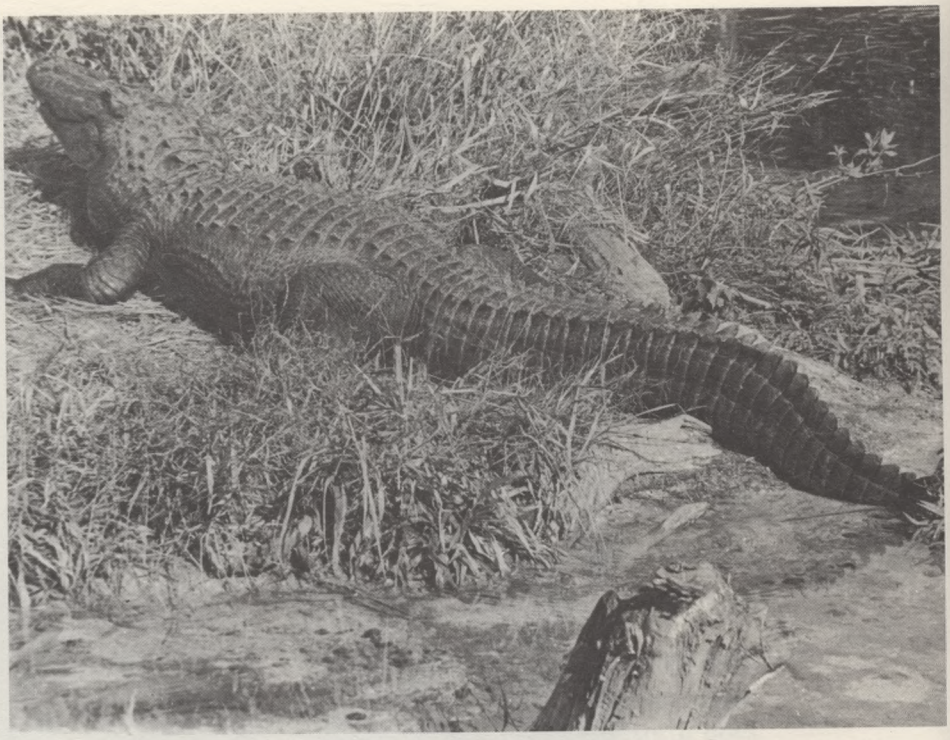
From pine tree to kraft paper is no short step, but involves considerable engineering, both mechanical and chemical. Wood chips are fed into digesting boilers, where, with chemicals under steam pressure, the lignum which holds the wood fibres together is dissolved. In succeeding processes, most of the chemicals are recovered while the residue chemicals are washed out. The fibers are screened to remove undigested knots and slivers, then, after further processing, the pulp goes to the paper-making machines, where it is rolled, dried, and collected on reels as paper. Or, if only pulp is wanted, the material goes to the baling machines.

To produce the raw material for papermaking, the tree, requires a practical knowledge that has been gained through more than thirty years of experience by St. Joe's foresters. A variation of practices is required for different soil types, terrain and forest conditions. Where the remaining stand of seed-producing trees is adequate, an area from which the pulpwood has been cut will re-seed itself. Where it is not feasible to leave seed-trees, the land is prepared by heavy choppers, which kill the scrub, after which seedlings from the company's nurseries are planted by machines. Slash pine is preferred both for pulpwood and for timber, because it grows faster than yellow pine, which once produced the majority of Florida's timber, turpentine, and rosin. Loblolly pine is used in upland, sandy soil where the growth of slash pine is slow.

St. Joe produces 22 million pine seedlings a year in its Southwood Farms nursery, but with development of a new nursery at Capps, in Jefferson County, production is expected to reach 50 million plants a year.



Protection of habitats by foresters and wildlife specialists in St. Joe's woodlands has made it possible for the rehabilitation of many species, like the limpkin, which require specialized conditions for existence. The limpkin lives on the aquatic apple snail.



Alligators, like the old boy above, are making a comeback. Wildlife management areas provide protection for non-hunted species and assure an abundance of game. Edward Ball has been a leader in wildlife conservation. His Wakulla Springs, in Wakulla County, is one of the state's foremost sanctuaries for aquatic species, as well as for turkeys and deer. No shooting is allowed. Below is a scene of Wakulla River, fed by the world's largest spring.

Fire protection for its woodlands is St. Joe's most costly insurance, but a necessary one. The Woodlands Division maintains more than a thousand miles of graded and 3,000 miles of plowed firebreaks. A full-time fire-fighting staff is maintained. At Ball's insistence, the division seeks to provide 100 per cent fire protection rather than resort to annual controlled burning as is practiced by some paper companies.

St. Joe's Woodlands Division is engaged in forestry practices which are expected to result in a major increase in forestry production in the future. But the practices of good forestry on St. Joe's large wilderness tracts are concerned with wildlife as well as with the production of timber and pulpwood. Under the auspices of the Edward Ball Wildlife Foundation several sanctuaries have been established on St. Joe lands where the wildlife receives 100 per cent protection. The most unique, from the standpoint of the wildlife, is the 3,246-acre Southwood Farm Wildlife Sanctuary near Tallahassee, where St. Joe's Woodlands Division is located and where herds of fine beef cattle graze in rolling pastures. Southwood has some pinelands, but is mainly open pasture bounded by forests of hardwoods, with live oaks predominating. Upwards of 5,000 Canada geese, as well as ducks, find refuge here on two large lakes, while wild turkey, quail, the rare bald eagle, and the increasingly scarce red-headed woodpecker find haven in the forests. A parking area has been established at Southwood for visitors to see the wild geese as the great birds feed mornings and evenings on grain provided by Ball's Foundation.

Another major protected habitat on St. Joe land is the Box R Ranch Wildlife Sanctuary in Franklin County, fifteen miles northwest of Apalachicola. Good roads make the sanctuary easily accessible for visitors, as well as for patrolling wardens—a protection provided by the Foundation set up and supported as a perpetual trust by the donor, Edward Ball. Box R Ranch is a combination of pine and hardwood forests and abandoned, shrubby fields interspersed with streams flowing into Jackson River. This strikingly beautiful wilderness is a perfect haunt for black bear, deer, wild turkey, bobwhite quail, pileated woodpeckers, owls, hawks and great numbers of other bird species, both aquatic and songbirds.

Best known of the Edward Ball Wildlife Sanctuaries, however, is Wakulla Springs, which includes 4,000 acres, all owned by Ball himself. One of the deepest and largest springs in the world boils up from 185 feet to create crystal clear Wakulla River which flows through one of the most picturesque wildernesses in Florida. But what is important about this river is that three miles flow through a sanctuary where a greater variety of wildlife can be seen within thirty minutes than in almost any other like area in the nation. Protected as they are, aquatic birds and alligators allow sightseeing boats to pass within a few feet of them, making a perfect setting for nature photographers. Wakulla is a sanctuary for thousands of migrating ducks in wintertime, while the beautiful wood duck makes its home here all year, nesting in boxes provided by the Foundation. Early in the day, and again in late afternoon, wild turkey and deer may be seen in open areas where feed is placed for them.

In addition to the sanctuaries, St. Joe also has set up a number of wildlife management areas in cooperation with the Florida Game and Fresh Water Fish Commission. Although limited hunting, mainly for deer and wild turkey, is permitted in season under the control of the Game Commission, the management areas actually become sanctuaries for non-game species which cannot be taken by hunters.

While doing something for the wildlife in its woodlands, the Paper Company is spending some $40 million in modernization of its Port St. Joe plant, most of which is for devices and systems that will do a better job of eliminating air and water pollution.

In 1938 when the plant began operations, little was known about air pollution and no one gave the environment much thought. Smoke carrying caustic chemicals was released through the mill's stacks while millions of gallons of water, used in the washing of chemicals from pulp, was dumped into St. Joseph Bay. Installation of an electrostatic precipitator in 1949 recovered the solid particles from the smoke and eliminated most of the damaging air pollutants, while a settling basin was built to recover most of the effluent before it was dumped into the bay.

