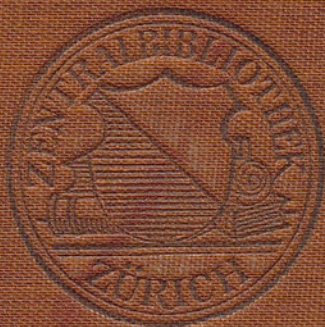


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EMIL J. STEHLI



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Emil J. Stehli

1868-1945

A SHORT ACCOUNT OF HIS CAREER

1947

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OF THE MANY somewhat arbitrary turning-points in American history, one surely cannot ignore the year 1848. The Irish potato famine had already reduced that country to misery and sent its people streaming to the New World. The aftermath of the revolutions of 1848 that erupted all over the European continent persuaded great numbers that the day of freedom was a long way from being at hand. The survivors of the barricades fled in disgust and anguish. They were not the first to come, but they came at a crucial moment. America was just then emerging from a small, struggling power into a country of untold resources and unmeasured land. The possibilities of the future seemed limitless, and there was no telling what a man could do or how far he could go. To a Europe where feudalism had been forcibly revived and where a man could aspire only to the position held by his father and grandfather, the news of America was indeed news of a New World.

So Europe packed and came in ever increasing numbers, and for America these newcomers became many things: a new market, a source of labor, a source of votes, and a source of culture. With each year the immigrant waves grew, and toward the end of the century they were larger than ever. Nor were they all members of the huddled masses, uncomprehending, sick, bewildered, wrapping themselves in verminous shawls. Some traveled comfortably and were prosperously dressed, and they came for the simple reason that in a growing country a business could also grow. They came with money to invest. Of these was Robert Stehli-Zweifel of Zurich, Switzerland, representing the firm of Stehli and Company, silk manufacturers. The firm had decided to manufacture silk for the American market, and in 1897 Robert Stehli-Zweifel was authorized to buy or build a factory. He came with good backing and some knowledge of the country, and for him the manufacture of silk was practically an inherited trait.

II

In 1840 in Obfelden, Switzerland, the firm of R. Stehli-Hausheer was operating about thirty looms under one roof. They were power looms and the firm was making all-silk black serge and striped and solid-colored gauze. This unpretentious offshoot of the Industrial Revolution was the property of Rudolf Stehli, who was born in 1816 and who in 1836 had married Emereitiana Hausheer, thereby adding her name to his own according to Swiss custom. Rudolf's son Emil was born in 1842. He joined

the firm as a young man, and after his father's death assumed control, changing the name to R. Stehli-Hausheer and Son. In 1863 he married Margaretha Hirt. Of their five children, the eldest, also called Margaretha, married Max Froelicher in 1885. In 1876, Max Froelicher had gone to the United States, where he had remained for seven years. He had arranged with two import houses to sell the products of R. Stehli-Hausheer and Son in America. In 1892 Max Froelicher-Stehli became a member of the firm, and the name was again changed, this time to its present form, Stehli and Company. The main office had meanwhile been moved from Obfelden to Zurich.

The business of exporting silk to the United States met with various vicissitudes. The import houses paid only a minimum of attention to silk. To correct this situation, Robert Stehli (later Robert Stehli-Zweifel) came to America in 1888, when he was just twenty-three years of age. He was the eldest son of Emil Stehli-Hirt. Despite his youth he already had a thorough grounding in the technique of silk manufacture, having served his apprenticeship at both Lyons and Milan. As he looked about him the land of promise seemed very promising indeed, and he shrewdly realized that Stehli silks could be profitably sold in America if the thing were properly handled. With this conviction he returned to Zurich, where he was made a partner in the firm. He strongly advocated setting up an office in New York to sell Stehli silks, and in 1889 he was authorized to carry out the plan. He returned to America and hired Edward M. Barlow to run the New York office. This turned out to be an excellent arrangement. By 1900 Zurich was export-

ing \$1,200,000 worth of merchandise at very little cost.

