

CRADDOCK-TERRY SHOE CORPORATION

A History

By Philip Lightfoot Scruggs

The history of almost any American industry evolves in large part around the life of one man. In the nature of any organization this includes in varying degree the role of other men. And this is especially true of an industry founded ^{75 years} more than half a century ago. It is true in the industrial corporation with which we are here concerned, presently styled Craddock-Terry Shoe Corporation of Lynchburg, Va.

Prime mover in this Virginian, Southern and, now, national industrial institution, in an active, creative and directing role, was John Wimbish Craddock, variously known as John W. Craddock and "Mr. John". Born at Halifax Court House, August 14, 1858, of Welsh ancestors who came to Virginia in the 17th century, his could not be called an auspicious time and place for a future industrialist. But time showed him to be characteristic of those Americans who succeeded in their business enterprises, in the fact that time and place did not and could not hold them back from distinguished accomplishment.

In a war-torn and impoverished environment, fatherless at the age of eight, he began work on the ^{family} farm at the age of twelve to aid his mother. At the same time he attended a school established by his mother

and his future life was to show, in his cultured²¹ attainments, that hers must indeed have been superior instruction applied to his superior natural endowment.

Not a husky youth, his outdoor life served him well and at age sixteen he found employment in a Halifax County store. At the age of twenty years he went to Lynchburg where for six years he was employed in local stores, acquiring some knowledge of the boot and shoe business so that six years later he moved to Baltimore to become a partner in the firm of Spragins, Stover and Craddock, engaged in the wholesale boot and shoe business.

Becoming aware of the development of Lynchburg as a wholesaling or distribution center, he returned to that city in 1888. Upon his return to Lynchburg, where there was a flourishing wholesale boot and shoe business, he entered into discussions with a leading business man, Max Guggenheimer, Jr. on the subject of forming a new enterprise. This resulted in the following agreement;

Memorandum: That Max Guggenheimer, Jr., John W. Craddock, A.P. Craddock, T.M. Terry and S.M. McLaughlin, all residents of the City of Lynchburg, Virginia, have this day associated themselves together as partners to conduct at Lynchburg, Virginia, under the firm name of Craddock, Terry & Company, for the period of three and a half years next ensuing the date hereof, the business of wholesale dealers in Boots, Shoes, Hats, Trunks and Rubber Goods. In the said business, the said Max Guggenheimer, Jr. is the special partner and has contributed thereto the sum of twenty-five thousand dollars (\$25,000.00) in cash. The said John W. Craddock, A.P. Craddock, T.M. Terry and S.M. McLaughlin are the general partners.

Witness our hands this first day of June 1888.

Max Guggenheimer, Jr.
John W. Craddock
A.P. Craddock
T.M. Terry
S.M. McLaughlin

This was duly notarized by K. Otey, Notary Public.

A.P. Craddock and T.M. Terry were also natives of Halifax, ~~xxx~~
~~fixxxx~~ Mr. McLaughlin of Lynchburg, and it is pertinent here to identify Max Guggenheimer, Jr. by inclusion of an obituary editorial in the Lynchburg

News of August 29, 1912:

Lynchburg's Loss: Death of Max Guggenheimer, Jr. in New York yesterday; for thirty years a leader in business circles, father of the wholesale and shoe trade and a public spirited philanthropist

Max Guggenheimer, Jr., whose serious illness in New York was mentioned in these columns, died there yesterday morning at about 10 o'clock at the Hotel Netherland, where he had been since landing Monday night from one of his annual visits to Germany. With ~~him~~ Mr. Guggenheimer at the time of his death were his wife and Mr. C. M. Guggenheimer, his nephew, of this city.

The remains will arrive tonight on passenger train No. 31 of the Southern Railway, due at the new station a few minutes before eleven o'clock. Upon arrival they will be conveyed to his residence, 1902 Grace Street, where the funeral services will be held at noon tomorrow. The body will be laid to rest in the Presbyterian cemetery, in the Guggenheimer circle there.

Mr. Guggenheimer left Lynchburg early during the summer for an extended stay in Germany, but recently his health failed to such an extent that it was deemed best to return home and it was hoped that he could reach Lynchburg in time to spend his last hours. Upon arrival in New York his condition was such that it was impossible to resume his journey homeward, but even then it was hoped that in a few days he would be so revived as to be able to come home, but in this he was doomed to disappointment, and the end came yesterday morning at ten o'clock. An hour later a telegram brought intelligence of the end, and many were the expressions of regret heard in business circles of the city.

In the death of Mr. Guggenheimer Lynchburg has lost a citizen who spent more than thirty years in her making. Decades ago he was ahead of his time in his faith in the future of the city, and he undertook and accomplished industrial and business achievements of which his associates were doubtful as to the outcome and he lived to see the result of his labors in a thrifty and prosperous community, much more so than it would have been without his optimism and ability to meet and surmount what appeared to be insurmountable conditions.

Max Guggenheimer was and is recognized as the father of the wholesale and shoe trade of Lynchburg, for he was the pioneer wholesale merchant of the city and he was actively identified with the establishment of two (also trade in) shoes and gradually a general wholesale and jobbing trade was being entered into. At the closing out of his retail business, Mr. Guggenheimer formed the firm of Witt and Watkins, being a special though an active partner in the business, that of wholesaling boots and shoes. In 1887, after withdrawing from the firm of Witt and Watkins, the parent firm of the present George D. Witt Shoe Company, he formed the Craddock, Terry Company, which is today the largest firm of its character in the Southern States. In both of these firms he was a special partner, though he gave much of his time and energy to the development of both businesses.

Mr. Guggenheimer was a director in the Lynchburg National Bank for twenty-five years, and he was organizer and first president of the Lynchburg Cotton Mill. Some years ago Mr. Guggenheimer withdrew altogether from an active participation in business, yet never for a moment did he lose interest in Lynchburg and its welfare from all view points.

In 1879 Mr. Guggenheimer, although overtaxed by his personal affairs, permitted himself to be elected to the City Council, in which position he rendered substantial, valuable and lasting service to the city, for it was largely through his efforts that the municipal affairs came out of an unfortunate financial condition the result of which was that the finances were put upon a sound and flourishing basis and the way was opened for the beginning of a system of paved streets and a public school system.

Although his time was taken up with his private affairs at the time of his election to the Council, when appointed to the finance committee, Mr. Guggenheimer immediately took the finances in hand, and after a few months of hard work he brought order out of chaos. As chairman of the finance committee he succeeded in floating the city improvement bonds at five per cent at par, the lowest rate at that time secured in the South since the Civil War, and he soon put his impress upon the better conditions in the street department and in the public school system. Six months in this position, Mr. Guggenheimer floated the city's six per cent bonds at 96. Up to this time the city had been paying eight per cent on a loan of \$76,000 from local banks, which he reduced immediately to six per cent.

Mr. Guggenheimer was a member of the Masonic fraternity and was at one time president of the local Jewish congregation. In ~~1877~~ 1877 he married Miss Bertha V. Rosenbaum of Richmond, who alone survives him, and who was with him at the time of his death. His only daughter, Mrs. Edward F. Milliken, died August 16, 1906, and her husband followed her to the grave November 27 of the same year, both of them being buried in the Guggenheimer circle at the Presbyterian cemetery.

Although a resident only a short time when the Lynchburg Home Guard was formed, he became a charter member in 1859, and at the age of 19 he entered the service of the State of Virginia, when the Home Guard became Company G of the Eleventh Regiment, infantry. He served with this command during 1861 and the spring of 1862, participating in the battles of Blackburne's Ford, Manassas, Drainesville, Williamsburg and the Seven Days around Richmond. At the end of this service he was suffering from a permanent physical disability, which rendered him unfit for field duty, and not being a naturalized citizen he was given his honorable discharge from the army.

While this notes the formal beginning of the partnership, the records now in the files of the Corporation include a previous agreement providing the details preliminary to this recording but notarized and ~~xxxxxxatxxx~~ filed at an earlier date, apparently preliminary to Mr. Cfaddock's returning from Baltimore to Lynchburg. This should be included

here as a matter of historical record and information relating to procedure of the time.

This indenture, made this 19th day of October, 1887, Witnesseth: that the parties hereto do now covenant and agree that they will, on the 1st day of June, 1888, enter into and faithfully carry out the following articles of partnership; and, if need be, each and every party will then do whatever may be necessary to give full effect to this agreement: and, if nothing else shall be necessary, then the following are to be regarded as executed and to be operative:-

ARTICLES OF PARTNERSHIP

THIS INDENTURE, made and entered into this first day of June, 1888, between Max Guggenheimer, Jr., John W. Craddock, T.M. Terry and A.P. Craddock,

WITNESSETH: That, in consideration of the mutual trust and confidence which the several parties hereto repose, each in the others, now each of the said parties doth, by these presents, covenant to and with the others as follows, to wit:-

1. That they, the said Max Guggenheimer, Jr., John W. Craddock, T.M. Terry and A.P. Craddock, will be partners in the Wholesale Boot, Shoe, Trunk, Hat and Rubber Goods Trade, or either or all of them, from the 1st day of June, 1888, for the term of three and a half years thence ensuing, or longer, if the parties desire it: Provided that any member of the firm intending to withdraw shall give six months ~~notice~~ written notice of such intention to all the others, whether such withdrawal shall take effect at the end of said three and a half years or at a future date.

2. That in such partnership the said John W. Craddock, T.M. Terry, and A.P. Craddock shall be the general partners and the said Max Guggenheimer, Jr. the special or limited partner, according to the laws of the State of Virginia.

3. The firm name shall be:

.....

4. The business of the said partnership shall be conducted at Lynchburg, Va.

5. The capital of said partnership shall and will consist of the sum of twenty-five thousand dollars (\$25,000.00) to be contributed by the said Max Guggenheimer, Jr. on the 1st day of June, 1888, and of the sum of eight thousand, three hundred and thirty-three dollars and thirty-three cents (8,333.33) to be contributed by each of the three other partners as follows: \$20,000.00 to be paid on the 1st day of June, 1888, and the remaining \$5,000.00 to be paid within four months thereafter -- the total capital being fifty thousand dollars (\$50,000.00)

6. The capital so contributed shall be considered as a debt due by the firm and shall be repaid before there is any division of profits, except as herein below provided.

Each of the said partners shall be paid interest at the

rate ~~six~~ sixcentum per annum upon the capital contributed by him which interest shall be payable at the end of each month. Each of said partners shall also be entitled to draw out of the business, each year, such further sum as will, when added to the interest on capital to which he is entitled, make the total eighteen hundred dollars (\$1,800.00) and this shall be payable at the end of each month; but all withdrawn, except said interest, shall be charged up to the partner withdrawing it.

7. The said general partners will diligently employ themselves in the business of the said partnership and be faithful to all part in all transactions relating to the same and give a true account thereof as shall be required. And the said special partner will give all proper aid and counsel in his power toward furthering, encouraging, building up and maintaining the said business.

8. Books of account shall be kept by the said general partners and proper entries made therein of all monies, goods and effects, debts, sales, purchases, receipts and payments and all other transactions of the said partnership; and the said books of account, together with all bonds, notes, bills, assurances, letters and other writings belonging to the said partnership shall be kept at the place of business and each of said partners, general and special, shall have free access to examine and copy out of the same.

9. Semi-annually, on the first day of June and December in each year, so long as the said partnership shall exist, there shall be taken a complete inventory of its assets and liabilities; and the results thereof shall be kept in a private ledger for the purpose provided, but not entered or credited upon the general books of the concern.

10. After the payment of the interest on his capital to which each partner is entitled, and considering the capital contributed by each as a debt due by the concern, each of the partners will be entitled to an equal one fourth part of the profits of the business; but no further sum, except as provided in clause 6, shall be withdrawn by either of the partners, unless by consent in writing of all the others.