The new improvements are designed to eliminate 99.5 per cent of the air pollutants and almost all of the water pollutants. To solve its water pollution problems, the Paper Company joined the town of Port St. Joe in building a modern sewage disposal system costing more than $9 million. Since the mill is contributing 94 per cent of the waste material, the Company is paying 94 per cent of the operating cost.

Will it ever be possible to eliminate the last trace of odor from the stacks of the paper mill?

"That's doubtful," said Bill Simmons, veteran engineer in charge-of-just-about-everything. "We've been making improvements almost continuously during the twenty-six years I've been here. Every time some new anti-pollution device comes out we put it in. The latest device we're installing will decrease pollution as much as possible. The only pollutants escaping in the air will be gases—one-half of one per cent. You may get a little odor from that, but there won't be anything in it to do any harm. But, unfortunately, most noses are just too efficient for us to claim that we can eliminate all odors."

Simmons is concerned, however, about the effect of "clean water" on the shrimping in St. Joseph Bay.

"When I came here you couldn't catch a dollar's worth of shrimp if you cast all day," he said. "Now hardly a day passes that you don't see trawlers out there seining the bay. St. Joseph Bay has become one of the finest shrimping places on the Gulf Coast, and I say it's because of the enriched waste water we've been dumping in the bay all these years."

When the final work on the $40 million modernization program is completed, sometime in the mid-1970's, the Port St. Joe mill will be one of the most efficient kraft paper plants in Florida, as free from pollution as is possible with present technology. And, if Simmons is right, you don't want to dump perfectly clear water in St. Joseph Bay — not if you want good shrimping.

FLORIDA EAST COAST RAILWAY COMPANY

The Florida East Coast Railway Company is one of Edward Ball's most cherished "possessions." No, he really doesn't own it himself, but as Chairman of the Board, Ball has been chief engineer since 1961. That year, at 12:05 A.M. on January 1, the management of the F.E.C. was turned over to the duPont Estate's St. Joe Paper Company, the majority stockholders.

Ball was 73 when he took command of the railway, which, as a result of heavy indebtedness, had been forced into receivership in 1931. Its track and rolling stock had deteriorated, while its debts had continued to pile up. Moreover, the line had never paid a dividend, and seldom had income exceeded expenses. To a less audacious businessman than Ball, the problems facing the F.E.C. would have seemed insurmountable. And the suggestion that the line could be made profitable enough to pay off its heavy indebtedness and perhaps one day pay dividends to stockholders would have sounded preposterous at the time.

Edward Ball thought he knew something about railroading, though, and in the next decade would prove that he did. But to appreciate the way that Ball and F.E.C.'s president, W. L. Thornton, transformed the line into one of the most efficiently operated railroads in the country, one should know the Florida East Coast Railway's background and the major role it has played in the modern history of Florida.

As a romantic story, the history of the F.E.C. ranks close behind the building of the great transcontinental routes that opened the West. Until a hurricane in 1935 tore up several miles of fill and bridges in the Florida Keys, it was the only railroad that "went to sea". The building of the "Overseas Railroad," from the Florida mainland to Key West, was described at its opening in 1912 as one of the engineering wonders of the early Twentieth Century.

Few railroads have played so important a part in the development of a region. While the United States had a population gain of 100 per cent between the years of 1910 and 1960, the State of Florida had 450 per cent for that period, but the East Coast counties served by the F.E.C. had a population gain of 1250 per cent.

Henry M. Flagler, a partner with John D. Rockefeller in the building of the Standard Oil Compay, became interested in Florida in the early 1880's, and in 1885 purchased the Jacksonville, St. Augustine and Halifax River Railway. In 1887 he opened the Ponce de Leon Hotel in St. Augustine, the first of a string of winter resort hotels along the Florida East Coast.

Flagler bridged the St. Johns River at Jacksonville in 1890 with the first major steel railroad span in the South. The bridge made it possible for trains with sleeping cars to travel through from the North to St. Augustine, on to Ormond where Flagler had purchased and enlarged the Ormond Hotel. Then, in the early 1890's, Flagler began laying track southward through the wilderness toward Indian River and to Palm Beach, where, in 1894, he opened the Royal Poinciana Hotel.

Edward Ball, Chairman of the Florida East Coast Railway and Trustee of the Alfred I. duPont Estate.

The Florida East Coast is one of the most efficiently operated railways in America.

South of the Palm Beaches was a green wilderness of pine trees, palmetto scrubs and tropical hammocks growing along a narrow sandy ridge, with the wet Everglades on one side and a dense mangrove shoreline on the other. Not more than three dozen families lived in the whole region. Flagler had no intentions of extending his railroad any farther south. But in February, 1895, a major freeze wiped out Florida's citrus industry. When Flagler confirmed that the freeze did not reach Miami, then an Indian trading post on the Miami River, he quickly changed his mind. Making a deal with Mrs. Julia Tuttle and William Brickell, who each owned a square mile of property on the river, Flagler began extending his railroad to the Biscayne Bay region in the fall of 1895, and the same year began work on the Royal Palm Hotel which was to mark the begining of Miami as a winter resort.

With their livelihood wiped out, hundreds of Floridians, including farmers and grove owners, lawyers and physicians, tradesmen and laborers, headed for Miami to seek new opportunities. The first train arrived April 15, 1896, and two months later John Sewell, a Flagler System labor superintendent who was to be Miami's third mayor, counted 3,000 inhabitants, mostly men. On June 28, when Miami was incorporated, 502 who identified themselves as permanent residents turned out to vote.

Thus as a result of the dreams of an empire builder was born a community which in the next half century would become the central city of a fabulous development on the edge of the Caribbean. But the restless Henry Flagler wasn't through. In 1902 he ordered an engineering feasibility study to determine whether a railroad could be built from the Florida mainland to Key West, which had the deep-water port that Miami lacked. After two years of study, Flagler met with the engineers and Joseph R. Parrott, his general manager.

"Are you sure this railroad can be built?" Flagler asked, directing his question to Parrott.

"I am sure," replied Parrott as the engineers nodded in agreement.

"Very well, go ahead," said Flagler. "Go to Key West."

Construction of the 127-mile extension from Homestead took seven years and cost $20 million. Seventy-five miles of the route was built over water or marshy land. The longest bridge crossed seven miles of open water. Although referred to by critics as "Flagler's Folly," the audacious project received wide acclaim as an engineering marvel, and, for twenty-three years was to offer travelers an awe-inspiring trip they would never forget.

A year before completion of the "Overseas Railroad," Flagler ordered a second extension, known as the Okeechobee Division, built from New Smyrna to the town of Okeechobee. Lake Okeechobee was at that time a major source of fish, which had to be shipped by boat through the Caloosahatchee River to Fort Myers. And with the drainage of the rich Everglades region, then in progress, Flagler envisioned the development of a vast agricultural empire about the lake. Moreover, Flagler owned thousands of acres along the rail route which were suitable for the growing of citrus. He ordered his engineers to produce major plans for small grove homesteads at Chuluota and to lay out cities at Okeechobee and Kenansville, the latter which he named in honor of his wife, the former Mary Kenan.

The extension was completed in 1915, two years after Flagler's death, but it failed to pay. Drainage, which lowered the level of Lake Okeechobee, destroyed the commercial fishing; the small citrus homesteads failed to sell, while the major agricultural development took place about the south end of the lake. Although Kenansville enjoyed a short spurt of activity, having a bank and a hotel, it died as a prospective city and remained a village, while Okeechobee was to become little more than a "cow town" for the next half century. But the wide thoroughfares in Okeechobee today attest Flagler's belief that it would be a larger city than he had envisioned for Miami, where his engineers had provided for only fifty-foot-wide streets.

Meanwhile, the southern rim of Lake Okeechobee was developed into one of the world's richest agricultural regions, with thousands of acres planted in winter vegetables, sugar cane, and luxuriant pasture. F.E.C. officials decided it would be economical to build a new and shorter extension from Fort Pierce to Belle Glade, and to take up the New Smyrna-Okeechobee extension. Today thousands of carloads of winter vegetables, sugar cane and raw sugar, are shipped over the Fort Pierce-Belle Glade extension each year.