Meanwhile the factories in Switzerland had increased in size and number. A new factory was established in 1890 at Arth. This location was selected because the Canton of Schwyz had many hand-loom weavers who could easily be trained to operate power looms. By 1892 Arth had 300 looms, and by 1895 there were 500 looms and 550 employees.

Obfelden had also been greatly enlarged, and in 1896 the two factories produced 3,535,000 yards of cloth valued at \$1,600,000. Of this the New York office was absorbing an enormous amount, principally half-silk goods such as broad lining material of satin, serge, and pattern silks, as well as black all-silk clothing materials such as surah, taffeta, grosgrains, and black cravat material.

In 1892, Emil J. Stehli, the younger brother of Robert Stehli-Zweifel, was sent to the United States for a year to learn the American end of the business. He was twenty-four years of age and had completed his education by working in the firm's plants and by visiting Lyons and Milan after graduating from the Mechanical Institute of the Federal Polytechnic School. He, too, was impressed with the business possibilities in this country, but what probably made an even greater impression on him was the bitter Carnegie Steel strike at Homestead, Pennsylvania. From July 1 to November 20 there were negotiations and battles. Carnegie brought in Pinkerton strike-breakers, the National Guard was called out, and many people were killed. There was an unsuccessful attempt to assassinate Henry Clay Frick, the president of Carnegie. It seems fair to assume that

this young man in a foreign land never forgot the awful violence at Homestead and that it colored his attitude toward labor for the rest of his life. This attitude was based on a happy combination of fairness and common sense, tinged with the paternalism of his day. He never opposed organized labor or its proper demands, with the result that during his whole career his mills had only two minor stoppages. It is a record that indeed stands to the credit of the man who made it.

One of the principal obstacles to exporting silk to the United States was the high tariff. When Grover Cleveland succeeded Benjamin Harrison to the presidency in 1892 he promised to effect the low tariff which had been part of the Democratic platform. On August 13, 1894, that low tariff came into being for silk goods. The fact that it was only a ten per cent reduction was disappointing, but it did stimulate the market. More silk was exported from Switzerland and more silk was bought in America.

When the Republicans returned to power with McKinley's election in 1896, they soon began to pass some particularly ill-advised legislation. Into this category fell the so-called Dingley Tariff, which ruined any hope of profitably exporting silk to the United States. Stehli and Company had reached an impasse. They had built up a fine reputation in America as well as a fine business, and they were naturally loath to lose either. There was only one way to circumvent the difficulty: Robert Stehli-Zweifel was sent to the United States again—this time to set up a factory.

III

It was far from a simple matter to set up a mill. All sorts of considerations had to be taken into account: the cost of construction, the cost of land, the availability of labor and of shipping facilities, and so on. Robert Stehli-Zweifel studied the whole matter exhaustively. One of his first conclusions was that the purchase of an already existing factory would be injudicious, and he decided that Stehli and Company would be better off building their own mill, incorporating the very latest ideas and techniques. Once this decision was reached, a veritable swarm of offers arrived. Today, when it is sometimes fashionable to decry the results of industrialization, it must be remembered that the glory of business and of production then went largely unquestioned. If a locality in 1897 was able to play host to a builder of factories, it meant more jobs and therefore more money and therefore more business. Who, at that time, would gainsay that this was an improvement all around?

Possible sites for a mill were carefully inspected. Railroads were eager to send interested industrialists gratis to the remotest sections of the country. In each section one can visualize the city fathers hopefully displaying their inducements: free land, exemption from taxes, and even free bricks. When the prospector had left they were free to wonder if the next town down the pike would make a better offer.

When the columns of figures and the reports were in

and when the inspections, discussions, and soul-searchings were done, the choice fell on Lancaster, Pennsylvania, seventy miles west of Philadelphia. It was in the heart of a rich agricultural district where the principal crop was tobacco. It had a population of 40,000, largely the industrious Pennsylvania Dutch. Many were Mennonites, who even today practice their homely virtues unabashed by the spectacle of the modern world. There were, to be sure, small cotton, watch, and umbrella factories at Lancaster, but they did not nearly absorb all the available labor.