11. It is especially understood and agreed that the name and credit of the said firm shall not be used except in its own legitimate and proper business; and the partners are prohibited from using the firm name as endorsers, sureties or guarantors for any private transactions of their own or others.

12. No partner shall transfer or assign his interest in the said partnership to any person whomsoever without the full consent of all the others, first obtained in writing.

13. Either of the general partners shall sign all notes, bills, checks and other writings relating to the business.

14. The said ~~Mr~~ ^{Mr} Guggenheimer, Jr. covenants that neither he nor any firm with which he is connected will carry on or be engaged ~~in~~ or interested in the business of trading in wholesale boots and shoes during the existence of this partnership; and each of the other partners make the like covenant.

15. In the event that notice of dissolution or withdrawal shall be given by one or more members of the said firm, the stock shall -- in order to facilitate the winding up of the business -- be reduced so as not to exceed the value of twenty thousand dollars (\$20,000.00) by the arrival of the time of such dissolution; but this stipulation may be varied by unanimous consent.

16. In order further to facilitate the winding up of said business, whenever the same shall become necessary, a partner or partners may sell to a person acceptable to the other partners; or, failing in that, the partners, if any, continuing the business shall take the share of goods on hand of the retiring partner or partners at market value, and shall pay cash therefor.

All debts due the firm are to be held jointly, collected, and a division of the proceeds made on the first and third Mondays in each month. The partners continuing the business shall attend to these collections without charge or expense to the retiring or deceased partners, except actual outlays made in that behalf alone.

17. In case of the dissolution of the said partnership by the death of one or more of the members, the mode of settlement and the division shall be the same, as far as practicable, as specified in clauses 15 and 16; and, especially, the surviving partners shall have six months ~~ix~~ to wind up the business and settle with the personal representatives of the deceased.

18. As a rule of conducting the business, if a credit is extended by one general partner in opposition to the written protest of two of the others, the party insisting upon ~~the~~ such credit shall and will be a guarantor of the debt, and, if the same is not paid within six months after its maturity, it shall be charged to the partner so insisting.

Witness the following signatures and seals:

(Signed)	John.W.Craddock.....	(Seal)
(Signed)	T.M.Terry.....	(Seal)
(Signed)	M.Guggenheimer,Jr.....	(Seal)
(Signed)	A.P.Craddock	(Seal
	

The partnership agreement recorded on June 1, 1888 and containing as partner and signatory S.M. McLaughlin was followed by a similar agreement recorded in Corporation Court on July 30, 1888, subsequent to the death of Mr. Samuel M. McLaughlin on July 25, 1888. It is appropriate therefore to include here a letter from Mr. McLaughlin addressed to his customers and one from ~~John W. Craddock~~ ^{The Company} addressed to the trade and announcing the entry of the new Craddock, Terry and Company into the wholesale boot and shoe business:

Office of
CRADDOCK, TERRY & CO.

Jobbers of
BOOTS & SHOES
1021 Main Street

Lynchburg, Va.....May 25th, 1888

Dear Sir:

I will call on you in a short time with a large, and complete line of our own goods, and have only one thing to ask of you, and that is not to place any orders for Boots & Shoes, either for present or future use, until you see what I have to offer.

Our arguments, which we prefer to make in person, will, I am sure, appeal to your sound business judgement, and aid you in making up your mind to give us at least a share of your valuable patronage.

Our long personal experience with, and close study of, the wants of the retail Boot and Shoe trade makes us confident that we can meet your wants fully in our line.

Yours very truly,

S.M. McLaughlin

Dictated.

SOLE AGENTS FOR
"THE SOUTHERN"
HAND MADE BOOT

Office of
CRADDOCK, TERRY & CO.

Jobbers of
BOOTS & SHOES

1021 Main Street

Lynchburg, Va.....June 1st, 1888

Dear Sir:

We have this day engaged in the Wholesale Boot and Shoe

business in the city of Lynchburg, Va., and in asking for a liberal share of your patronage, we do so with the full confidence, that we are in a position to give you as much for your money as any house in the trade. By a careful observation of the "signs of the times," we are satisfied that the retailer is becoming more and more convinced of the fact that the local jobber has facilities for doing business equal in every respect to those of his far-away ~~competitor~~ competitor, without any of his disadvantages. Accepting this view of the situation, we start out with the emphatic assertion, that of those who are willing to give us a fair showing for their business, we will meet squarely the competition of any market, and satisfy you of the fact, that in patronizing us, you are not only building up a home market, but saving money for yourself. In getting up our line of goods, we have kept clearly before us the idea that a "shoddy" shoe is dear at any price, and that a successful business can only be built up on honest goods at honest prices. With unquestionable facilities for conducting our business, and a clear conception of the wants of the trade acquired by direct and constant contact with it, is there any reason why we should not do the business? All we ask at your hands is a fair showing.

Respectfully,

Craddock, Terry and Company

Important steps in the establishment of a young business followed with the 1889 Spring Announcement and the 1889 Fall Announcement, including the names of the boots and shoes offered, it is of historical value to list them as offered to the trade:

OUR LEADING BOOTS: THE SOUTHERN, TAZEWELL, SALTVILLE, WATER PROOF OYSTER, CLINCH VALLEY, HALIFAX, VIRGINIA HOME MADE, ASHEVILLE, APPLGARTH, VIRGINIA. Our line of CALF and OIL GRAIN BOOTS take the Lead.

OUR LEADING SHOES: THE TERRY TIE, OUR DIRT EXCLUDER, CRADDOCK TIE, RAILROAD SHOE, OLD NORTH STATE, POCAHONTAS. Our \$3 Line can't be beat.

Ladies' Fine Custom Work A Specialty. Our Tiger School Shoe beats the world.
Our Shoes Once Worn are Worn Always.

These trade names are indicative of business practices of the time which in some degree continue today, in the slanting of names toward trade areas as well as in identifying and promoting the place or origin of the product and the company.

Emphasis then, as now was placed on style, comfort, durability, value, and on integrity in business.

Other ~~xxxx~~ items indicate the growing business and the character of its development, as in a letter from William T. Berry to his former customers in the Carolinas, commending to them the company salesman who will ^wcall on them, W.C.Carrington. And the Spring Announcement letter of 1890 saying the company's business for the past six months had been forty per cent ahead of any pervious season, thanking the trade for this business and advancing assurances of the best in competitive prices, quality and service. This is augmented by a letter from T.M.Terry extending the best wishes of the season and the word that he will ~~xxxx~~ "call on you in a short time with a large and complete line of Goods which are specially adapted to your trade."

Under specifications of the partnership agreement the partnership was continued and the agreement filed in Corporation Court December 1st, 1891 for a term of three years from that date.

Letters from the files at this time and during the next few years said the company if not the first in its business in the South was equal to any, although probably the youngest house of its kind in the South. By 1954 the unequivocal statement was made that Craddock, Terry & Co. was "The Leading Shoe H^ouse of the South."

In January 1892 there is a record indicative of the position John W.Craddock was attaining in the city, which was to increase throughout his life, in his activities and interests pertaining to the city and the good causes allied with it. He was then president of the Lynchburg Board

of Trade, Randolph-Macon Woman's College was in process of construction, and trustees of the college held in endowment \$49,600 in Virginia Bonds. Litigation in settling the State debt was in progress. Such bonds as were held by seventeen other educational establishments in Virginia were exempted by law from these proceedings and paid six per cent interest. The bonds in the Randolph-Macon endowment had not been given such status and the Common Council of Lynchburg had submitted a memorial to the Legislature asking that the Randolph-Macon held bonds be placed on the same footing. Mr. Craddock acted in support of this memorial and in his letter, in addition to his own name, it is of interest to see the other representative citizens who were signatories, and it is here emphasized that this more strongly placed Mr. Craddock and his company among the leading citizens and business institutions endowed throughout their history with public spiritedness of a high order. The names: William King, Jr., President of the Tobacco Association; Carter Glass, Editor of The News (also Clerk of the Common Council); Robert Hayden, Editor of The Advance; W.W. Wysor, Editor of The Virginian; R.T. Watts, Chairman of the School Board; E.C. Glass, Superintendent of Schools; N.C. Manson, Jr.; Stephen Adams; Charles M. Blackford; James W. Watts; E.S. Hutter; Robert Pollard; W.W. Dorwin; J.R. Williams; James I. Lee; John P. Pettyjohn.

An accompanying letter is from Senator John W. Daniel to his colleague and friend Senator Alexander M. McDonald.

This was in the boom period of the Nineties. Lynchburg was caught up by it. Rivermont Bridge was opened in 1891 and Rivermont was being developed. Business conditions nationally were uncertain. The culmination was to come in the next century with the Panic of 1907. Meanwhile the Craddock, Terry & Co. was prosperous through astute business practices. And, on December 1, 1894 the partnership agreement was renewed for another year as recorded in Corporation Court.

Prices of hides and leather were on the rise. But Craddock, Terry & Co. was sending "Some Interesting Facts Upon A Very Interesting Subject" to the trade.

Documenting its position with information from the Boston Herald and trade journals at the center of the hides and leather and shoe industry, the company showed that by reading the market correctly and anticipating advances, they had bought so well that they were in a position to meet their sales commitments at lower prices than the other jobbers. This was expressed in such statements to the trade as:

"Yours of the 26th inst. came duly to hand; and in answer we will say, since you placed your order with us, stock of all kinds have advanced 10 per cent., and today we are getting 5¢ per pair more, and ought to get 7½¢ more than you paid for your goods. We hope you will make some money. You ought to, for you had nerve to place your orders, while others went home with nothing but samples and are left. You have a good thing, push it along."

And so it went, to many customers. Smart buying had put the company in a position enabling its customers who had the nerve to buy substantially in a position to profit strongly with stock on hand, and so be able to cope successfully with an advancing market, in which stocks were both scarce and high.

The advance in business had been rapid and strong as shown by figures in the Shoe and Leather Reporter on the number of cases of boots and shoes received in Lynchburg by wholesalers from 1887 to 1894:

1887	-----	9,647
1888	-----	20,283
1889	-----	23,483
1890	-----	31,627
1891	-----	35,160
1892	-----	40,426
1893	-----	46,456
1894	-----	51,632

The Craddock, Terry comment was: "These figures tell their own story. If you wish to obtain the best values in the purchase of your boots and shoes, remember that Lynchburg is the place, and Craddock, Terry & Co. the House.

The partnership extension for one year, made on Dec.1,1894, was followed on November 30 and Dec.1,1895 by a renewal and extension for one year and duly recorded in Corporation Court.

A letter to the trade dated Dec.21,1895 provides further evidence of the company's keen understanding of the market and provision of valuable opportunity and service to their customers:

H E A R U S!

In our letter of November 7th we suggested that we would be able to save you money if you would defer placing your SPRING ORDERS until after January 1st. Now we assert it is a fact. We read correctly the "signs of the times" and placed our orders at the lowest point the market has touched. We have made it interesting for our competitors in the past and will keep them guessing during the coming season. WAIT FOR OUR SALESMAN. He will call upon you soon -- our goods and prices will do the rest.

Respectfully;

CRADDOCK, TERRY & CO.

A leaflet issued by the company covering business through 1896 is an effective factual record of growth.

A RECORD -- Not A Prospectus

LYNCHBURG: The Leading Market

CRADDOCK, TERRY & CO.