Upon Flagler's death, ownership of the Flagler System, including the railroad, fell to his widow, with the able J. R. Parrott as managing trustee. But Parrott lived only six months, and the management was given to Mrs. Flagler's brother, Willam R. Kenan, Jr. When she died in 1917, ownership of the rich Flagler System fell to Kenan and two sisters. The Kenans lost the railroad in 1931 when bondholders forced the financially troubled line into receivership.

In 1925, during the height of the Florida land boom, the F.E.C. was the only railroad servicing Miami. The single-track line proved inadequate to haul the freight and passengers bound for the booming Gold Coast. Freight cars, loaded wth materials for the huge construction boom, backed up on sidings all the way to Jacksonville, waiting to be unloaded in Miami. Railway officials announced that no additional cars could be accepted at Jacksonville until the deplorable situation was cleared up. The embargo resulted in a backing up of freight cars on sidings north of Jacksonville all the way to Savannah.

Unwisely, hindsight would show, Kenan launched a major construction program to double-track the F.E.C. between Jacksonville and Miami, which necessitated the costly rebuilding of many bridges. New repair shops and office buildings were erected at St. Augustine, freight and terminal facilities were improved at many points, and automatic block signals were installed. To do this the F.E.C. floated a major bond issue. But not only did the boom collapse, a national depression followed. Meanwhile the F.E.C. got a competitor, the Seaboard Air Line Railroad Company, which was extended from Indiantown to West Palm Beach and southward to Miami and Homestead. Although the Seaboard's extension proved uneconomical, forcing the route into receivership in 1930, it did nothing to help the Florida East Coast which foundered the following year.

Expenses piled higher and higher under receivership, and so did indebtedness. At one time it was estimated that $100 million would be required to pay off the debtors, adding up principal, interest, and interest on interest. That was more than the value of the railroad and its properties.

The receivers got rid of the railway's major white elephant, the Overseas Railroad, after the disastrous Labor Day Hurricane of 1935. The fierce storm left track and buildings a mass of twisted and shattered wreckage along a wide swath through the Florida Keys. Loss of life exceeded 500, despite a sparse population.

The overseas extension had never paid, while the cost of repairing storm damage would have been prohibitive. The receivers were given permission by the Federal Court to sell the right-of-way between Florida City and Key West to the State of Florida. Property worth millions was acquired by the State Road Department for a piddling $600,000. The Overseas Highway was built over the old road bed and bridges, creating one of America's spectacular automobile drives.

In Jacksonville, meanwhile, Edward Ball watched as the Florida East Coast Railway struggled under receivership, and he watched with a trained eye. He had been engaged for some time in modernizing the rundown Apalachicola Northern Railroad, and, although the route was a short one, there was much similarity in the problems of operating a short line as in operating a longer one. Ball also had behind him years of experience in finance, the F.E.C.'s number one problem at that time. Moreover, he thought he could see great potential in the line. He believed Florida's East Coast would continue to grow and that the railroad, if run efficiently, could become a profitable enterprise for stockholders.

But how does one acquire a bankrupt railroad? In theory it was simple. Whoever acquired the majority of the defaulted bonds in a bankrupt company automatically acquired control. In 1941 the Florida East Coast's defaulted bonds were looked upon by many owners as virtually worthless. When Ball began buying the bonds in the name of St. Joe Paper Company he got some for as little as six and one-half cents on the dollar. This meant that for a bond with face value of $1,000, not counting accumulated interest, he had to pay only $65. With approval of duPont Estate Trustees, Ball continued buying the defaulted bonds until St. Joe owned more than 51 per cent, or, to be exact, $23,250,000 worth of the original $45 million total.

"I wouldn't want anyone to think that we obtained over $23 million worth of bonds for six and one-half cents on the dollar," said Ball. "We paid substantially more for most of the bonds, which, of course, rose in price as demand for them grew."

But despite a federal law which should have given St. Joe control of the railroad, it was denied possession for nearly twenty years while controversy consumed millions of dollars in costs and in Federal Court time. The road went into reorganization proceedings under Section 77 of the Bankruptcy Act in 1941. Four reorganization proposals were made in succession, and each was the subject of long hearings.

One plan went all the way to the United States Supreme Court. Offered jointly by minority F.E.C. bondholders and the Atlantic Coast Line Railroad, the plan would have exchanged stock in the petitioning railroad for the defaulted bonds. It was rejected by the Federal District Court on the ground that bondholders would be requested to "Surrender the investment they have chosen and lawfully own in the East Coast Property and must take in return an investment which most of them do not desire to own, and do not think it is equivalent." The United States Supreme Court concurred.

Still, the court was not ready to turn over the railroad to the duPont Estate, but continued its operation through trustees in bankruptcy who employed an executive assistant as manager. In 1959, as the executive assistant, a Mr. Jackson, was approaching retirement age, and Edward Ball decided to apply for the job. The job would give him a close-up view of the F.E.C.'s operations as well as its problems, and he would be able to convince the trustees that the Estate was fully capable of running a railroad. So, he took the trustees to lunch and asked to succeed Jackson. They thought at first he was kidding.

"Are you serious?" asked J. Turner Butler, the senior trustee.

"Sure I am," replied Ball.

"But we can't afford to pay you any more than we're paying Mr. Jackson," replied Butler.

"And how much does Mr. Jackson receive?" asked Ball.

"Just under $25,000 a year."

"Well, I won't need that much", said Ball. "You can pay me a dollar a week, a dollar a month, or a dollar a year, whichever you like."

Ball wound up receiving a dollar a month. This rate of pay was to be continued for a time after he became chairman of the board, but finally he ordered it stopped, "because it was costing me and the railroad more than a dollar a month to handle the small check."

As executive assistant, Ball ordered a daily accounting, which was unique in railroading. Each day he received a report on profits or losses, major expense items, the number of employees, payroll, cash in banks, and other items right down to net earnings, together with the total for the year to date and comparisons with the year before. With this information at his fingertips, Ball was able to take the first step toward increasing the efficiency of the railroad and at the same time lowering costs.

One of his first moves was to replace antiquated "section-hand" maintenance of the roadbed with newly developed and much more efficient mechanical equipment. By the time the St. Joe Paper Company was given control of the railroad in January of 1961, Ball had reduced the number of employees from some 3,300 to under 2,200.

"I really got my chest out, thinking I had done a good job," said Ball. "But two years later, when the unions struck, I realized I had just knocked a little of the bark off; I hadn't got down to the wood at all."

Within a year after the strike, employees had been cut to fewer than 1,000 and the railroad was operating more efficiently than ever.

Prior to the strike, the F.E.C. was burdened with the operation of passenger service between Jacksonville and Miami — a service which lost considerable money for the railroad. To a large extent the passenger service was a duplication of that provided by the Seaboard Coast Line between Jacksonville and Miami, since most of the passengers were tourists. But travelers to and from Florida were using railroads less and less, preferring the airlines or the automobile. Nevertheless, at the time the unions walked out the F.E.C. had plans to improve its passenger service, including a new depot in Miami.

Miamians had for years demanded the removal of the F.E.C.'s downtown depot, an ugly conglomerate of wooden buildings, together with freight and express housing facilities stretching for several blocks. The multiple tracks, crowded with passenger cars and switching freight cars, resulted in almost constant traffic congestion on east-west streets downtown. Protests to the trustees in bankruptcy went unheeded, however, and nothing could be done until the Paper Company took control of the line. One of Ball's first decisions as board chairman was to order the downtown passenger terminal transferred north of the city and the old terminal dismantled. As quickly as new railroad yards could be built west of Hialeah and Miami Springs, the several tracks downtown were reduced to one, while the only switching took place late at night when there was little automobile traffic. The new passenger terminal planned for Miami was never built, however, because passenger service was terminated after the strike.

In his first annual report to stockholders Ball had this to say about the newly acquired railroad:

"Operation of your company under its new management will be conducted, insofar as possible, with the purpose of furnishing attractive, courteous, fast, safe, and adequate transportation to the territory served by its lines of rail and its connections with other facilities; to provide stable and profitable employment for the men and women in its service and to earn a reasonable return on the capital invested."