Undeterred by the depression which followed the great panic of 1893, Robert Stehli-Zweifel signed the document for the purchase of the land on October 23, 1897. Stehli and Company had come to America for good.

Construction of Mill No. 1 started on December 1. Meanwhile much had been done. Two hundred and sixty looms was set as an initial goal, and a gradual expansion to one thousand looms was planned. American construction methods had been studied. Wood was cheap and plentiful, but there had to be adequate safeguards against possible fire hazards. So that work could begin with well-trained hands, a group of experienced weaving masters and workers was requisitioned from Obfelden and Arth. Looms of the Honegger-Ruti type were purchased in Switzerland.

Early in 1898 the first looms reached Lancaster. They were followed by the weaving masters and their families at the end of May, and by the end of July the first looms were already in operation. In November silk fabric was coming from 250 looms, and Stehli was open for business.

IV

Careful planning and thought had brought the mill into operation, but, as with any new enterprise, unforeseen difficulties arose. Labor was high by European standards, and hastily trained, so that attempts to weave fine silks produced fabrics that were expensive and of uncertain quality. The high wages also necessitated a careful arrangement of working hours so that an adequate output could be achieved. One principal difficulty, however, overshadowed all the others: it was plainly impossible to direct the activities at Lancaster from Zurich.

Meanwhile, Emil J. Stehli had married Marguerite J. Zweifel. Their daughter Lilly was born in February, 1898. Shortly thereafter he sailed once again for America—this time with his wife and child—to help get Mill No. 1 under way. At the end of the year he returned to Zurich, and the trip was to be a turning-point in his life. He was made a partner in Stehli and Company and asked to go to the United States permanently to manage the American business. He agreed, on the condition that he be allowed to live in New York rather than Lancaster, and the condition was granted. From every point of view it was an eminently satisfactory arrangement. He was well grounded in silk manufacture, he knew something of America, and he was a younger son, which would keep the American business in family hands.

So in 1899 he returned to New York and worked in the Stehli offices at 105 Greene Street. He bought a house at 13 West Seventy-sixth Street, then a fashionable neighborhood, and applied for American citizenship. This he acquired on June 6, 1904. By this time his son Henry had been born, and in accordance with the law of that day his wife and two children were automatically naturalized when he was. He had come to stay.

V

At the turn of the century the price of silk fabrics depended to a large extent on the price of raw silk. The fluctuations in raw-silk prices made the manufacture of fabrics very precarious. Cloth made with expensive raw silk was often, of necessity, in competition with cloth made from cheap raw silk. Stock frequently piled up alarmingly, and as a result auctions were held where enormous quantities of merchandise were disposed of. Stehli and Company, along with others, were sometimes caught in these setbacks, but often the turn of events or a change in style would save the day.

Despite this difficulty, Emil J. Stehli went right ahead with the original plans for expansion. There was, in fact, no reason to halt the plans, as the firm was making money each year. Even in 1907, another year of panic, Stehli and Company were successful. In November 1899 construction of Mill No. 2 at Lancaster was begun, to be followed in 1902 by Mill No. 3. An even better idea of

the rapid growth can be had from the following figures:

| | | | | | | |
|----------|------|---|------|-------|----|-----------|
| December | 1901 | — | 500 | looms | in | operation |
| October | 1904 | — | 740 | “ | “ | “ |
| March | 1905 | — | 850 | “ | “ | “ |
| January | 1914 | — | 1090 | “ | “ | “ |

The goal of 1000 looms had now been reached, and the increased business caused the New York office to move to larger quarters at 84-86 Greene Street, at the corner of Spring Street. Inexpensive taffetas and messalines were now the chief products. Sales were normally to jobbers in lots of 5000 pieces at a time. The margin of profit on this kind of sale was so low that it was decided to establish a sales organization that could deal directly with retailers. Salesmen were hired and sent all over the country, and although the expense was considerable the results were excellent.