The Leading House

The Year 1896

Record Breaker in Lynchburg's Growth as a Shoe Market
She Distances all Her Principal Competitors

From the compilation by the Shoe and Leather Reporter of the shipment of boots and shoes from New England to the various markets throughout the United States for 1896, it is observed that Lynchburg received 93,514 cases, in which, however, is included 2,378 cases reported for the first week in January, which, as a matter of fact, constituted shipments for the last week in December. Below will be found the figures showing the remarkable growth of this city as a shoe market from 1887 to 1896: (The figures have previously been shown in this text from 1887 through 1894. So, for 1895 shipments were 67,408 cases and for 1896 were 93,514 cases.)

It will be observed that within ten years the business has grown from

9,67 cases to 93,514 cases, and that the increase during the last year was nearly 50 per cent. The table next below shows the number of cases of boots and shoes received by the respective cities and the number of wholesale houses in each place:

<u>CITIES</u>	<u>HOUSES</u>	<u>NO. CASES</u>
Lynchburg, Va.	3	93,514
Norfolk, Va.	2	11,955
Richmond, Va.	6	59,267
Wilmington, N.C.	2	5,172
Charleston, S.C.	3	28,156
Atlanta, Ga.	5	71,828
Charleston, W. Va.	2	11,980
Petersburg, Va.	1	10,464
Toledo, O.	5	40,465
Cleveland, O.	3	69,267
Columbus, O.	3	50,461
Memphis, Tenn.	2	48,402
Knoxville, Tenn.	5	53,750
New Orleans, La.	4	52,982

The first most striking feature of these figures is that Lynchburg receives and distributes annually, in proportion to her population, more boots and shoes than any other city, and that while there are more than two hundred cities in the United States with a larger population, still Lynchburg holds the commanding position of being the eighth shoe market in importance in this country. In fact, the volume of boots and shoes distributed from this point, with possibly one exception, is exceeded only by cities of more than half a million population, and these occupying the position of great commercial centers. It is a wonderful showing, and one of which Lynchburg's enterprising shoe dealers are ~~pramix~~ justly proud.

These figures were kindly furnished by Messrs. Craddock, Terry & Co., and from them it is learned that their career as a factor in Lynchburg's shoe market dates from June 1st, 1888, from which time the market has rapidly grown in importance year by year. It is claimed that their quota of the total shipments from the east for the year is 41,202 cases, and from other sources they receive 4,187 cases, making the grand total 45,389 cases, representing their business for last year, which it is generally conceded justifies their claim of being the leading boot and shoe house of the South. Lynchburg Daily News

distributing

This shoe ~~achievement~~ achievement in the South came at a time when Lynchburg's population was less than twenty thousand; it came also in a period when Lynchburg was a distributing center, to the South, for many products. But, most significantly, it came at a time when the country was suffering from the collapse of a boom and Lynchburg was no exception. Even with this, recovery was quick, business and cultural developments strong, and it is noteworthy that John W. Craddock led a movement for a public library and a charter was granted but the library was never built.

On April 13th, 1897, the following letter ~~published in the~~ to the trade, on business conditions and the company's fall lines is of value in this brief history, being illustrative of the character of the company and its business, as well as of the times:

There was a time when large profits, loose credits and long time furnished the basis for large and successful business operations. Such an era has passed and is now a part of the commercial history of the ~~country~~ country. Success today must have for its key-note narrow margin of profits, strict credits and short time. Reading correctly the signs of the times, we, two years ago, determined to shape our business accordingly. The first year we put 75% of our business on a net cash basis, and last year we did more than 90% of it upon these terms. During the past season practically all of our goods have been sold net. The result of this policy has been that we have nearly doubled the volume of our business during the past two years -- a remarkable showing when you consider the generally unfavorable conditions which have prevailed during that time. The explanation, however, is easy. We have not only given the trade the best results obtainable from a combination of intelligence, enterprise, economy, experience and capital, but have given our customers in close prices the large amount which we save in way of bad debts incident to a long time business. The average losses of any house doing business on the old plan, on the volume of our sales, will amount to \$10,000 annually, why should you, who pay your bills promptly, buy goods from houses who are forced to put an extra profit on the goods they sell you to cover losses which they sustain on others? Close net cash prices will be our battle cry for the future, and to every intelligent, well-posted merchant, who will carefully examine our line of boots and shoes for the fall of 1897, we will save money, or in future lay no claims to your business.

Our sixteen salesmen, one of whom will call on you, will within a few days start on their fall trips with the strongest line of boots and shoes ever offered to the southern trade. We challenge competition and ask no favors except a fair and impartial showing. Don't make the mistake of placing your orders before seeing our line, which is the best."

On December 1, 1896 the partnership agreement was again extended, this time for two years.

On December 1, 1898 the Craddock, ~~and~~ ^{and} Terry Company, a limited partnership since its founding ten years before, transferred its assets to Craddock-Terry Company, a corporation. Among the important communications to the trade from the new corporation was a letter to the trade written on April 28th, 1898, on What Effect Will A War With Spain Have Upon The Business Interests Of This Company?

This is the problem which we are all now endeavoring to solve. After giving the subject the most careful and serious consideration, we see no reason why legitimate business should not be pursued and pushed along conservative lines. We can conceive of no reason why fewer shoes ~~would~~ would be required, or less staple merchandise of any kind needed, and it certainly seems reasonable that there should be an increased demand for the products of our mines and farms, including the great staple, cotton, at advanced prices.

Reasonable conservatism is always commendable, and particularly during such times as now confront us; but in view of the above conclusions, coupled with our unshaken faith in the stability of our government and the conservatism and wisdom of our people, we have determined to prosecute our business, in the face of approaching hostilities, with the vigor and energy which has characterized it from its inception. We do not predict higher prices, although they are more likely to prevail than otherwise, but invite only such patronage as is the outcome of legitimate demand, and not speculation, with the confident assurance that we will protect the interests of our customers to the fullest extent afforded by capital, experience and enterprise.

Our corps of salesmen are now on the road, with our full line of Fall Samples, embracing some four hundred attractive and up-to-date styles, and at prices which defy competition. You will lose a valuable opportunity if you place any part of your Fall order before seeing what we have to offer.

With sincere appreciation for your past confidence and patronage.

CHAPTER TWO

Craddock-Terry Company, A Corporation

With the annual stockholders meeting on Dec.16,1899, followed on the same date by the directors meeting, the new corporation entered fully upon its new status. The minutes of the meeting should here be a matter of record, and of interest, in this history:

Annual Stockholders Meeting, in office of the company.
W.W.Brown elected chairman, and E.E.Goodwin secretary.
John W.Craddock, President, presented a statement of the business as of November 30,1898, showing transfer business to the Craddock-Terry Company on December 1,1898, and settlement made of same. Net assets of \$228,119.33 plus for real estate \$28,000, Total \$256,119.33.

Paid John W. Craddock	Stock	\$72,000.00
" A.P.Craddock	"	72,000.00
" T.M.Terry	"	72,000.00
" Max Guggenheimer, Jr.	"	20,000.00
" " "	Cash	15,000.00

Paid John W. Craddock, A.P.Craddock
& T.M.Terry

Cash \$ 5,119.33
\$256,119.33

Stockholders confirmed sale and transfer of Craddock, Terry & Co. business to Craddock-Terry Company, made December 1, 1898, and settlement of same.

Authorized Deed of Trust of \$15,000 on the warehouse conveyed to Craddock-Terry Company on Dec. 1, 1898 to secure three personal notes of John W. Craddock, A.P. Craddock and T.M. Terry, due in August 1902.

Adopted Corporate Seal.

Adopted By-Laws.

Elected Directors: J.B. Stroud, W.C. Goode, T.M. Terry, A.P. Craddock and John W. Craddock.

Directors Meeting: Present: J.B. Stroud, W.C. Goode, T.M. Terry, A.P. Craddock and John W. Craddock.

Officers Elected: John W. Craddock, President
A.P. Craddock, Vice-President
T.M. Terry, Secretary and Treasurer

As the company formally entered upon its status as a corporation it is seen that one of the entrepreneurs in the partnership shifted to participation as a stockholder -- Max Guggenheimer, Jr. had made his substantial contribution. And, until their deaths well into the Twentieth Century the names John W. Craddock, A.P. Craddock and T.M. Terry were on the whole the dominant ones, with the special emphasis on "Mr. John", as he had become affectionately and respectfully known.

In the new phase the stockholders meeting of Dec. 15, 1900 could be taken as the official determination of the future course. Paul C. Edmunds, Jr. was elected chairman, G. Goodwin, secretary and President Craddock presented a statement of the business for the year ending Nov. 30, 1900.

Action taken at the meeting approved issuance of 250 additional shares of stock; authorization was given to the Board of Directors secure a site for a projected factory, to be erected on that site, and to "employ a superintendent and to enter into all necessary contracts and arrangements to the completion and operation of said factory as early a date as practicable." Directors elected were A.L. Noell, Paul C. Edmunds, Jr., T.M. Terry, A.P. Craddock and John W. Craddock.

The decision was made to employ E.W. Pecker of Amesbury, Mass. as superintendent of the new factory. And payment of \$3,000 to William Hurt

was authorized, ~~in payment~~ for the factory site at the corner of Jefferson and Horseford Streets. This became the first manufacturing unit of the Southland corporation and was named the ~~XXXXXXX~~ Factory, continuing in operation to the present time.

The next corporate action was taken on Dec.14,1901 at the stockholders meeting authorizing an amendment to the charter increasing the authorized capital from \$300,000 to \$500,000, the only personnel change indicated being Miss Virginia Goodwin as secretary, Paul Edmunds being re-elected chairman.

The 1902 meeting changed the fiscal year closing from November 30 to December 31, with adjournment of the meeting to Jan.17,1903 at which time issuance of \$150,000 of 6% preferred stock was authorized and W.W.Brown was added to the Board.

As recorded in the minutes the next item of progress was contained at the meeting on Jan.16,1904, in the president's report/that the deed of trust on the building at 52-54 Ninth St. had been satisfied and cancelled. This was the general offices and former distributing center of the wholesale stage. The company had opened in a building between Tenth and Eleventh Streets, on Main, in 1888 and was moved to a building on Main, opposite side, between Ninth and Tenth and in 1898 a new building was erected at Ninth and Jefferson, to which Mr./Craddock's report referred.

Further developments as found in the minutes show that on Dec.27, 1905, at a special stockholders meeting W.C.Goode was elected chairman and Aubrey Blankinship secretary. A capital increase from \$500,000 to \$1,000,000 was authorized, with a \$250,000 increase in common stock, \$250,000 for issuance of a 6% second preferred stock.

It is of significance to note, too, that previously, on Dec:9,1904 the directors voted to subscribe \$5,000 to the Y.M.C.A., one of a long line of gifts in the form of public benefactions characterizing the history of Craddock-Terry.

At the annual stockholders meeting, Jan.13,1906 an extension of the Southland factory was provided for, and plans for a modern factory to make men's, boy's and youth's shoes.

By-laws were amended to provide seven instead of five directors, E.F.Sheffey and E.W.Pecker being the additions chosen.

A called meeting of the Board on Dec.15,1906 was for consideration of a manufacturing exhibit at the forthcoming Jamestown Exposition in 1907. This was followed on Dec.20 by confirming a contract to join with the United Shoe Machinery Corporation of Boston, Wingo, Elliott and Crump Shoe Co. of Richmond and the Geo. D. Witt ~~Shoe~~ Shoe Co. of Lynchburg in this exhibition with "the preliminary preparation, cutting, fitting, etc. of all shoes to be manufactured" to be done in the Craddock-Terry factory in Lynchburg.

An item in the Lynchburg Daily Evening Advance of March 2,1906 comments on the proposed new factory, which was to be called the West End Factory. Headed "Plans Will Be Ready Now In A Few Days" it read:

The architect who is preparing the plans for the big factory to be erected by the Craddock-Terry Company in West Lynchburg, as well as for the addition to the Southland factory on Jefferson Street, is rapidly completing the work, and it will be only a few days, certainly not more than ten days, before the firm will have the specifications so that it will be in a position to have the contractors of the city make bids for the construction of the two buildings.