Full passenger service was not to be resumed after the strike. For one reason, the persistent bombings of trestles and tracks, resulting in the wrecking of freight trains, made this operation highly hazardous. Ball refused to risk such hazards for passenger trains, with the possibility of heavy loss of life. He also argued that passenger service was uneconomical and served no needed purpose. He was proved right after the Florida Public Service Commission ordered the re-establishment of limited passenger service in the middle 1960's. Usually the one-train-a-day was a "dead-head" both ways. A *Miami Herald* reporter who rode the train from Miami to Jacksonville had a lonely trip. Seldom was anyone in the train except him and the conductor. Eventually the state agency agreed that the days of train travel in the United States was over, at least for that time.

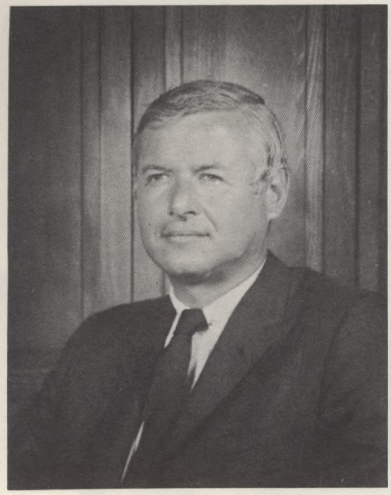
Under Ball's leadership, enormous progress has been made in transforming the F.E.C. into the most modern and efficient railroad in the nation. Upon completion of laying welded rails from Jacksonville to Miami, together with concrete crossties and granite ballast, the line will have the finest track structure of any railroad in the nation.

With the eventual retirement of the onetime huge debt, the Florida East Coast Railway should be in a position to repay in dividends those who have had faith in the present management. And the dream of Edward Ball to have a debt-free, modern, and efficiently operated, low-maintenance, class-one railroad down Florida's East Coast will have come true.

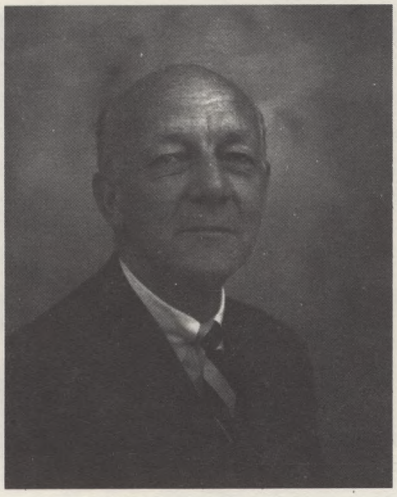
Edward Ball

Jacob C. Belin

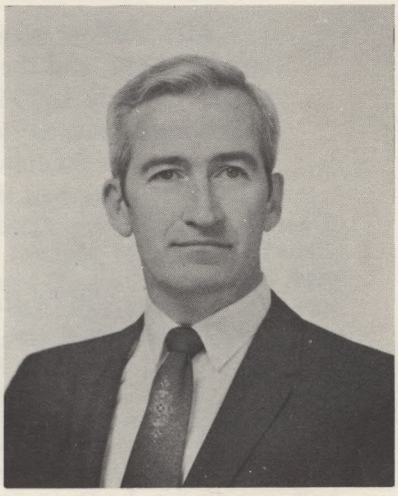
Tom S. Coldewey



Alfred duPont Dent



William B. Mills



Winfred L. Thornton

Trustees of The Estate of Alfred I. duPont, above, are also Directors of The Nemours Foundation.

THE NEMOURS FOUNDATION

AND

ALFRED I. duPONT INSTITUTE

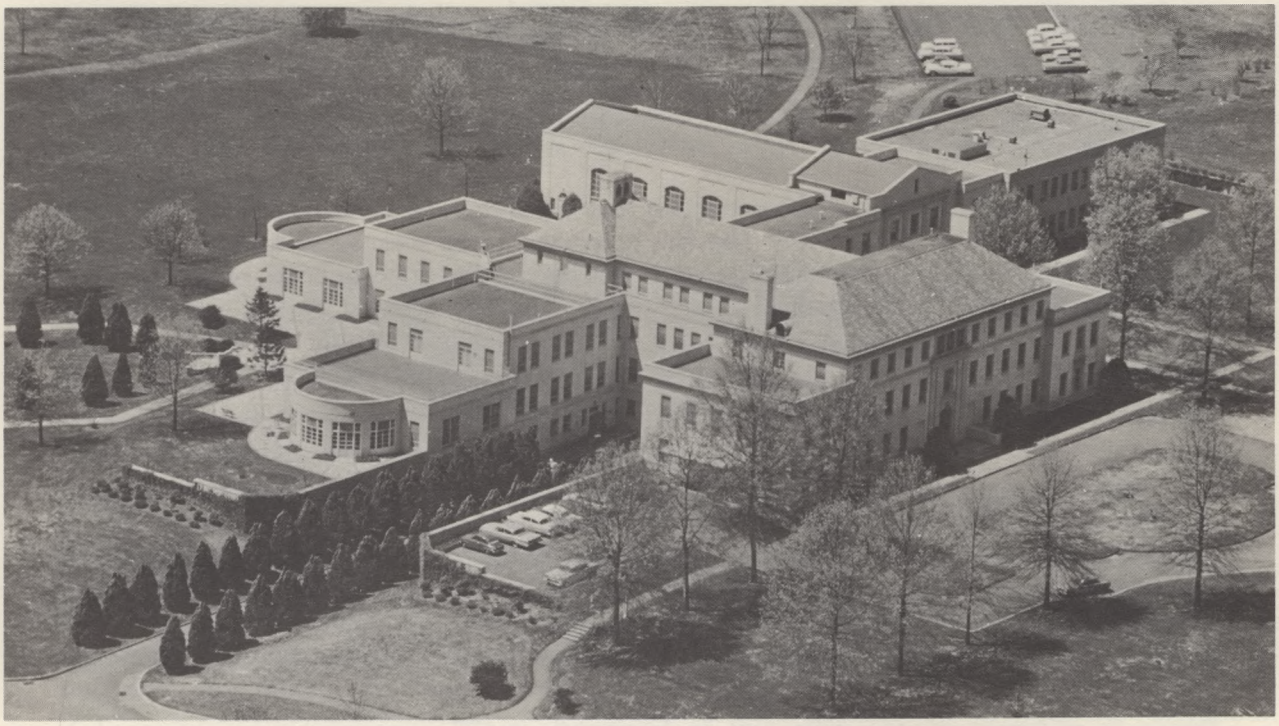
In a hillside setting on Rockland Road, two and one-half miles north of Wilmington, Delaware, is one of the unique hospitals of its kind in America — the Alfred I. duPont Institute of The Nemours Foundation. Opened in 1940, it occupies a portion of the 300-acre garden estate of "Nemours", home of the late Alfred and Jessie Ball duPont. Its purpose, spelled out in duPont's will, is to provide treatment for curable crippled children. This the Institute has done, with a dramatic record of operations, treatments and rehabilitations of children, who, without specialized attention, would otherwise have gone through life physically handicapped and ill equipped to compete for jobs, to contribute anything to society, or to enjoy the pleasures associated with a normal existence.

Shortly before his death in 1935 Alfred duPont drew sketches for such a specialized center. Had he lived, he undoubtedly would have built it himself. Death in his seventy-first year left the job for the Trustees. Although his will provided for the establishment of The Nemours Foundation and for the building of an endowed institution for the treatment of crippled children, he did not require that either be done during the lifetime of his widow. He left her a choice, however, in case she should decide to go ahead with that provision in the will.

Mrs. duPont went ahead with plans immediately. The Nemours Foundation was chartered in 1936, and the Alfred I. duPont Institute, on which planning was started in 1937, was opened on July 1, 1940. Even before their marriage in 1921, duPont had told his wife-to-be of his intentions, to "provide for his immediate family when he died and give the rest of his money for the Foundation." Mrs. duPont, recalling this in a newspaper interview in Atlanta some years ago, had this to add:

"In the will he stipulated that the Institute could be built in my lifetime, if I so desired. I knew it would not be what he wanted if I didn't build it."