Another change was the construction of the throwing mill at Highpoint, North Carolina. Throwing was an expensive process, and the output of the mills then in existence was insufficient. This mill was built in 1902. Highpoint was a town of 10,000, and, like Lancaster, in an agricultural district. The firm had to train its employees, so the first year's output was negligible despite the fact the newest and best American machinery had been installed. In 1904, however, 24,366 pounds of silk were thrown. This mill was also enlarged as time went on, and ten years later the output was 173,000 pounds.

That both Lancaster and Highpoint owed a good part of their success to an adequate source of adaptable labor was demonstrated by the experiment at Paterson, New Jersey. In order to meet a demand for silk goods of

a finer quality than were being woven at Lancaster, a place was rented in 1909 at Paterson, at that time the silk-weaving center of the country. One hundred and thirty looms were put into operation. There seemed every chance of success, but the cost of labor was high and the work was often carelessly done. After losing money each year, the Paterson experiment was abandoned as a dismal failure in 1912. The Paterson looms, however, were installed at Highpoint and were immediately profitable. This success was undoubtedly helped by the proximity of the throwing mill, but even so it brought home the fact that a factory's location is of prime importance.

It must not be imagined that Stehli and Company was enjoying this sudden growth unhampered by competition. Reputable Swiss firms such as Schwarzenbach, Huber and Company, and Stunzi Silks were also building factories in this country, and their American counterparts (Cheney Brothers, C. and K. Eagle, Mallinson, etc.) were expanding. The increasing manufacture in this country was absorbed by the increasing demand, but the exporting of goods from Switzerland to this country began to suffer. In order to meet the local competition, the Swiss changed from staple black goods to colored materials and decided to maintain large stocks in this country, but this plan was ultimately defeated by the fact that unless the goods were sold reasonably soon, the colors faded. Because of this difficulty the whole operation was greatly reduced. In any case, the end was not far off. With the election of President Taft in 1908 the high-tariff Republicans were again given free rein. On August 9, 1909, Congress passed the Payne-Aldrich

Tariff, a complicated measure which added up to sixty per cent tariff on silk goods. This was the end of exporting silk to America; the sales of remaining stocks dragged on until 1917.

VI

The fact that by 1907 the business was firmly established in America is clearly demonstrated by Emil J. Stehli's support for the plan to establish the United States Conditioning Company. Until that time each firm had maintained its own laboratory for the testing of raw silk, and the results of these separate tests were often diverse. Emil Stehli therefore decided that a central testing laboratory should be established to serve the whole industry so as to fix standards equitable to all. Together with a few others he became a founder of the Conditioning Company, which later became the United States Testing Company. In 1914 he was elected president of this company, and in 1934 chairman of the board, which position he held until his death.

This interest in a beneficial set of recognized standards also prompted Emil Stehli to join a commission which went to Japan in 1920. The purpose of this commission was to persuade the Japanese to set up similar standards for the conditioning and testing of raw silk. Although the value of such standardization to the Japanese as well as to the American manufacturers would seem obvious, the immediate results of the commission's work were disappointing. The Testing Company, however, kept pressing for a set of standards, and a few years

later the Japanese adopted them. One interesting result was the enormous expansion of the Japanese raw-silk industry. By 1927 they were exporting 500,000 bales, or 65,000,000 pounds, of raw silk a year.

In 1907 Emil J. Stehli was elected a director of the Silk Association of America, a position he held until his resignation in 1933. During the 1920's he was often asked to become president of the Association. His official reason for refusing the honor was that he was devoting his energies to the Testing Company. This certainly was true, but it was equally true that as president of the Silk Association he would have to make a speech at the annual dinner, and he loathed making speeches.