It is understood that it is the desire of the firm to have these buildings ready for occupancy at the earliest date possible.

No business is unrelated to many important matters of its time, and this is exemplified in the participation in the Jamestown Exposition. An interesting item, connected with Lynchburg and its history, as well as that of the State, region and nation, was the old packet boat Marshall, formerly operating on the abandoned James River and Kanawha Canal, then beached on the west bank of the river below Terrapin Knob and a short distance above the old Southern Railway bridge. An elderly brother and sister, lived in the packet boat, on the right of way of the Chesapeake and Ohio Railway

where the canal towpath once had run. The Exposition offered the pair a thousand dollars for the packet, to be placed on exhibition at Jamestown, because it was distinguished for having carried the remains of General "Stonewall" Jackson from Lynchburg to Lexington. The C & O left it to the decision of the occupants of the packet, who did not wish to move, and so it remained there until all but the metal hull was washed away in the great flood of 1913. The hull is now preserved in Riverside Park.

A sketch of the life and career of John W. Craddock, written about this time by E.W. Herndon, News Editor of the Lynchburg Daily News, for a set of books called Men of Mark in Virginia, is worthy of reproduction here to fill out the personal, dynamic contribution of this man to the Craddock-Terry Company to this time:

John W. Craddock, President of the Craddock-Terry Company, of Lynchburg, was born at Halifax Court House, Virginia August 14, 1858. His father was a distinguished locally as a physician and died on January 1, 1866, leaving a widow and six children ranging in age from two to fourteen years. In a country impoverished by war, under this heavy responsibility and under the shadow of sore bereavement, this gentlewoman faced the future with Spartan courage. War had wiped out her husband's savings, and she, in order to furnish the means for the support of her children and their preparation for the duties of life, opened a boarding and day school at her home. It was here that the foundations of John W. Craddock's education and character were laid, and today he looks back with reverence and affection to the teaching and influence of this heroic mother as the source of whatever good there is in him and his career.

The boy was in his eighth year when his father died. Physically he was not robust, but he loved outdoor life, and from twelve to sixteen years of age he helped about the farm after school hours. He realizes now that the necessity and self-denial of these early days was of incalculable benefit to him. He began his business career in a country store at the age of sixteen. He removed to Lynchburg in September 1878. and remained there in business as an employee, for six years. In 1884 he embarked in the wholesale boot and shoe business in Baltimore in the firm of Spagins, Stover and Craddock. In 1888 he returned to Lynchburg and with confident appreciation of its advantages as a wholesale mart, he became the senior member of the firm of Craddock, Terry and Company. The partnership, after ten prosperous years, expanded in 1898 into the incorporated concern of Craddock-Terry Company, which is now in the full tide of a splendidly successful development.

Mr. Craddock is an attractive as well as a commanding figure in the business sphere. As soon as the purely commercial success of the enterprise which has claimed the years of his

distributed point

prime was assured, there was evolved by him and his associates, an ideal of high and fine significance. Before the concern came into existence there was already one wholesale shoe house and it was prosperous, but expansion had not as yet proceeded sufficiently to give Lynchburg distinctive rank as a shoe center. This comparatively small city has now become the leading shoe point in the South, and in the manufacture of the goods has also come rapidly to the front. Half a dozen houses conduct each a large establishment, three of them embracing manufacturing departments. Preeminent in the campaign for trade conquest has been the Craddock-Terry Company, which has not only earned large dividends annually, but has consistently operated on the broad principle that it is itself indirectly benefited by whatever promotes the prestige of the market as a whole. It is a concern that throbs with the spirit of leadership, blazing new ~~new~~ paths and invading new territory, proceeding with dash yet with judgement, with acumen and probity. Mr. Craddock, fortunately associated with able men of like enthusiasm and aspiration, would build a business that would be a monument -- not only a fabric of financial success, but also an institution on enduring foundations that will develop manhood and merit, that will illustrate the efficacy of high business principles, and perhaps go far to solve, almost before it has arisen, the labor problems in Southern industries.

The plan is definite, though of necessity gradual in its evolution. Since the house was incorporated in 1898, such employees as have demonstrated their fitness, have from time to time been given opportunity to become stockholders under an arrangement making the ownership of the stock immediate and payment therefor gradual. This generous and at the same time judicious system so far as it has been carried out has brought rich returns, financial and moral, and the proportionate success of its extension is undoubted. The enthusiasm and the unity of interest which it insures makes an irresistible bid for results. The esprit de corps produced resembles that prevailing in a proud battalion -- "The house" for every man, and every man for the house. The ambition of the men and the exercise of initiative are encouraged throughout the establishment. The atmosphere is promotive of harmony and stimulates a spirit of business industry. This the outcome of a principle of far-reaching achievement that appeals to the sensibility and imagination of a man like John W. Craddock.

Mr. Craddock is an influential and positive factor in the local business community, and in the shoe trade of the East and South. He has been President of the Lynchburg Board of Trade, and of the National Shoe Wholesalers Association, and has been selected to act in many similar representative capacities.

His scope is by no means limited to the domain of commerce and industry, however. He is a "business man with genius for citizenship", as well as a citizen with a genius for business. His public spirit is a proverb, and in every movement for the promotion of civic progress which his

judgement approves, he is liberal with ~~his~~ money, time and thought. His aid in behalf of such efforts is uniformly desired, his advocacy is a strong recommendation, his leadership almost the badge of victory. He has never sought an office and has never held any, except as a member of the Board of Visitors of the University of Virginia, and a member of the local school board which has given him an opportunity to cultivate and extend his interest in the educational affairs of his State. His influence upon the sentiment of his community comes to him as a private citizen and has been acquired by no meretricious methods, but is simply ~~the~~ a reflection of the public estimate of his character, his judgement, and his disinterestedness..

Once a subject claims his attention, his passion is for all the available information bearing upon it. This at hand, his grasp is all but instant and his decision prompt. He is a convincing speaker by force of sincerity and lucidity of statement. Contact with men in active life, next to the home, Mr. Craddock regards as the greatest educational influence that he has experienced. Sensible of the normal relation of things, he is without affectations, and his head will never be turned. His power of concentration seems absolute, and his attention is transferred from one subject to another with singular ease. He can by turns scrutinize the minutiae of shoe and leather statistics, canvass the probabilities of an election, ponder the planting of a hedge around a school yard, take an afternoon drive, make a first class speech at a banquet, and then, later in the evening as the glow of the embers dims, take down from the shelf an ethical discourse and let in the finer lights -- all in one day without excessive fatigue at the end. It is a man of quiet varied resources who can with undiminished ~~ease~~ zest and unimpaired enthusiasm thread through the maze of a great business through the year, participate actively as a private citizen in every political contest, aid in municipal development in a dozen different ways, help his friends to solve their problems, take a trip to the seashore once in a while, spend a month on the farm, then top it off by sending to the members of his personal circle as a New Year's greeting, a prettily printed leaflet bearing the uplifting sentiments of Channings immortal ~~Symphony~~.

Other items of interest in 1907 were, at a called meeting of the Board on May 4, ratification was given of the purchase of a lot opposite the Southland Factory, from Duncan Drysdale and others, for \$4,000 and the "property of Mrs. Fannye Radford on the east side of Commerce Street lying next to Kings Alley for \$2,350. And, on June 4, at a called meeting, it was recorded that: "In view of the sale by Mr. E. W. Pecker of his stock in the Company, and his retirement from the business as director, etc., Chas. G. Craddock was elected to fill the vacancy on the Board."

And "Pres. John W. Craddock read outline for plan of mutual organization for the help at Southland Factory, and the President and Treasurer were authorized to carry into effect the plan as outlined, with such modifications as they deemed proper." This followed action taken to provide a cash Christmas present to employees -- 1906 -- which was the first move toward employee welfare and good labor relations.

On January 16, 1909 ~~the annual stockholders meeting authorize an advisory board from the employees and~~ the annual stockholders meeting authorize an advisory board from the employees and ~~the following were~~ elected: W.W.Brown, J.B.Stroud, W.C.Goode, George Haugh, A.L. Noell, W.C.Carrington and J.M.Dunwoody.

Also authorized, at a called meeting on Feb.27, the purchase of the Kinckle Shoe Co. stock. This was done on a basis of A.L.Shenk contributing \$6,000 and Craddock-Terry about \$6,500 with control of the business. This retail outlet would feature the Craddock-Terry line and a principal consideration was the advertising value so obtained.

There exists a comparative paucity of general and detailed information about the business in the first nine years of the Twentieth Century, other than what is here related but as 1910 arrived the records began to expand into showing new developments of importance.

An adjourned stockholders meeting on Jan.27,1910 authorized payment of a ten per cent dividend on the 4,500 shares of record on Jan.1. A called directors meeting on January 28 marked a major company philanthropy of vital importance to the community, destined to produce a recreational asset that attained national recognition. The directors authorized a contribution of \$6,000 to the Lynchburg Y.M.C.A. to buy an island of about 30 acres in the James River, known at the time as Jones Island. Uses of the island were specified and the gift was conditioned upon the Y.M.C.A. raising \$60,000. This was to prove itself quickly to be a success and a uniquely valuable and attractive sports, camping, and picnicking center. It was also to demonstrate that industry was recognizing the need for such facilities available to its workers while being open to the public on special occasions though for full and regular use it required membership

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in the "Y", an organization before this providing limited indoor facilities.

Growth was demonstrated again on October 29 of this ^{year} when a called stockholders meeting authorized a Charter amendment to increase capital stock from \$1,000,000 to \$1,500,000, with \$200,000 to be common stock and \$300,000 to be Third preferred, six per cent cumulative.

At the same time they authorized of an amount not to exceed \$200,000 in the common stock of the Geo.D.Witt Shoe Company, this amount to represent all of the common stock of that company, the transaction to become effective as of Jan.1,1911. The Geo.D.Witt Shoe Company was a wholesale shoe operation with a manufacturing division in the Jefferson Shoe Factory on Jefferson Street. The company was a highly regarded predecessor of Craddock-Terry in the shoe business in Lynchburg.

The following year, on Jan.14,1911, the annual stockholders meeting authorized subscription to \$10,000 of the common stock of the Lynchburg Hotel Corporation which proposed to build a modern, up-to-date hotel in Lynchburg at a cost of about \$300,000. This was effected Jan.13,1912 with the hotel being the present Hotel Virginian, at Eighth and Church, on the site of the old Arlington Hotel, the city's principal previous hostelry.

At the Jan.14 meeting there was authorization, also, for investing \$10,000 in stock of the American Box Company or some other company making the wooden boxes used by Craddock-Terry.

At the 1912 meeting, as above, there was authorized a \$1,000 subscription to a proposed new issue of stock by the Academy of Music, conditioned at least four ^{other} subscribers for the same amount, else the C-T amount would be restricted to \$500. This was in line with a subscription to the stock when the Academy of Music was originally proposed and built. And, again, this was evidence of the company's interest in aiding the promotion of recreational and cultural facilities in the city.

The record, in 1911, of the most substantial addition to the business, the George D. Witt Shoe Company, consisted of acquiring first 200,000 shares of the common stock, and later an equivalent, and the remaining, number of shares. This brought with it control, and the Jefferson Shoe Factory. The George D. Witt Company was however operated independently as an affiliate. In many ways it was equivalent to a merger characterizing later times. The Witt shoe lines were added to those of the Craddock-Terry Company proper, though sold under the controlled company's name. The plants and offices were near enough to make it ~~easy~~ ^{easy} for a complete consolidation to come. Acquisition of valuable personnel was a result of this move.