After several meetings with medical specialists, Mrs. duPont in 1937 induced Dr. Alfred R. Shands, Jr., orthopaedist, to give up his position as professor of surgery in charge of orthopaedics at the Duke University School of Medicine, in order to organize, build, and head the Alfred I. duPont Institute. Dr. Shands, who was to serve as Medical Director until his retirement in 1969, was in 1937 one of the best known orthopaedic specialists in the nation. He had received his surgical trainig at The Johns Hopkins Hospital and was serving as an instructor in orthopaedic surgery at George Washington University when called upon to help organize the Duke University Medical School. While at Duke he wrote what was to become a widely known work, the *Handbook of Orthopaedic Surgery.* He would see it go through eight editions within the next thirty-five years. He was recommended to Mrs. duPont because he was thought to be the best qualified to organize and supervise the staff which would be needed in a specialized children's hospital.



The Alfred I. duPont Institute at Wilmington, Delaware, one of the foremost hosiptals for the treatment of crippled children.

Two historic patients at the Alfred I. duPont Institute, Mrs. Walter Farrall, the former Shirley Ramone, and three months old Melissa Nelson. Mrs. Farrall was the first patient to enter the hospital on July 1, 1940. Melissa was the 20,000th in 1972. Both were born with dislocated hips. The difference in the treatment required by the two patients, thirty-two years apart, is a dramatic illustration of how medical science and public education have progressed.

"I visited more than 100 hospitals in this country and abroad," said Dr. Shands, who is using his retirement to write a history of the Institute. "Then, after we determined what we wanted in the way of space, the problem was to build something that would be esthetically harmonious with "Nemours", and which could be expanded if necessary."

Planning and supervision of construction took three years of sometimes frustrating efforts by Dr. Shands and by Mrs. duPont. The first plans had to be rejected as inharmonious with existing architecture, and the architects were sent back to the drawing board several times before they came up with the Institute as it is today. The site selected was a gentle hill on twenty-two acres set aside from the 300-acre Estate, and almost within the shadow of the Carillon Tower, one of the last major projects built by duPont before his death. The site not only was impressive, but provided space for expansion.

When opened, the Alfred I. duPont Institute was among the few completely equipped hospitals of its kind. Its facilities included two wards with terraces and sun porches for 60 patients; an out-patient clinic; facilities for surgery, dentistry, x-ray, physical therapy and occupational therapy; laboratories for routine medical tests and for specialized research; school rooms for children spending an extended time in the hospital; an auditorium, playrooms, and a library for recreation and entertainment; library and dining rooms for the staff; living quarters for residents; administrative offices; kitchen, laundry, maintenance shops and storerooms.

Two types of patients were eligible for admission: those having disabilities of the muscular-skeletal system which are treated by orthopaedic or plastic surgeons, such as the effects of polio, curvature of the spine, congenital malformations like clubfoot, scar tissue contractures, burns, cleft-lip and those having uncommon diseases for which the staff had a particular knowledge and interest. Children with mental retardation and mental disorders were not eligible for admission for the treatment of those conditions. In a broad sense, any child whose disease or disability could be treated effectively by the Institute staff was eligible for admission.

Children could be referred to the Institute by physicians, clinics, or children's agencies. But before a child's first visit to the Institute's clinic a report had to be completed by a physician who may be the family doctor.

In the early years of the Institute all patients were admitted and treated without charge. But with the growing affluency of society, together with the almost universal use of medical and hospital insurance, families who have the ability to pay are asked to contribute their share. Recovering costs, however, is secondary to a child's needs, and, when treatments or costly operations are necessary, the Institute makes no difference between the child whose parents can pay and the child whose parents would find paying a hardship.

The first child to be admitted to the Institute was a girl of two and one-half years, Shirley Ramone, born with a dislocated hip. Her parents had not suspected anything wrong until the child was a year old and had trouble walking. She frequently stumbled and fell. Taken to the family physician, the child's condition was diagnosed as "clubfoot," because of the way one side of a shoe tended to wear. Dr. Shands suspected hip dislocation immediately upon manipulating the child's legs and getting a painful response when the left leg was flexed a certain way. X-ray proved the diagnosis.

One month after her admittance, Shirley Ramone underwent an operation. Dr. Shands relocated the hip socket and put the child in a plaster cast. But Shirley was to have a long recovery ahead, spending a total of 120 days in the hospital. Her first cast was removed seven months after the operation, to be replaced by another which was removed two months later. One year after the operation Dr. Shands could write in her record that the child walked normally and without a limp.

In March, 1972, the former Shirley Ramone, now Mrs. Walter Farrall, and the mother of two daughters, was in the Institute again — this time to greet the 20,000th patient. The new patient, Melissa Nelson, three months old, likewise had been born with a dislocated hip. But to her advantage, the dislocation was discovered early by the family pediatrician. Because of the early discovery, an operation was not required. Instead, Institute surgeons reset the hip, installed Melissa with a temporary brace and sent her home.

During the Institute's first years, Dr. Shands found it necessary to have a special ward for children with hip dislocation. As in the case of Shirley Ramone, most hip dislocations were discovered only after the children had begun trying to walk, and not infrequently the real cause of the difficulty might not have been known until after a child had become a hopeless cripple. Today, however, doctors examine all infants born in Wilmington hospitals for possible hip dislocation. When discovered at this early age an operation is almost never necessary. With the better training of physicians, and especiallay of pediatricians, operations for hip dislocation at the Institute have almost ceased. These children are treated in the out-patient clinic, and grow up without remembering their experiences.

This example, to a large extent, can be extended to many other crippling deformities treated by Institute doctors. A major one is scoliosis, or curvature of the spine to one side or the other. Scoliosis can be a very serious, crippling disease, with spinal curvature increasing in many affected children as they grow older. In the past, spinal curvature often went unnoticed until a child was far up in its teens, after which an operation, with fusion of the spine, was often necessary to correct or arrest the deformity. Today, most cases of spinal curvature are discovered in children by the time they reach school age. Pediatricians, as well as school doctors and nurses, are more alert for evidences of scoliosis. As a result, special braces and casts are more often used today than operations to make corrections.

Virtually all scoliosis cases at the Institute are treated in the out-patient clinic. Tuesday is cast day at the clinic. Patients come from other states, as far away as Florida and Louisiana, to have casts changed by resident orthopaedic surgeons who use life-size x-ray pictures of a patient's spine as a guide in the fitting. When a child must remain in a cast for several months' duration, one of the parents, usually the mother, may spend a day or two at the hospital to learn from nurses the techniques of caring for the patient's needs. Not all scoliosis patients need to remain for long periods in a cast. Institute specialists have designed a plastic corset, which is molded from a cast of the child's body, and this is worn instead of the cast. The Institute's work with scoliosis is widely known, and the two specialists who are mainly responsible for the public awareness, as well as for the improved treatment, are Dr. G. Dean MacEwen, medical director and chief surgeon, and Dr. Henry R. Cowell, associate chief surgeon.

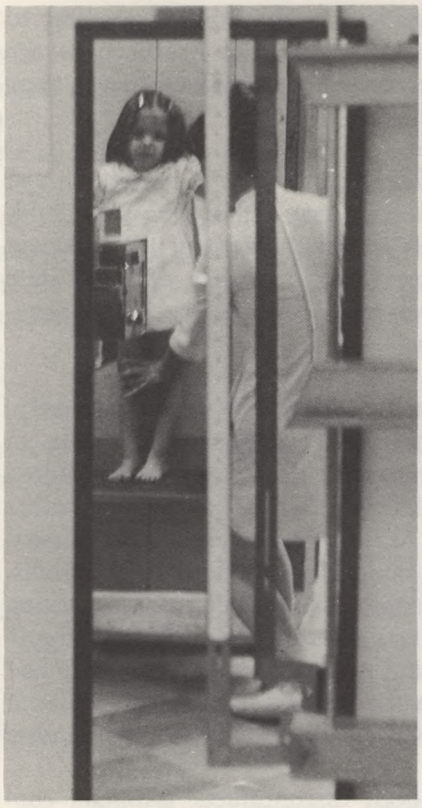
Dr. MacEwen, a Canadian by birth, joined the Institute's staff in 1958 as associate medical director. In 1961 he succeeded Dr. Shands as chief surgeon, and, upon Dr. Shands' retirement in 1969, succeeded him as medical director. Dr. MacEwen has become widely known for his orthopaedic surgery, especially his operations involving scoliosis and its treatment. His numerous papers published on this disease, which he and Dr. Cowell found to run in families, has given a wide acquaintance among doctors of its inherited implications. Most pediatricians today are aware that if one case of scoliosis develops in a family, careful watch should be kept for signs in brothers and sisters, as well as their offspring.