VII

World War One and its aftermath brought changes of many kinds. The prosperity of Stehli and Company had been such that in 1914 the New York office again moved to larger quarters, this time to 103-105 East Twenty-fifth Street. On August 25, 1914—just after war broke out—it was decided to incorporate the American business as the Stehli Silks Corporation of New York. The board of directors was composed of Emil J. Stehli, E. Stehli-Hirt, Robert Stehli-Zweifel, and Edward M. Barlow. The company deserved to stand on its own feet, as the volume of business was \$3,000,000 a year.

All this prosperity became merely relative, however, after the United States entered the war on April 6, 1917. Production was almost doubled by the introduction of the night shift. The throwing capacity of the mill at

Highpoint could not keep up with the output of the looms, so a new, modern, all-concrete throwing mill was built at Harrisonburg, Virginia, in 1920. In those days it was a small town with very little manufacturing, and it has proved an excellent choice.

The aftermath of the war brought an inevitable dislocation. For silk manufacturing this took the form of a frightening drop in the price of raw silk. The price, in 1920, had reached \$17.00 a pound, when the banks suddenly refused to extend as much credit as they had in the past. The confidence of the market broke, and by August the price was down to \$5.25. Customers who had agreed to buy material at prices based on expensive raw silk now refused the merchandise at those prices. All silk manufacturers were faced with the same problem, and an Office of Contracts was established to deal with it. In essence this was an agreement throughout the industry that all contracts should be met. This Office was not uniformly successful, although it certainly helped, and it was not until 1922 that the after-effects of the war boom had disappeared.

VIII

Once conditions had become normal again, this country began its pleasantly remembered upward spiral of prosperity which was to end so disastrously in 1929. The silk business prospered, too, even though it was an era of many changes both for the industry and for Stehli.

Around 1922, which was the beginning of the era, the demand for stiff yarn-dyed taffetas and satins began to

decline. A generally more informal way of life and the increasing popularity of the automobile made stiff fabrics uncomfortable and hampering. In their place was a growing demand for soft crepes. It was necessary not only to develop the proper techniques for crepe manufacture but also to convert the looms from single-shuttle looms to 2 x 1 looms. In this Emil Stehli succeeded so well that his firm was soon using the most modern equipment and was envied for its fine crepes.

The techniques of selling also had to be amended. Before World War One the New York City garment trade had been small and Stehli had sold to jobbers who, in turn, catered to this local business. This continued until 1922, when it became apparent that the garment trade was becoming more and more concentrated in New York. A special sales force was then organized to sell directly to the trade, and the business of selling to jobbers was gradually given up.

The mills, too, were again expanded. By 1925 three more buildings had been added at Lancaster, the throwing mill at Highpoint had been enlarged, yet another throwing mill had been built at Waynesboro, Virginia, forty miles south of Harrisonburg, and a small weaving mill was bought at Manheim, Pennsylvania, twelve miles from Lancaster.

After World War One, Paul Hyde Bonner, who had married Emil Stehli's daughter Lilly, joined the firm. He underwent a period of thorough training in the mills before coming to the New York office. On September 16, 1923, he was made vice-president of the firm, which position he held until his resignation in 1931. His energy and imagination led him to institute a national ad-

vertising campaign which made Stehli Silks known throughout the country. He also made frequent trips to Paris so as to keep abreast of the changes in women's fashions.

On October 7, 1924, Edward M. Barlow resigned as general manager after many years of excellent service to the concern.

Stehli Silks continued to grow until 1927, which was the peak year. The turnover was \$21,500,000, and 1800 looms were being run on three shifts.