This was a time of peace in the world. Business was good. When the annual stockholders meeting was held on Jan. 11, 1913, with Paul Carrington Edmunds, chairman, and E.F. Sheffey, secretary, a resolution was adopted to ~~amend~~ ^{amend} the charter to increase capital stock from \$1,500,000 to \$2,500,000. \$1,250,000 was to be common and \$2,500,000 to be 6% cumulative preferred.

Another resolution was for retirement of \$600,000 preferred of previous issues. They adopted a further resolution that when \$300,000 of \$600,000 outstanding of previous issues became retired, to declare to holders of common a dividend of 50% of company's surplus, payable in the preferred stock of new issue.

An additional resolution was adopted to pay out of surplus a common stock dividend of 20% once the previous issues of preferred were reduced to \$180,000.

Also, on Jan. 11, 1913 the directors meeting elected John W. Craddock, President; A.P. Craddock, Vice-President; E.F. Sheffey, Secretary-Treasurer; George Mahon, Auditor. And elected as the Advisory Board W.W. Brown, J.B. Stroud, W.C. Carrington, George Haugh, A.L. Noell, Calvin Young, Jr., and William C. Goode. This was the first time that T.M. Terry did not appear as one of the corporation's officers, though on Jan. 18, at an adjourned stockholders meeting he was elected chairman and announced that the Corporation Commission

had granted the charter amendment increasing the capital stock from \$1,500,000 to \$2,500,000.

The dividend transaction was completed at the directors meeting on Feb. 25, 1913 and, on ~~March 11, 1913~~ ^{May 24th} the directors met and voted to add two floors to the Ninth Street warehouse, an evidence of good business and growth.

The year 1914, in which the first world war smashed a long period of unusually peaceful conditions, the Craddock-Terry Company, experiencing such a high degree of substantial growth in business and national recognition in the shoe industry, made its first moves toward extending manufacturing operations to other regions of the country. This is first officially recorded in the books at the directors meeting on March 31, 1914:

Present: J.W.Craddock, T.M.Terry, C.G. Craddock, E.F.Sheffey, P.C.Edmunds, George Mahon.

Adopted resolution to recommend to stockholders that an additional issue of 2,500 shares of Common and 2,500 shares of Preferred be authorized to be issued when desirable; and that Board of Directors be authorized to purchase certain stocks of other corporations for further advancement of this company's interests and extension of its business.

On April 14 the minutes record:

Present: J.W.Craddock, A.P.Craddock, C.G.Craddock, P.C.Edmunds, George Mahon, E.F.Sheffey.

Adopted resolution to purchase Burrow, Jones & Dyer Shoe Co., and Kaut-Reith Shoe Co. of St. Louis; also to acquire capital stock or assets of other shoe companies engaged in manufacture or sale of shoes which would be to best interests of the company.

Adopted resolution to issue and dispose of 2,500 shares of Common and 2,500 shares Preferred stock.

On April 14:

Stockholders Meeting in offices of company. P.C.Edmunds elected chairman; E.F.Sheffey, Secretary.

Authorized Directors to issue and dispose of 2,500 shares of Preferred and 2,500 shares of Common stock (at no less than par and interest and none of Common stock to be sold or disposed of at less than \$150 per share.)

Also authorized Directors to acquire stock in other companies manufacturing or selling shoes which would be to best interests of Craddock-Terry. By-laws repealed and revised by-laws adopted for the company.

Step by step the move went ahead and on May 14, 1914 it was ~~recorded~~ ^{recorded} at the directors meeting:

John W. Craddock reported that entire outstanding capital stock of Burrow, Jones & Dyer Shoe Co. of St. Louis had been acquired by Craddock-Terry Company, settlement to be made June 1st and June 15th.

A new pattern of names and offices and divisions now begins to show in the company's records. The brief minutes/continue to tell the story, as on June 20, 1914:

Directors present were T.M. Terry, E.F. Sheffey, A.P. Craddock, P.C. Edmunds, C.G. Craddock, J.W. Craddock.

Additional directors elected: W.F. McElroy, W.M. Sloan, T.L. Mauldin, and J.F. Dyer, all of St. Louis.

W.F. McElroy and C.G. Craddock elected Vice Presidents of the company; T.L. Mauldin elected Secretary-Treasurer.

Duties of St. Louis directors: W.F. McElroy, Managing Director of the McElroy-Sloan Shoe Company, Western Department of Craddock-Terry Co. W.M. Sloan, General Manager of the mercantile business of the Western Department. T.L. Mauldin to discharge duties of Secretary-Treasurer of McElroy-Sloan Shoe Co. J.F. Dyer to have general charge of house force and buying, under W.M. Sloan, General Manager.

On March 20, 1915 the impact of the war in Europe on the United States and on the company appears in the records when the directors authorized President John W. Craddock to sign a proposal to furnish 30,000 pairs of Army Marching Shoes to the U.S. Army at \$2.99½ per pair. This was to initiate one of several shoe contracts with the government through the years ahead. A large percentage of the American men in uniform were to serve with foot comfort from Craddock-Terry made shoes.

Resolutions of respect were passed by the directors on March 30, 1915 for a valuable employee and director, Paul Carrington Edmunds, who had died on the 29th.

And, on December 3 of that year a resolution was passed that was to mark the beginning of a long and mutually valuable business association when 15 shares of Old Dominion Box Company were sold to David Hugh Dillard of Lynchburg, at \$175 a share. This company, beginning as a subsidiary, made boxes for C-T shoes.

The year 1916 was one of especial activity and prosperity and with several examples of the company's always generous position in the community and public interest. And there was a succession of moves to strength the company's fiscal and capital position. Previous authorizations

of sale of stock were completed in fact by March 31 and on May 10 the directors approved a resolution for a called stockholders meeting to authorize increase of both Preferred and Common "to an amount which when added to stock previously issued and outstanding would not be in excess of the total authorized capital of \$1,250,000, each Preferred and Common stock authorized donating \$1,500 to a Salvation Army building enterprise. This was followed on June 3 by authorization by stockholders of issuance and sale of "1,000 shares of Preferred (none to be sold at less than par plus interest at six per cent from date of last preceding dividend); and 2,800 shares of Common at a price to be determined by the Board of Directors; further, that this stock first be offered to Common stockholders prorated upon their holdings."

These proceedings went ahead rapidly with sale by June 9 of 970 shares of Common to existing shareholders and the remaining shares to be sold to others.

On December 4 the directors received and accepted the resignation of George Mahon as auditor and director.

The directors, on December 12, authorized a Common stock dividend of 18 per cent, and authorized the issue and disposal of 1,000 shares of Preferred at not less than par and interest before January 1, 1917.

A payment of \$5,000 to the Lynchburg Y.W.C.A. was approved on Jan. 13 and on May 19 the directors authorized a \$10,000 purchase of Liberty Bonds and later, on Oct. 10, a \$75,000 purchase.

A further impact of World War I was indicated on Aug. 31 when the President, Vice President or ~~Secretary~~ Treasurer were authorized to "enter into any contract or agreement with the U.S. government or for furnishing services; also, to execute bonds necessary for the performance of such contracts or agreements."

A Resolution was adopted by the directors on Oct. 3, 1917 to amend the company's charter for increasing capital stock to an amount not exceeding \$5,000,000, of which \$1,250,000 would be Common and a like amount Second Preferred. This was approved by the stockholders meeting on Nov. 3.

The arrival of 1918 brought many changes, step by step, beginning with approval of a resolution to sell to "certain employes" 1,000 shares of Common stock. New names among the directors were Dexter Otey and Charles B. Easley. Approval was given to sell 1,000 shares of Common to employees of the Geo. D. Witt division's employes. Subscription of \$100,000 to the Third Liberty Loan bonds, and \$50,000 for McElroy-Sloan of the Western Division.

Life insurance for employees earning under \$1,800 annually, premiums paid by the company, was approved. A lease was taken on additional space in St. Louis, for five years at \$1,250 a month. \$2,500 was subscribed to the YWCA, plus \$500 by the Geo. D. Witt division. And on Sept. 28 a fourth Liberty Bond subscription was approved, \$150,000 plus \$50,000 for Geo. D. Witt.

Consolidation of the St. Louis factories in a larger factory was approved on Dece. 9.

Earlier in the year a letter had come to "Mr. John" from Edwin A. Alderman, president of the University of Virginia:

My Dear Mr. Craddock:

It is difficult for me to tell you how deep is my regret that I am to lose the benefit of your wisdom and ~~my~~ counsel on the Board of Visitors. Also I doubt if you know how much I shall miss you personally, as a friend and good counsellor in everything. These relations, existing for twelve years, establish intimacies that are very dear and enduring, and the severance of them gives pain. I believe you will understand how we all feel. You must think of this place as a home, and come over to see us, for I shall call on you for counsel just the same.

Faithfully, your friend,

Edwin A. Alderman
President

This appreciative letter from one of the South's greatest educators followed Mr. Craddock's regretful resignation after twelve years of notable service. It came because of increasing pressures of the company as well as being a "dollar-a-year-man" with the Quartermaster Department, Shoe and Leather Division, under General Goethals, and being chairman of ~~two~~^{three} war bond drives in Lynchburg and aiding in a fourth. The Alderman letter was to be strengthened by another one, quoted in the Halifax Record-Advertiser for April 10 1930:

"I am delighted to bear testimony to the splendid service rendered to the University by John W. Craddock, during his twelve years of membership on the Board of Visitors of the University of Virginia, during my presidency.

"The Board upon which he served was an unusually thoughtful and stimulating Board, and I am quite correct in saying that Mr. Craddock ranked with the ablest of them in all matters requiring clear thinking, good judgement and single-minded devotion to the welfare of this institution. In fact, I think I may say, without mere laudation, that I have never known, in thirty-seven years of service, any man, on the governing body of any institution with which I have been connected, more useful and effective than John W. Craddock. I have for him not only respect and esteem but personal affection.

Faithfully yours,

Edwin A. Alderman,
President"

The year 1919 can best be introduced by the president's letter consisting of the annual summary in a "Brief Description and History of the Business", as a refresher on the history and present condition of the company:

The business was founded in 1888 by John W. Craddock, A.P. Craddock and T.M. Terry, trading as Craddock, Terry & Co., jobbers of boots, shoes and rubbers.

In 1898, incorporated under the Virginia law as Craddock-Terry Company.

In 1901 built the Southland Shoe Factory at Lynchburg and began the manufacture of high grade women's, misses' and children's shoes.

In 1905 built an addition to the Southland Factory, doubling its capacity.

In 1906, built the West End Shoe Factory at Lynchburg and began the manufacture of men's, youth's and boys shoes.

In 1911, bought the machinery and equipment and leased the building of the Jefferson Shoe Factory at Lynchburg (formerly operated by the Geo. D. Witt Shoe Company) and continued its operation in the manufacture of women's, misses', children's and infants' McKay shoes; also acquired a controlling interest in the Common Stock of the Geo. D. Witt Shoe Company, jobbers of boots, shoes and rubbers. The balance of the \$200,000 Common Stock of that company has since been purchased, the business being continued under separate management.

In 1914 bought all of the \$600,000 Capital Stock of the Burrow, Jones & Dyer Shoe Company, of St. Louis, surrendering the said Company's charter and taking over all of its assets and liabilities. The business is now conducted under the name of

McElroy-Sloan Shoe Company, Western Department of Craddock-Terry Company. This Department operates a jobbing house, a shoe factory and a sole leather plant in St. Louis, and a shoe factory in Louisiana, Mo.