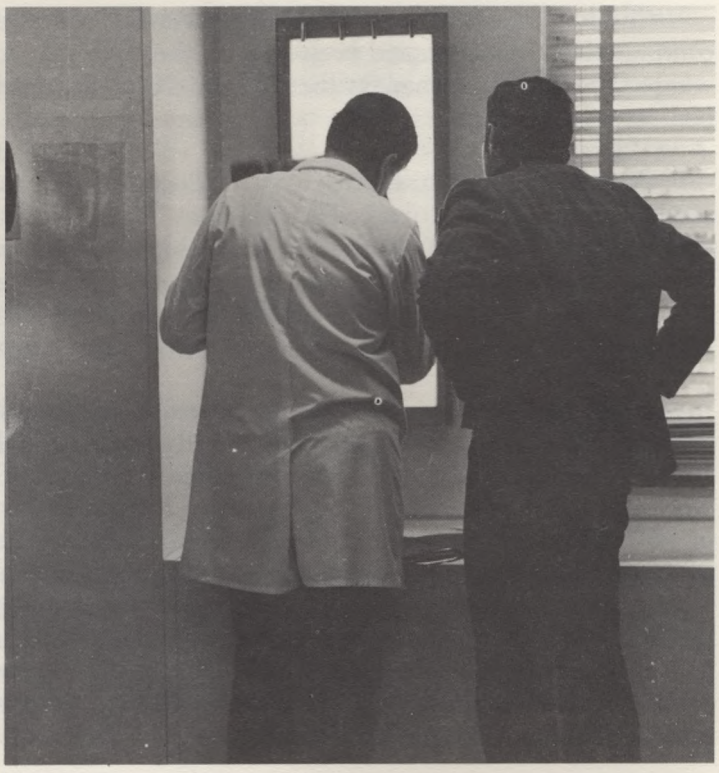
Because of improved knowledge in the treatment of crippling diseases without operations, the number of patients attending the out-patient clinic has greatly increased over the years, while hospital admissions and operations have declined. Moreover, the length of stay in the hospital has declined from an average exceeding 100 days in the early years to seventeen days in 1973. Some patients, however, must be admitted to the hospital for short periods over a period of months or years. An example is a girl under ten who was born with a large raspberry-colored birthmark covering one side of her face. Plastic surgeons could remove only a part of it at a time, but, after several operations, signs of the birthmark were hardly discernible. While children with cleft-palate may require hospitalization of short duration, children with cleft-lip usually are treated by plastic surgeons in the out-patient clinic. Where cleft-lip is severe, several visits are necessary before the gap is fully closed.

The Institute's out-patient clinic in 1973 recorded just under 17,000 treatments, of which 2,392 were new patients. This compares with 668 treatments the first year, of which 272 were new patients. For a time after its opening, the Institute's operations increased — from 103 the first year to more than 600 a year in the middle 1960's. But in 1973 only 567 operations were performed, a marked decline although the number of new patients had greatly increased. Early identification of trouble, as well as improved treatment, were responsible for the dip in operations.

Some 70 per cent of the Institute's patients come from Delaware, while a major part of the remaining 30 per cent come from nearby states. Although the Institute is open to patients from all states, and receives some from foreign countries, the distance children must travel for treatment results in most parents seeking help closer to home. The Institute's emphasis on scoliosis brings more patients from long distances than any other disease. A large percentage of the visits to the out-patient clinic are by children requiring physical therapy in which the Institute specializes, most of whom live nearby.

Although the Institute's treatments are limited to crippled children, the medical staff is by no means limited to orthopaedists and pediatricians. A child entering the Institute for an examination may require the services of specialists in ear, nose and throat; eyes; urology, and neurology, as well as general surgery or plastic surgery. The x-ray department has specialized equipment and a specially trained staff to make and interpret the countless numbers of pictures required in a crippled children's institution. X-rays are never thrown out, but are kept on file for study by students and specialists seeking greater knowledge in the identification and treatment of crippling diseases.





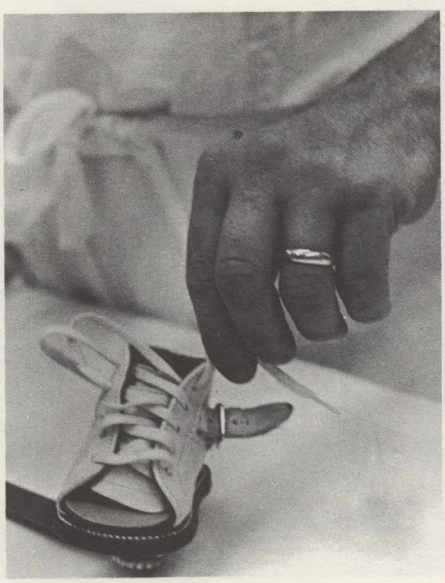
Scoliosis, or spinal curvature, is a common difficulty among children treated at the Alfred I. duPont Institute. Above, left, a little girl "poses" before an x-ray camera for a full-size picture of her spine. Upper right, Dr. Paul Ramsey, orthopaedic specialist, studies the film to decide on treatment and shares his conclusions with the father of the patient. When detected early, treatment of spinal curvature is usually done through the use of body casts. In extreme cases an operation for fusion of the spine may be necessary, as with the child at right. Nurse Andrea Gaul applies head traction for the comfort of the young patient.

Children of school age who must remain for extended periods in the hospital are able to continue their education and keep up with their classes. A special classroom has been set up where the children gather, in their wheel chairs, on crutches, or, where they are bedfast, their beds are wheeled in.

From its beginning, the Alfred I. duPont Institute has been involved in the promotion of seminars and special clinics. The Southern States Conference, dealing with the crippled child, was begun in the 1940's under the leadership of Dr. Shands and with Nemours Foundation Funds. Eventually eighteen states were involved. Conferences were held in a different state each year, and the proceedings published to give the lectures wide distribution. These seminars were discontinued after they had served their purpose.

Along with the seminars was an extensive program to aid state and private agencies helping crippled children, and backed personally by Mrs. duPont. This program was begun in 1948 in Florida. The Florida State Crippled Children's Commission had some 400 children who could not be cared for by the state, then in financial difficulties. Moreover, a number of voluntary agencies operating in specialized fields related to the crippled child were in need of funds. The Nemours Foundation came to their aid, and, under the direction of Dr. Shands, a program was worked out for the treatment of crippled children in Florida hospitals. During the first year, 3,872 patient-days' care for crippled children was provided. By 1962 the figure had grown to 89,367 patient-days' care. During the intervening period, however, the state had increased its own budget for the crippled child to between six and seven times the amount provided in 1948. Eventually Florida was able to assume total responsibility for the program.

Although the annual Southern States Conference has been discontinued, seminars continue to be held at the Institute in Wilmington. Orthopaedic and pediatric specialists from other institutions join the Institute's staff in presenting lectures. The Institute offers short courses which, given over a weekend, highlight the current concepts in the treatment of common crippling problems in children.



Certain deformities of the foot may be corrected in small children by having them wear special shoes. Early detection of physical abnormalities in children is immensely important, as the experience of Alfred I. duPont Institute specialists have demonstrated.

Behind all the work at the Institute has been a research program, both clinical and basic, which over the years has been a major reason for its successes in improved treatment techniques. On the clinical side, permanent staff members and residents prepare illustrated papers with the assistance of a staff photographer for presentation at seminars, short-courses, and at medical science meetings. As a result, the Institute's Audio-visual Education Department has a major collection of taped talks keyed to projector slides. A new resident doctor, visiting medical student, or practitioner has a choice of subjects covering a wide area in the identification and treatment of the crippled child. Many doctors come for a few days, or as long as a month, at the Institute, studying the illustrated lectures, watching operations and the techniques of making casts, and accompanying staff and resident physicians on their rounds.

Basic research is done in a separate department — a department which has been expanded considerably since 1940. Even from the beginning, the research department served a practical aid to the Institute.