In this same year a new venture was tried. The firm had previously been successful with a few expensive novelties, notably with a series of "Americana Prints." These had been designed by American artists, and their presentation had brought them popularity as well as giving Stehli some extremely favorable and useful publicity. The idea behind the new venture, which was to be called Stehli Fabrics Corporation, was to promote similar expensive novelties by means of a separate sales organization. The "Americana Prints" had not been profitable, but they had not been a loss either. This pattern was unfortunately repeated, and after fourteen months Stehli Fabrics as a whole showed no profit. It was therefore abandoned. It now appears that the real difficulty with the project was that it came too early. In the 1930's other firms embarked on similar ventures and proved that they could succeed.

It must not be imagined that during this era Stehli in New York was utterly divorced from Stehli in Zurich. Emil Stehli went to Switzerland with his family almost every summer once travel was restored after World War One. Robert Stehli-Zweifel also made trips to New York,

and in this way the common interests of both branches were maintained. In 1925, however, Robert Stehli-Zweifel came to New York and reached an agreement with Emil J. Stehli making control of the two branches autonomous. Emil Stehli withdrew his interest in the Swiss firm, and Robert Stehli-Zweifel retained only a stock interest in the American firm.

As the expansion continued, the New York office again moved, in 1926, to larger quarters, this time taking the store floor, the basement, the ninth floor, and subsequently the eighth floor at 200 Madison Avenue, on the southwest corner of Thirty-sixth Street. The firm had a private elevator connecting the four floors. In keeping with the exceedingly prosperous times, these offices had an undeniable air of luxury and prosperity. The showroom and the private offices were paneled; and the rent was enormous. The lease was set for twenty years and was about to be signed when some twinge of caution prompted Emil Stehli to insert a clause to the effect that the firm could cancel the lease after ten years. As it turned out, this was exceedingly fortunate, because the rent might well have ruined the company in later years.

In 1928 a group of bankers offered a huge sum for Stehli Silks. Although the offer was tempting, it was categorically refused. Both Emil Stehli and Robert Stehli-Zweifel agreed that they would not permit a firm which bore their name to be managed by others.

In the fall of 1929 the stock market led the way into a tremendous depression. The great days of expansion, of huge profits, and of a limitless future were over. Stehli weathered the storm for a few years, but by 1932 the silk business was suffering even more than most industries.

As we look back on the 1920's now, our feelings must be similar to those of the aging Talleyrand regretting the passing of the *ancien régime*. The glamour and riches of the 1920's were astonishing. A successful man like Emil Stehli thought nothing of driving in a Rolls-Royce, of living in a huge apartment on Fifth Avenue, of spending the winter in his own house in Palm Beach. He delighted in taking his whole family to a shooting box in Scotland for several consecutive summers and in drifting down through the Florida Keys in a beautifully appointed houseboat. If the collapse of the stock market was not the immediate end of that splendid era, it was certainly the signal for the end, and the era of Emil Stehli's generation was irretrievably gone. He was never to see a similar prosperity in his lifetime.

IX

These excessive difficulties were not solely caused by the depression and the consequent drop in purchasing power. A new fiber—rayon—was coming into general use, bringing with it new problems. Stehli had woven some Celanese cloth as far back as 1924, but despite these early experiments, Emil Stehli and the industry in general were skeptical of the fiber's possibilities. The principal reason for this scoffing was curious: the dry cleaning industry used ether as a cleaning agent, and ether dissolved rayon. The popularity of a soluble dress was fairly limited, and it was not until the Celanese Corporation had spent both time and money that dry cleaners changed over to other agents. Once this obstacle had

been surmounted, the new fiber was a very real threat to silk. It was cheap, it had a fixed price, and it was far easier to weave. In fact, it was so easy to weave that the operation could be performed on a cotton loom, and a cotton loom produced cloth faster than a silk loom. Not only was the market for silk cloth slowly dwindling, but the silk weavers could not compete equally with the cotton weavers when it came to rayon. Stehli's ninety years of silk weaving knowledge and experience was fast becoming an antique curiosity.