The Company's authorized capital is \$2,500,000, equally divided between Common and Preferred, of which there has been issued \$920,000 Common and \$1,150,000 Preferred. The latter is preferred as to dividends (six per cent. cumulative, payable January 1 and July 1) and also as to assets in liquidation. It is subject to call, in whole or in part, at 115 and accrued dividends on any dividend date after January 1, 1916, and prior to January 1, 1923; thereafter at 110 and accrued dividends. No lien or other encumbrance can be placed on the Company's property unless the Preferred Stock be retired on the above terms. Whenever the dividends paid to Common Stockholders in any one year exceed 12 per cent., an extra dividend of 1 per cent. is to be paid on the Preferred; and when in excess of 15 per cent. is to be paid on the Common, then the extra dividend on the Preferred is to be increased to 2 per cent. In the event of the dividends on the Preferred being in arrears for six months, said stock has equal voting power with the Common Stock during the continuance of such arrears. No dividends can be paid on the Common Stock unless the Company's combined capital and surplus equal or exceed double the amount of the Preferred Stock outstanding.

The Company's fiscal year ends December 31.

For easy reference to personnel of the most importance, at the annual stockholders meeting on Jan. 18, 1919, in the offices of the company, elected T.M. Terry chairman; E.F. Sheffey, secretary. Directors elected: C.G. Craddock, E.S. Bowman, J.W. Craddock, C.G. Craddock, Jr., J.B. Lockett, E.F. Sheffey, T.M. Terry, W.M. Sloan, Dexter Otey, J.T. Dyer, W.C. Goode, A.P. Craddock, W.F. McElroy, C.B. Easley.

Directors meeting, president's office. President: J.W. Craddock; A.P. Craddock, C.G. Craddock, W.F. McElroy, Vice-Presidents; E.F. Sheffey, Secretary-Treasurer; W.M. Sloan, Assistant Treasurer; J.T. Dyer, Assistant Secretary; R.H. Cox, Auditor.

Advisory Board: W.W. Brown, J.B. Stroud, Calvin Young, Jr., A.L. Noell, J.I. Amonette, F.K. Parrow, E.B. Craddock.

On March 7, the directors authorized an additional story to the Southland Factory to be used for lunch, cloak and recreation rooms, etc., at an approximate cost of \$25,000. This, as with other quickly following developments was indicative of the general management-employee improvement of industrial working conditions taking place in the country.

Following this, on April 17, came a Victory Libert Loan subscription of \$200,000, and the president's announcement of the purchase of a lot on Washington Avenue, St.Louis, for \$45,000, on which to build a new factory, and on April 19 approval was given to the plans for the McElroy-Sloan factory on the new lot, to cost about \$150,000.

May 23 brought an additional \$1,200 for a Salvation Army building and on June 18 the directors approved a profit-sharing plan, in principle, for factory and house employes, adopting the plan on August 19, including allowing employees to buy stock in an installment-pay program.

Another step was taken on September 23 approving organization of a Craddock-Terry Company Co-operative Association for the factory employees and approval of the Constitution and By-laws followed on October 31. The same directors meeting approved a contribution of \$2,500 to the Virginia Baptist Hospital Building Fund.

A company officer was lost upon the death of Charles Granville Craddock on November 21, 1919, a vice president and director, with the Board, on Nov.29, adopting the following "in memoriam" as their tribute:

In the shadow cast by the ~~xxxxx~~ passing away November 21, 1919, of CHARLES GRANVILLE CRADDOCK, Vice-President Craddock-Terry Company, and fellow worker and friend on the Board of Directors, it is meet that we pause to note his life and labors, especially as they relate to the progress and development of this business.

Coming with the Company in the maturity of his manhood, after devoting years of his early life to the vigorous prosecution of several lines of business activity, he immediately drew upon the reservoir of knowledge and experience thus gained, and from the very beginning exhibited those gifts and graces of mind and heart which brought him the respect and appreciation of his fellow workers and the patrons of the Company.

His work among us will perhaps be best remembered by his unique and effective methods of advertising the Company's product and his work as Sales Manager. He was a salesman. He was a developer of salesmen. He was the salesman's friend. No member of the sales force ever reached a degree of perfection which could not be heightened by contact with the brilliant mind and sympathetic heart of "Mr.Charlie". The beginner had in him a patient teacher, faithful guide and sympathetic friend. His masterful and eloquent addresses on the occasion of semi-annual gatherings of the salesmen were designed and proved to be not alone helpful in securing business, but in the building of true, noble and upright characters.

As Directors we shall miss his wise counsel, and as men we will ever remember with appreciation that he was our friend.

It is directed that this minute be spread upon the records of the Board and a copy sent to the immediate family of our departed comrade, with the assurances of our tenderest sympathy."

The first items of moment in 1920 were the Board's election of T.M.Terry as Vice-President to succeed C.G.Craddock, deceased, and the election of A. H. Orsley Easley to the Board. This was on Feb.5 and on the next day approval was given to the purchase of a suitable site for an additional factory at 21st and Lucas Avenue, St.Louis, at an approximate cost of \$300,000. At the same authorization was given to sell 4,000 shares of Second Preferred Stock.

The excellent state of the business indicated in other following moves as, on Feb.28 a subscription of \$10,000 to the Home and Retreat Hospital, with the understanding that some privileges be extended to Company employees.

The same meeting authorized additional capital for the Old Dominion Box Company, a majority of its stock being owned by the Company, amounting to 200 shares, and that steps be taken ^{to amend} ~~xxxx~~ the charter to provide for issue of \$50,000 of seven per cent. cumulative Preferred Stock. And the box company was authorized to buy two buildings at Ninth and Jefferson streets, occupied by the box company and the Gilbert Grocery Co., from the owner, Mrs. W.B.Thornhill, the price \$67,5000.

This was a period of some considerable readjustment following the end of World War I and its role in moving the United States into the role of the leading world power. Money made during the tremendous war production period brought confidence, expansion, new enterprise. Uncle Sam and his sons were still flexing their muscles, and millions of those sons were now at home again to contribute to growth. No area was unaffected. There was added buying power, and many illusions following a great, though costly victory, and neither domestic nor international politics were clear to or appealing to a large percentage of Americans. Opportunity was resurgent, and overlying it all was that somewhat frenetic spirit among the young which produced the Jazz Age with its with short skirts, the Charleston, and bootleg spirits.

This, everyone thought, was a time, now, of privilege and opportunity as never before. Business was touched with the times and indeed it did

seem that at last this young and vigorous nation had found its place in the world and had, so to speak, "the world by the tail". Lynchburg, a pioneer industrial city in the South before the Civil War, strongly recovering afterward, was getting back into the forward stride of its remarkable position, for its size, in the eighteen fifties.

On April 23, 1920, the Craddock-Terry directors subscribed \$500 to the building fund of the United States Chamber of Commerce. On May 13 they authorized the Company treasurer to pay into the Craddock-Terry Co-operative Association 100 per cent., or an amount equal to that paid by members, in order to increase sick benefits. On December 23 they authorized selling to the U.S. Treasury Victory Bonds with a par value of \$111,5000. And they recommended to the Geo.D.Witt Shoe Company that it declare and pay on December 31st, from its surplus, a stock dividend of 100 per cent., payable in Common Stock of the Company.

Also the President was authorized to buy \$40,000 of authorized but unissued Third Preferred Stock of the Geo.D.Witt Shoe Co. so as to supply the Geo.D.Witt company with additional working capital.

President Craddock, writing a historical sketch of the Company for a new paper, the Craddock-Terry Review, planned for the employees of the Company, brought out several points of interest, or important milestones.

He showed that value of actual shipments back in 1889 had been \$310,172. Ten years later the figure was \$1,381,694. In 1909 the figure was \$3,093,357. And at the time he was writing, December 1920, the figure was \$18,000,000.

It is well to quote the rest of his sketch as it gives "Mr. John's" own opinion of the condition of the business, and they are not quite in line with the brief commentary on the period made above, which cover a period rather than the immediate situation of the Company as of December 1920.

The Company travels from its three wholesale houses about one hundred and twenty-five salesmen, covering closely all of the States of the South and Southwest, and extending its operations to the North, East and Central West.

Its employees in all departments number about 2,500, and about 2,000 of these are actually engaged in producing shoes.

Its disbursements for labor, merchandise and other operating expenses, average nearly \$1,500,000 monthly.

As pronounced as has been the material growth of the business, the feature in which the management takes the most pride and interest, is the policy which has actuated its dealings with its employees. The management has not been satisfied simply with an effort to build a large and profitable business, but has set as its ideal, a business in which every employee would have a fair deal, just and considerate treatment, and as far as it was possible to do so, would be permitted in some measure to share in the profits as a reward for long and faithful service.

When the business was first incorporated in 1898, practically every employee with the Company at that time, was given an opportunity to buy stock in the Company, and those who availed themselves of the plan, and have held on to their stock and exercised thrift in conserving its earnings, have all accumulated substantial amounts, which in many cases constitutes a liberal competency. This policy of stock ownership by employees has been continued and extended from time to time, with the result that at this time something over two hundred employees of the Company are common-stock holders.

It being impractical to extend the privilege of buying common stock to the factory productive employees to any considerable extent, the Company has recently provided an opportunity for its factory employees to purchase its preferred stock on an easy payment plan, and during the past year, one hundred and forty of its factory employees have become stockholders under this arrangement.

Other features of the Company's activities for the benefit and in the interest of its employees, which are dealt with in detail elsewhere in this issue, include its plan of group insurance, under which every employee who has been continuously in the service of the Company for six months or more, is automatically covered by insurance in amounts ranging from \$600 to \$1,500. All the expense of this insurance is borne by the Company, and it has proven a blessing and a great help to the families of those who have died, and is furnishing protection and security to every employee covered by it.

The Employees Co-operative Association, to which the Company subscribes an amount equal to that paid by its members, constitutes, as will be seen from the report elsewhere, one of the most important and beneficial features which has been inaugurated for both the pleasure and practical benefit of employees. The success of the Co-operative Association is entirely dependent on the interest and activity of the employees for whom it is conducted. It is their Association, and it is up to them to make it a live, working, helpful institution. The Company is encouraged with its part in this work, and it hopes that every employee, who is not a member, will become one, and lend his influence and assistance in making it even more successful in the future.

The Shop Committee, which is a part of the plan of the CO-Operative Association, is a useful medium of contact between the management and its employees; and if every employee will take the interest which he or she should do in the work of the Shop Committee, it will grow in influence and prove a helpful institution.

As you know, for the years 1919 and 1920, the Company agreed to try out a Profit-Sharing Plan, under which it has so far distributed about \$150,000 to some 860 of its productive factory employees, and in addition contributed a similar amount, ~~xx~~ which was divided among the superintendents and foremen of the factories and all of the employees of the three Jobbing Houses. The Profit-Sharing Plan was put in, as was stated at the time, as somewhat of an experiment; and while in some respects its results have been satisfactory, in other respects it has been somewhat disappointing. In view of the unfavorable and uncertain business conditions now prevailing, the Company will reach no definite decision as to its future policy in this respect until after the first of the year, and when business conditions have become somewhat more settled.

This article would be incomplete without some mention of the Cafeteria at the Southland Factory, which was recently added at a cost of practically \$40,000. This feature is operated at an actual loss to the Company, but as it affords the means of added comfort and convenience and pleasure to the employees who use it, the Company is fully satisfied with the results, and contemplates -- as soon as business conditions will warrant it -- providing similar features for its other factories.

Plans have been worked out for a material enlargement of the plant and activities at the West End Factory, which will embrace modern up-to-date recreation and welfare features.

In closing, I want to say to all employees of the Company -- and particularly the older ones, who have been with us for a number of years and who have served the Company so faithfully -- that I personally and the Management as a whole -- appreciate their loyalty, and we shall strive every possible way to work with and for those who have confidence in us, and who are willing to work with and for us..