"Our aim was to build a top medical staff," said Dr. Shands, "and the only way we could do so was by providing laboratories for basic and clinical research."

The research department's first director was Dr. Lee E. Farr, whom Dr. Shands attracted from the Rockefeller Institute, now Rockefeller University.

Dr. Paul Hamilton, present head of research, has received world recognition for his work with amino acids, the chemical building blocks of proteins, and for his methods of identifying them. But the laboratory is engaged in a wide variety of medically-related research, among them a study of metabolism defects. Dr. Hamilton believes it may be possible in the future to diagnose many diseases through the isolation of compounds in the urine or blood and the determination of their percentages in the relation to their constituents.

"We believe there are 150 to 175 compounds in urine," he said, "but we can label only about thirty."

A major problem in urine or blood analyses, however, has been the large amounts of specimens required and the relatively long length of time required when using traditional methods. With new tools now becoming available, gas chromotography and mass spectrometry, Institute scientists hope to see the day when such analyses can be done quickly and with minute amounts of material.

Dr. Hamilton also foresees the use of these analyzing methods in measuring the changes in metabolism caused by drugs prescribed by doctors in the treatment of diseases. He considers the tests now being used to determine a drug's safety inadequate, because these methods fail to provide information about the drug's total effect upon the system. For instance, the routine prescribing of aspirin for patients suffering post-operative pain might cause some delay in the healing processes, recent research has shown. There also is the suggestion that with improved knowledge of metabolism in relation to diseases and post-operative reactions, changes might be made in diets to the benefit of patients.

"This is the kind of work that helps to bridge the gap between fundamental research and the bedside," said Dr. Hamilton. "But some of the things we are working on now might not be important for another ten or twenty years. Many of the 'instant answers' in research come about as a result of years of prior work."

Probably the most dramatic work by the Institute's research department is a movie film showing human blood corpuscles ingesting and consuming streptococci, one of the most common disease-causing organisms. This film is widely used for teaching, especially for medical students. Less dramatic is the Institute's research with streptococci. For the average medical technician studying streptococci under the microscope these organisms all look alike — blue-stained dots strung out in chains. But more than 3,250 strains are believed to exist, of which the Institute has isolated, cultured, and identified some 389. Moreover, these strains are kept "on file" in cultures or maintained at sixty degrees below zero centigrade. The bacteria also can be kept for indefinite periods under absolute dry conditions.

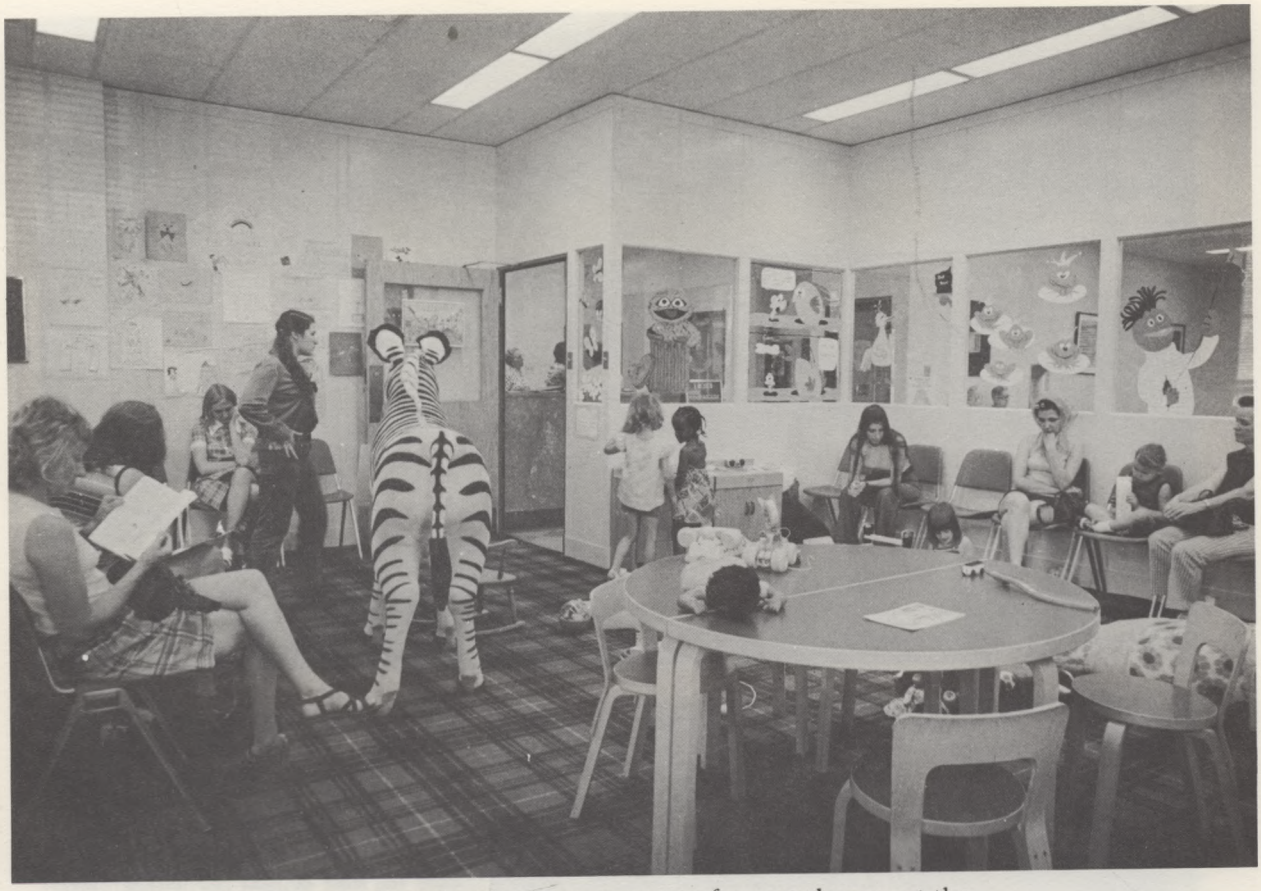
Because of such a host of strains, producing a vaccine effective against streptococci infections has been difficult. Each strain produces its own antigen which provides a protection against ingestion by blood cells. Institute scientists hope to develop a chemical vaccine which would render a person resistant or immune against streptococci infection by acting on the organisms' antigens.

On the clinical side, Institute scientists have developed a method of auto-transfusion, which allows a child to give its own blood in advance of an operation. The blood, taken from week to week, is stored until the time of the child's operation, when it is returned by transfusion. But in the basic research department scientists have achieved success in the reproduction of human blood cells in a laboratory culture, which puts medicine a long step closer to the time when blood for all transfusions will be produced artificially. Not only is the laboratory-produced blood disease-free, it is reaction-free.

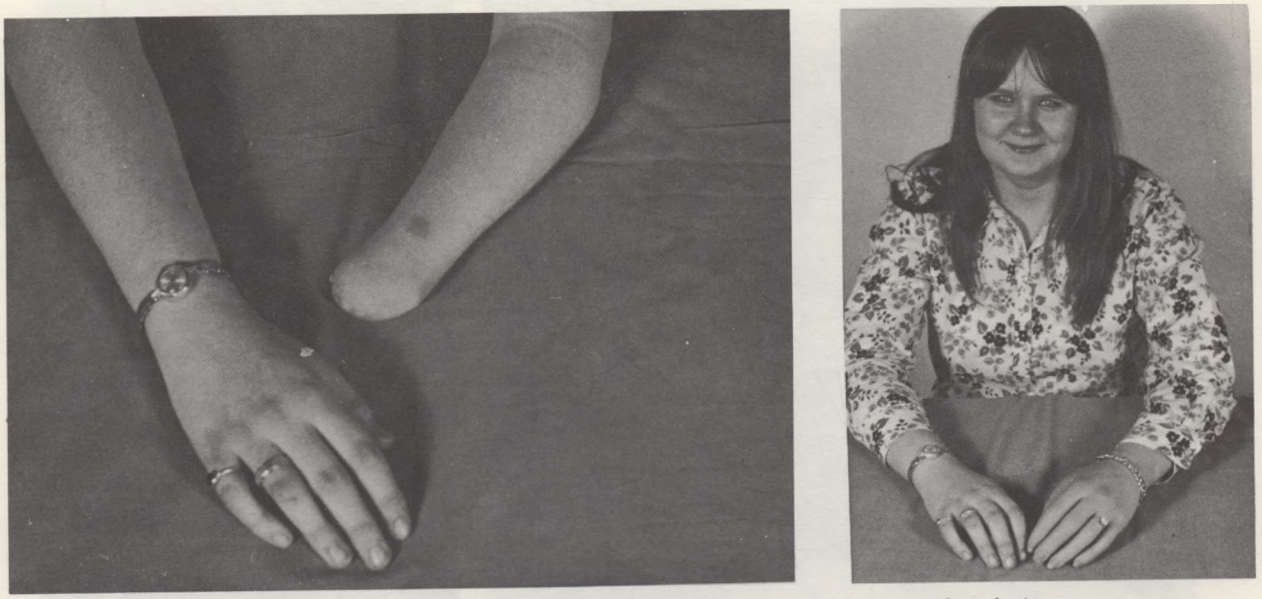
The Institute's study of blood cells and tissue cells has revealed that such cells from different persons vary greatly in their constituency. This has raised a variety of questions. What is the normal constituency of a cell? What is the influence of genetic factors in cell constituency? What is the influence of organic diseases on cell constituency? And what is the influence of cell constituency on mental diseases?