Although Stehli did not want to abandon silk, they were forced to convert their machinery so that it could produce as fast as cotton machinery. It was a long and expensive process, but it was done. Emil Stehli and his associates, however, never felt the same about their fabrics. It is not difficult to imagine why. Silk fabric was the product of nature and of the skill of the weaver. Even a power loom required constant supervision, and the supervisor was still an artisan. This is clear when one thinks that today good weavers of silk are hard to find and difficult to train; with less skill a man can operate many more rayon looms. The skill of the silk weaver was immediately reflected in the cloth he made. Stehli's pride in its workmanship and in the quality of its silk was a very real thing, and the firm's reputation was based on it. With the coming of rayon almost anyone could turn out an acceptable piece of cloth, and one of the great competitive forces in the industry fell victim to the standardization fixed by a synthetic fiber.

The fact that the fiber was synthetic is also important. To a man like Emil Stehli it could never make a cloth like silk. He had, after all, been raised totally in the tradition

of silk, and for him its qualities were unmatched. Man had not improved on nature, and in his later years the eclipse of silk was always a cause for regret. In the old days he could turn out a cloth he could be proud of, and he knew those days would never return.

If he was nostalgic and had a taste for silk, he was, at the same time, a man of common sense, and he was forced to see that his preference was being overruled. The firm produced and sold more and more rayon, so that by 1936 it comprised eighty per cent of the output, and the name of the house was necessarily changed from Stehli Silks Corporation to Stehli and Company, Inc.

X

The combined hardships of the depression and of the shift to rayon brought further changes. In 1931, Paul Hyde Bonner resigned as vice-president and was succeeded by Henry E. Stehli, the son of Emil J. Stehli, who had been trained in the mills and had studied in Lyons, Milan, and Japan. He began a program of reducing overhead as much as possible. The volume of business was falling from its high of \$21,500,000 a year and later reached a low of \$4,000,000. Although some new machinery was bought, a great deal more was discarded, and from a peak of 1800 looms the firm came down to 500 looms. The mills at Highpoint and Waynesboro were closed and sold; the Manheim mill was closed and rented. In 1935 the firm moved from the splendid offices at 200 Madison Avenue to more modest quarters at 1372 Broadway, which they still occupy. In 1936 two faithful

employees of the firm resigned: Alfred Schneebeli, who had managed the Lancaster mill from the beginning, and Albert Bosshard, the raw-silk buyer who had come originally from Obfelden.

In 1937 the firm suffered what looked like a very damaging blow, but now in retrospect it appears as a real turning-point in the progress of Stehli and Company. Two of the five banks with which Stehli had been dealing for years refused to extend any further credit. Had the other three banks taken a similar position the firm would surely have had to go under, but they agreed to continue granting credit, so the effect on Stehli was only partial and temporary.

From this shock the firm recovered very well indeed. The Slough of Despond had been traversed. It is true that the National Recovery Act of 1933 had given the textile industry as a whole a small, temporary improvement, but its effects were dissipated when the Act was declared unconstitutional in 1935. During the depression new firms had come into being. They were converters, who bought goods in the raw as cheaply as possible, dyed or printed them, and sold them at a very small margin of profit. In order to meet this competition, Stehli in 1937 gradually began to departmentalize the firm. One department was organized to deal with the evening-wear trade, another dealt with spun-rayon merchandise, and so forth. Each department was designed to act as a profitable unit, and the scheme succeeded very well.