The foundation of every successful business, and of successful relations between Management and Employees is confidence and co-operation. We have done much for Lynchburg and this community, and much for each other in our combined efforts in the past; and it is my earnest hope that by concentrating our efforts in a truly co-operative spirit, we will continue to grow, and be able to make conditions better and more satisfactory in every way in the future.

With best wishes for every one of you, I am,

Cordially yours,

John W. Craddock, President
Craddock-Terry Co.

Early in 1921 there were strong developments in the Company, beginning with a Directors meeting on April 9, at which a resolution was

adopted to amend the charter to increase the capital stock from five million to ten million dollars, half of the increase for Common and half for Class C Preferred, to bear interest at seven per cent per annum.

A Directors meeting on April 13 declared a Common stock dividend of 25%.

And on April 23 the President was authorized to purchase the business of Harsh & Chapline Shoe Company, of Milwaukee, consisting of a shoe factory, tannery, buildings, equipment, merchandise, goodwill, trademarks, and all assets. This was approved at a stockholders meeting on April 25. On the same date E.F. Sheffey resigned as Secretary-Treasurer, T.M. Terry was elected Treasurer and Mr. Sheffey, Secretary. George R. Harsh was elected Vice President of the Company, in charge of the Northwestern Department and C.O. Chapline, Treasurer.

The directors added W.R. Barksdale and R.A. Dirom to the Board on July 8; Mr. Dirom was elected Assistant Secretary; A.M. Germanson was elected Assistant Secretary of Harsh & Chapline Shoe Co.

The Directors meeting on October 12 authorized a gift of \$20,000 for a bridge to the YMCA Island Playground. This was a project the Company had always strongly supported and the new bridge was for vehicular traffic.

Expansion continued in 1922 with a four-year lease on the Old Dominion Garment Company property for \$100,000; purchase of a factory adjoining the two in St. Louis; an additional 10 % dividend on the Common stock; an addition to the tannery in Milwaukee, at approximately \$140,000; and an investment of \$14,000 in Bradstone Rubber Company, for manufacturing rubber heels, cement and other supplies.

A new development began in 1923 with the granting of a leave of absence to President John W. Craddock for a trip around the world, Jan. 14 to May 31; amendment of the charter to provide for an office of Chairman of the Board; setting aside of \$25,000 as nucleus for a pension system.

Approval was given for buying the jobbing house building in St. Louis for \$115,000, already occupied by McElroy-Sloan; and approved taking over factory at Fulton, Mo., to revert to McElroy-Sloan when \$500,000 had been paid out in payrolls.

On January 27 John W. Craddock was elected Chairman of the Board and his son, Charles G. Craddock, was elected President.

The biggest Lynchburg plant expansion came with the purchase of factory buildings formerly owned by the Jobbers Overall Company, from the Old Dominion Garment Company, for \$350,000, located at 12th Street and Campbell Avenue.

Top management showed changes, and organization, at the Jan. 26, ¹⁹²⁴~~1923~~ Directors meeting: J.W. Craddock, Chairman of the Board; C.G. Craddock, President; A.P. Craddock, W.F. McElroy, Vice-Presidents; T.M. Terry, Vice-President and Treasurer; Dexter Otey, C.O. Chapline, Vice-Presidents; E.F. Sheffey, Secretary; R.H. Cox, Auditor; John H. Davis, Assistant Secretary; H.C. Miller, Assistant Treasurer; W.F. McElroy, Managing Director Western Department; Dexter Otey, Managing Director Southern Department; W.M. Sloan, Treasurer Western Dept; J.T. Dyer, Secretary Western Dept.; C.O. Chapline, Treasurer and Managing Director Northwestern Dept.; P.J. Dionne, Secretary Northwestern Dept; C.B. Easley, Secretary Southern Dept.; J. Frank West, Secretary Southern Dept.

Other developments came on April 30 with an additional \$5,000 investment in Bradstone Rubber Co; Dec. 31 establishing a branch distributing house, Craddock-Terry-Baltimore; established inter-company organization, Universal Shoe Mfg Co. to sell larger stores and buyers on special terms; John W. Craddock, Jr. and W.D. Hogan added to the Board; John W. Craddock, Jr. elected Managing Director and Treasurer of the Baltimore house, with James A. Reilly, Secretary.

Hindsight, brought to bear on the records of this period, shows production increase of 50% through new facilities; it shows venturing into retailing through buying stock in such outlets with guarantee of outlets buying their shoes in a certain price category from Craddock-Terry. This enterprise sought to dispose of shoes profitably from expanded production but did not stand the test, though it spread North, East, South and West.

More efficient and increased production in Lynchburg, after making the new acquisitions of plant at Twelfth And Campbell, brought realization of the less efficient production in St. Louis and moves to dispose of the

McElroy-Sloan, or Western Department.

By June 3, 1926 the Directors accepted the resignation of G.O. Chapline, and elected George P. Utley as a Director and Treasurer and Managing Director of the Harsh & Chapline Shoe Co. of Milwaukee, Northwestern Department of Craddock-Terry. And W.D. Hogan became Vice-President and General Manager of the Western Dept of McElroy Sloan.

By April 6, 1927 the resignation of W.F. McElroy was accepted and Utley became Vice-President

It is pertinent to here present the President's report to the stockholders on January 22, 1927, for concision and clarity on what was taking place. And it may here be permitted, with the perspective of time, to say the Great Depression was on the way with apparently no one aware.

In reviewing the Balance Sheet submitted, showing the condition of your Company at the close of business December 31, 1926; it is desirable and necessary for your full understanding the situation, that I should briefly review the conditions existing as affecting this business during the past few years.

Major and fundamental changes have taken place both in manufacturing processes and in distribution methods, which have been attended with many difficult, complex and expensive phases. During 1925 the Company largely completed the necessary physical changes in most of its factories to meet the present-day requirements of rapidly changing Novelty styles. These changes, while expensive, resulted in perfecting the character of our product so as to meet better, than it had done formerly, the exacting and critical requirements of the large retailers as well as consumers of the country. With these improvements, the management of your Company naturally expected and predicted that 1926 would show increased volume with corresponding increased profits.

The operation of the Lynchburg Factories reflected for the entire year the improved conditions in an increased output of some 600,000 pairs of shoes in excess of any former similar period, which resulted in satisfactory profits from this Department. Unfortunately, however, it became apparent during the first quarter of the year that our St. Louis and Milwaukee plants were not making the desired increase in production, and it was evident that a complete reorganization of the management and conduct of these plants should be undertaken. This reorganization was slow and difficult; and it was not until the beginning of the last quarter that your Company's St. Louis and Milwaukee plants reached a reasonable and normal production.

With this explanation as to the unfavorable features of the operations during the major part of last year, I want to assure you that in my opinion and that of your Board of Directors, the constructive work done during the past year

puts our Company in a stronger position for a profitable ~~business~~ business in 1927, than it has been at any ~~time~~ previous time in recent years.

The bright spots in the situation are that we have perfected our merchandise to such an extent that it is making a strong and successful appeal to the best retail trade of the country, as to style, quality and prices. As an evidence of this fact, our sales during 1926 (notwithstanding the unit price of shoes manufactured and sold is considerably lower than the previous years) show an increase of approximately \$2,500,000, or about 15%, which it is believed is a greater increase in volume than shown by any other manufacturer of National scope in the shoe business in this country. We have completed successful reorganization of our various operating departments and enter the New Year with the best outlook the Company has had in recent years.

INVENTORIES

Merchandise inventories have been taken, as previously, upon a conservative basis of the lower of cost or market. The material increase in the amount of the inventory on finished products is the result of a change of manufacturing policy to meet the change in buying methods of the trade. During the last year or so. owing to the risk of buying Style merchandise in advance, retailers have postponed placing their Spring orders until after January 1. As most of them require immediate or short time deliveries, it has been found impossible to meet these demands if manufacturing shoes for Spring orders was postponed until January or later. To meet this condition, the Company commenced producing for ~~its~~ its several Instock Departments its new style shoes for the Spring of 1927 about November 15, so as to have them on the floors and ready for prompt shipment in January and February. This has resulted in an increase in the inventory of finished shoes, all of which are fresh, clean, salable merchandise, and these stocks of shoes will be rapidly reduced and brought within reasonable proportions within the next two months.

PLANTS AND EQUIPMENT

The Company's plants and equipment have been constantly improved and its facilities for economical and up-to-date manufacturing are unexcelled.

The increased Liabilities in the Company's Statement is due mainly to an increase in the volume of business, of about \$2,500,000, a large part of which occurred in the last quarter of the year, and is due also to some extent to investments of approximately \$400,000 in affiliated companies which are proving to be valuable acquisitions to the Company's operations.

The earnings for the past year have for the second time in the history of the business been inadequate to provide for usual dividend of 12% per annum on the Company's ~~xxxx~~ Common stock. Whether wisely or unwisely, your Directors determined upon the policy of continuing these dividends through 1926. Realizing that the recent growth in ~~business~~ volume of business and the further prospective increase in the volume makes it desirable that the working capital of the Company shall be increased, the Directors are definitely planning to add, from the sale of Class C Preferred Stock and otherwise, \$1,000,000 more to its working capital in the near future and during the coming year.

No dividends will be paid on the Common Stock in the immediate future until the same have been fully earned and until the addition indicated has been made to the working capital of the Company.

Your Financial Statement, while not as favorable as in recent preceding years, is thoroughly sound and presents no problems that will not be readily adjusted in the operation of the next few months. With a reduction of inventories and an increase of working capital, as has been decided upon, the normal ratio of Liabilities to Resources will be rapidly restored. Even under present conditions, as you will observe, the quickly convertible Assets, made up of Accounts and Bills Receivable, and Cash, amount to over \$5,000,000, or within a small amount of your entire Bills Payable.

THE FUTURE

The Management of your Company confidently look to 1927 as the period in which the Company will surely reap the benefits and rewards of its far-reaching reorganizations and constructive work completed during 1926. The Shoe business is still a difficult and complex one, but the Officers of your Company are confident that its position is stronger now than it has ever been and that the future of the Company is bright and encouraging.

Respectfully submitted,

Charles G. Craddock, President

John W. Craddock, Chairman of the Board

Awareness of impending widespread economic disaster, in the nation and the world, was still lacking in 1928. It was a year in which interesting, and somewhat conflicting, changes took place in the Craddock-Terry organization. First there was retirement of 795 shares of Class C Preferred, and approval of retirement of 2,000 shares of Class C Preferred bought by J.W.Craddock, A.P.Craddock and T.M.Terry, to provide immediate funds for the Company's use, and with the understanding that it would be resold. At this time a valuable member of the Board, E.S.Bowman, was lost by death. J.F.West, Treasurer of the Southern Department, was elected to the Board.

Late in the year, Sept.13, the Board approved the sale of 51 % of the Common stock of the Old Dominion Box Company to D.H.Dillard for \$150,000 and authorized the sale of 225 shares of Lynchburg Hotel Corporation stock. Advised at this meeting that the authorized sale of A St.Louis factory had not been put through, this sale was authorized on Nov.10 to Burdeau Real Estate Co. for \$140,000. On Dec.20 the Board authorized sale of

463 shares of Common in the United Shoe Machinery Corp. and on the 29th accepted the resignations of P.J.Dionne and A.M.Germanson and appointed as their successors in the Northwestern Department H. J.Radtke, Assistant Secretary and H.J.Kenyon, Assistant Treasurer.