Such has been the history of the Alfred I. duPont Institute of The Nemours Foundation. While its clinical and hospital facilities are responsible for the rehabilitation of thousands of physically handicapped children every year, its research scientists continue working to find improved means of assisting medicine and surgery — not just for the handicapped, but, in the end, for all mankind.

Children forced to stay in bed during treatment can be wheeled into the recreation room where Cathy Righi, above, helps them enjoy a carefree hour. A child has to be "banged up" a lot worse than the boy at left not to find a way to enjoy itself. The little girl, below, in a wheelchair while under treatment, models clay.



Play, study and visitation are a part of group therapy at the Alfred I. duPont Institute.



Born without one hand (left) young girl (right) appears happy after being fitted with artificial hand at the Alfred I. duPont Institute.

FROM JULY 1, 1940 TO JULY 1, 1974, THE FIRST 34 YEARS OF OPERATIONS, THE ALFRED I. DUPONT INSTITUTE HAS

- Provided treatment for 25,531 curable crippled children.
- Performed 9,732 operations.
- Made 237,584 x-rays.
- Participated in 190,376 examinations and treatments.

When Alfred I. duPont died in April 1935, he left a will which created a charitable, valuable, and lasting aid to crippled children in America.

His will read:

"It has been my firm conviction throughout life that it is the duty of every one in this world to do what is within his power to alleviate human suffering and I have sedulously striven to that end. It is, therefore, natural that I should desire, after having made proper provision for the immediate members of my family and the others whom I have seen fit to remember, that the remaining portion of my estate should be utilized for charitable needs."

"My Trustees shall cause to be incorporated a corporation for charitable purposes, to be designated and known as 'The Nemours Foundation' . . . and my said Trustees are hereby directed to pay over, at convenient intervals, to the said corporation, the net income of my said estate . . . for the purpose of maintaining the said Estate of 'Nemours' as a charitable institution for the care and treatment of crippled children, but not of incurables, or the care of old men and women, and particularly old couples."

More than 800,000 patient days have been attributed to the care and treatment of crippled children since the Alfred I. duPont Institute opened its doors 34 years ago, July 1, 1940. The Nemours Foundation crippled children's hospital which is known as the Alfred I. duPont Institute in Wilmington, Delaware, has extensive facilities for the care and curing of crippled children whose parents may be poor or wealthy, but cannot obtain the medical skill that is available at the Alfred I. duPont Institute.

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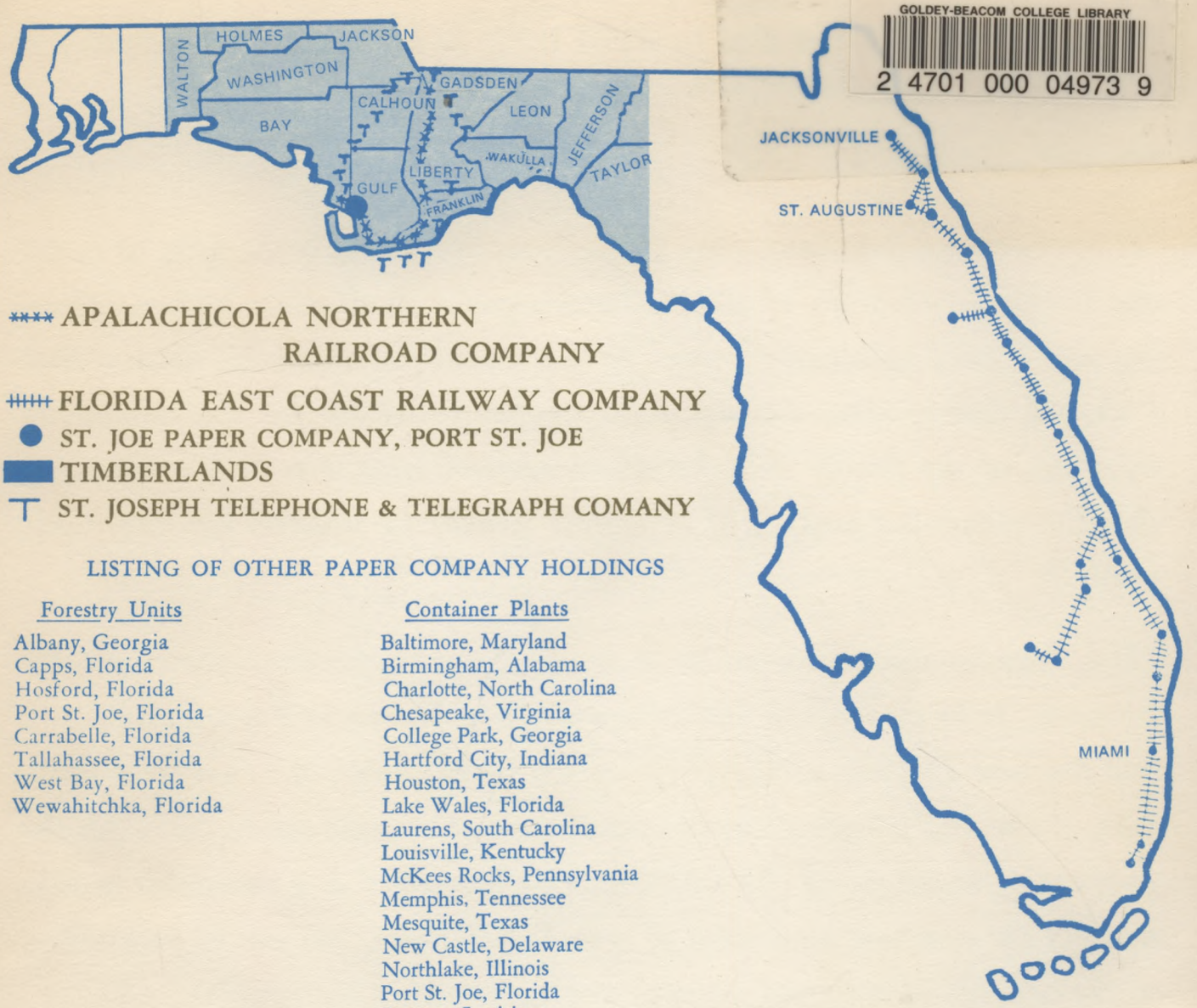

**** APALACHICOLA NORTHERN RAILROAD COMPANY

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Carrabelle, Florida
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Container Plants

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Lake Wales, Florida
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National Board & Paper Mills, Limited
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Irish Paper Products, Limited
Dublin, Republic of Ireland
Killeen Paper Mills, Limited
Dublin, Republic of Ireland
National Waste Paper Company, Limited
Dublin, Republic of Ireland

The Estate of Alfred I. duPont and The Nemours Foundation
P. O. Box 1380
Florida First National Bank Building
Jacksonville, Florida 32201
Printed September, 1974

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