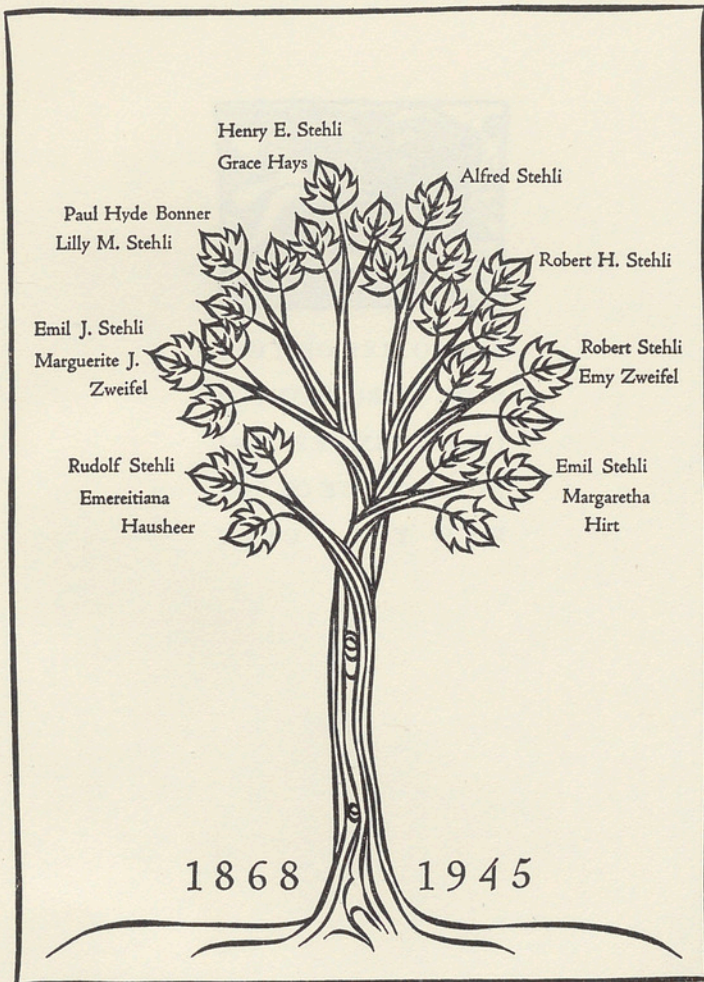
XI

With the coming of World War Two, still further changes were brought about, and once again Stehli and Company enjoyed great prosperity. Already, in July 1941, the United States Government had frozen all raw silk. Silk, which had steadily declined in importance, was thus completely ruled out as a private commercial product. At that time, however, silk was responsible for only two and a half per cent of Stehli's business. After the attack on Pearl Harbor, the Government began contracting for parachute cloth. In January 1942, Stehli accepted huge contracts for silk parachute cloth. The silk was sold to the firm by the Government from its frozen reserves. This had the curious effect of forcing Stehli to weave as much silk as they ever had before. Then, in February 1942, the firm accepted the largest single contract of its career—this time for nylon parachute cloth. At the peak, Government contracts accounted for seventy per cent of the firm's output, but toward 1944 this percentage began to decline. In view of this, Henry E. Stehli was able to take a leave of absence in order to join the Office of Strategic Services, with which he served overseas. Shortly after his return, on May 21, 1945, Emil J. Stehli died.

XII

Within its sphere, his record is both enviable and worthy of emulation. He had virtually founded a textile company in a foreign country, he had carefully nurtured its growth through the greatest boom the United States had ever seen. Later his courage refused to be downed by the well-nigh insuperable obstacles of a great depression. And at the end he left behind him a company which was active and profitable, and which had acquired a reputation for soundness, for integrity, and for quality of product. The good name of Stehli in the textile industry today is due to his efforts and achievements. Although he was, as the world judges these things, successful and rich, he knew quite well that "A good name is rather to be chosen. . ."

One month after the death of Emil J. Stehli, his son Henry E. Stehli assumed the presidency of the company. Robert H. Stehli, son of Robert Stehli-Zweifel, had become a director in 1939, but during the war he had been prevented from coming to New York. In 1945, however, he once again made the trip, and after a conference the officers of the corporation were established: Henry E. Stehli was to be president, Robert H. Stehli to be first vice-president, William L. Dillmuth to be second vice-president, Henry C. Monroe to be treasurer, and J. Edward Smith secretary. The board of directors was composed of Messrs. Henry Stehli, Robert Stehli, Monroe, and Smith. The company which Emil J. Stehli had brought here and raised to maturity was now in their hands.





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