With the stock market in a confused and wild condition of operations in 1929, the annual stockholders meeting of Jan.26,1929 elected as Directors John W. Craddock, John W. Craddock, Jr., A.P.Craddock, Dexter Otey, W.R. Barksdale, Jr., W.D.Hogan, J.B.Luckett, H.C.Miller, C.G.Craddock, T.M.Terry, A.Horsely Easley, J.H.Davis, W.M.Sloan, G.P.Utley, J.F.West, R.E.Craddock, George Mahon, C.B.Easley, W.C.Goode, J.T.Dyer, W.B.Yater, John W.James. The Directors meeting retired 404 shares of Class C Preferred.

And on August 5, the Directors accepted the resignation of W.D.Hogan and replaced him with John W.Craddock, Jr. as Managing Director of McElroy-Sloam Shoe Co. of St.Louis and elected him Vice-President. Approval was given to discontinuance of the Baltimore branch. W.W.Collins was elected Secretary of Harsh & Chapline Shoe Co. of Milwaukee. Approval was given to amendment of the charter of Craddock-Terry Company of Oregon to permit the opening of a branch in San Francisco, with an authorized capital of \$1,000,000.

FORTIETH ANNIVERSARY

The years 1928 and 1929 brought considerable promotion activity in observance of 1928 being the fortieth anniversary of the Company. It also brought in the President's Report, January 26, 1929, covering business for 1928, a rather gloomy recognition of business conditions. The report provides an adequate summary in relation to other data presented. It was addressed:

To the Stockholders of Craddock-Terry Co., at Annual Meeting:

In submitting herewith a statement of the Company's Resources and Liabilities at the end of its fiscal year, December 31, 1928, it is gratifying to note ~~that~~ a continued improvement in its financial condition -- the ratio of Current Assets to Current Liabilities being higher than the recent preceding years.

The Company's operations for 1928 are disappointing -- both as to volume and profits -- by reason of unfavorable conditions existing during the year, which, in the main, were unavoidable. Hides and Leather, which had been advancing steadily for about a year, reaching their peak during the

Spring and Summer, making necessary correspondingly higher prices of footwear. There existed during the Summer and Fall a determined price resistance on the part of retailers, which resulted in a postponement and curtailing of purchases for the Fall trade. Following this condition, and at a time when it was expected that the merchants would place orders freely for their Fall needs, there were continuous and disastrous floods, during August and September, extending from the Potomac to the Gulf and involving the territory in which our Company does most of its business. This condition seriously impaired the purchasing power of the consumers in this section and correspondingly curtailed purchases on the part of retailers.

Then what turned out to be equally as unfavorable a situation developed by reason of the sudden and unexpected decline -- in September and October -- in the Hide market, and although our Company and others in the trade promptly re-adjusted prices to the lower level of the raw stock market, the effect -- instead of inspiring confidence on the part of the retail merchants -- produced almost immediately a distrust in the stability of prices and caused drastic curtailment of sales for the remaining months of the year; with the result that for the year our volume showed a decrease of something more than 10%, and with a corresponding reduction in net operating profits. Usually the last four months are the most profitable of the year, while owing to conditions referred to, this period showed an operating loss, due to the decline in volume of sales as well as reduction in prices of merchandise on hand -- both raw material and finished product.

Inventories

Inventories at the close of the year were taken on a conservative basis of the lower cost or market; and to a considerable extent, prices of finished product were reduced below the current leather prices, but rather on a basis of hide prices.

Plant and Equipment

During the year, the Company sold the third and last of its St. Louis factories, which were discontinued during 1927, at the price at which it was carried on the books of the Company, thereby converting an inactive asset into additional liquid capital. The Company's other plants have been maintained at a high state of efficiency, and factory arrangement and method of manufacturing has been so improved that without additions, and after disposing of the St. Louis plants, its present capacity is greater than it has been at any former period. This stands for greater efficiency and more economical operation.

Depreciation, Maintenance of Building and Equipment, and Last, Pattern and Die cost -- amounting in the aggregate to over \$350,000 -- has been absorbed in the year's operations, leaving the book value of the Company's plants and equipment as representing sound and conservative valuation.

Outlook for 1929

Recognizing changes which are constantly taking place in merchandising methods throughout the country -- and particularly

as applied to the Shoe business -- your Management, realizing the increasing demand, particularly in the agricultural sections of the country, for lower-priced footwear -- has rearranged its output so as to include important lines of popular-priced shoes, which will enable it to secure a substantial increase in volume, by these additions to its line, and, at the same time, extend its sales on its better grades by securing additional large volume accounts.

Since announcing its policies and prices for the Spring, several very desirable volume connections have been ~~made~~ secured, and the Management confidently expects a substantial increase in its sales, which will enable it to operate its factories throughout the year economically and profitably.

While the results of 1928 have, as stated, been disappointing, in the opinion of your Officers the outlook for the current year is decidedly encouraging. Conditions are gradually but decidedly improving in the South and Southwest, where the Company does most of its business. Its forty years' uninterrupted and successful operation has given it the goodwill and patronage of thousands of the best merchants in the country, and it looks to the future with confidence.

Respectfully submitted,

Charles G. Craddock, President

John W. Craddock,

Chairman of the Board

The records of a business institution are its factual history; this does not mean a complete history; it does not mean that the business itself is the sole maker of that history. In 1929 the Craddock-Terry Co. was feeling severely what all the world was feeling, the collapse of the stockmarket, in this and other countries, the lost fortunes, the lowered fortunes of almost everyone, and the distressing economic condition of the masses. Drastic changes took place, swiftly and in chain reaction. It was an economic factor in history, the Great Depression, not before matched by anything but, perhaps, the Industrial Revolution. Tremendous adjustments were required. The year 1930 first showed the effect, strongly, with the Craddock-Terry Company. There was a tightening up all down the line.

In March came authorization for sale of stock in Ray Brothers retail stores in California; in June the sale of stock in Hofheimer's, Inc., valuable, partly controlled outlets for C-T shoes. And on August 4 the Chairman of the Board informed the Board on the decline in business and on

reduced salaries of officers and employes.

Drought, the Depression, soup kitchens, bewilderment and loss of confidence, vanished purchasing power brought awareness and realism in greater degree into business reports. A few extracts from the President's Report dated January 24, 1931, tell the story adequately here:

"...it was not foreseen that conditions for the last six months of 1930, instead of being better would be substantially worse. The depressed conditions of business in general, however, did become decidedly more severe for the last six months of 1930, added to by the severe drought in a great part of the country, and causing a severe decline in all commodity prices. There was brought about as a consequence, a further loss of confidence, a further curtailment of purchasing power and of actual purchasing..."

"...The loss in volume, sustained by reason of the depressed conditions generally, has added to the cost of doing business by reason of an increased overhead per unit of sales..."

Belief, continued, in the report, in the coming upturn and that the Company was prepared to profit by it.

The Directors, having been so authorized by a change in by-laws, elected an executive committee on Jan. 24, 1931. Composed of D.H. Dillard, chairman; C.G. Craddock, J.W. Craddock, Jr., George P. Utley, Dexter Otey, it was commissioned to put into effect, with full powers as a Managing Committee the policies of the Company, and to provide for quarterly meetings of the Board.

The Louisiana, Mo. factory was sold for \$17,000. A change was ordered to enable the Company to manufacture most of the shoes sold, instead of buying so many from outside. There were further reductions in salaries and personnel.

On June 16 dividends on Preferred stock were passed.

For reasons of health Dexter Otey resigned from the Committee and was replaced by John W. James.

The President's Report covering 1931 was signed by Charles G. Craddock, President; D.H. Dillard, Chairman Executive Committee; John W. Craddock, Chairman of the Board. There is much to be read, and reveal the Company, in one ^{section} paragraph of that report.

"While the Operating Loss sustained during the year is disappointing, your Management feels that in view of existing conditions as affecting practically all lines of business and in every locality, your Company's record for the year has much in it to commend itself to your favorable consideration. The decline in volume of its business has been less than that of most shoe manufacturers of the country. Its factories have operated at fair average production throughout the year and it has not contributed, to any extent, to the country's army of unemployed. On the contrary, it has retained on its payroll throughout the year over 3,800 employes, to whom -- not withstanding the reduction in wages -- it has paid out something over \$4,000,000.

"I feel that I should take this occasion to express the appreciation of the Management for the loyalty and spirit of cooperation shown by its army of employes. Notwithstanding the reduction in wages and salaries, ranging from 20% on direct labor, and from 20% to 50% on executives, department heads, etc., practically every employee has accepted the necessary sacrifice entailed, and has furnished assurance of cooperation and renewed efforts to meet existing conditions.

"We can only repeat with reference to the future, that while the general outlook shows no sign of a definite upturn at this time, your Management feels that in bringing its Company's cost of doing business down to the present level, even with a continuation of the present depression, it can operate at a moderate profit during the year, and that it is definitely in a position to take advantage of any general improvement in business."

That was a levelheaded, courageous statement by businessmen at that time, especially following so vigorous an expansion period best represented in some degree by the fact that on July 21, 1929 the Company had run a six-page rotogravure section in the Richmond Times-Dispatch in observance of the forty-first anniversary of the company featuring its history, growth, manufacturing and distribution facilities. The display was impressive, it was representative of pride of accomplishment, vigor and confidence of purpose. and indeed expressed much of the quality of the best American industrial enterprise. The front page featured a few brief statements of fact about the Company, the chief officers, and a statement by "Mr. John", signing as chairman of the board.

One "box" read: "One of the World's Largest Manufacturers of Shoes. The Long Wearing BELL BRAND." Another read: "Also Owners and Operators of Geo. D. Witt Shoe Company, Lynchburg, Va. McElroy-Sloan Shoe Co., St. Louis, Mo., Harsh & Chapline Shoe Co., Milwaukee, Wis."

Craddock,
The photographs were of John W. ~~Chairman~~ Chairman of the Board;
A.P. Craddock (Mr. Abe), Senior Vice President (brother of John W.), Charles
G. Craddock, President (son of John W.), T.M. Terry, Vice-President and Treasurer,
and Gilmer Craddock, General Superintendent, Lynchburg factories (son of
John W.).

The Chairman's statement read: "

An Expression of Appreciation
on Our Forty-First Anniversary

Forty-one years ago the Craddock-Terry Company was
founded by John W. Craddock, A.P. Craddock, and T.M. Terry.

From a small beginning this business has grown until
today the Craddock-Terry Company is one of the world's
largest manufacturers of shoes, operating ten factories,
five distributing houses, and covering the United States
with a force of one hundred and seventy-five salesmen.

The success and growth of our business has been possible
only by making the best shoes, made from the highest quality
materials, the latest modes and models offered in any market --
and when you stock or wear Craddock-Terry shoes you are
assured that forty-one years' experience in making The Best
Shoes go into every pair, and that while Bell Brand Shoes
Wear Longer -- They Do Not Linger Long On The Dealers'
Shelves, the trade being assured in stocking Craddock-Terry
shoes of quick turnover and strong consumer demand.

This lavish advertisement reached a public beyond that reached by
the Company's usual advertising which was often mostly in trade journals,
and in the promotional advertising by retailers. It was, as a certain colorful
person said of something, "the height of the peak" at that stage of the
Company's history.

On April 10, 1930, The Record-Advertiser, newspaper of Halifax, Va.,
gave a large part of the edition to praise of its native sons who had gone
to Lynchburg and built the Craddock-Terry Company. In addition to a front
page picture of Mr. John and a biographical article about him, the front page
also carried an article on the history of the Company, and this Editor's Note:

Associated with Mr. John W. Craddock in the founding
and subsequent development of the huge national industrial
organization known as the Craddock-Terry Company are two
other natives of Halifax County, Messrs. A.P. Craddock and
T.M. Terry. Halifax County is justly proud of the accomplishments
of this trio of distinguished men. However as this issue is
dedicated to Mr. John W. Craddock, we are confining its
biographical and other comment almost exclusively to him. We
hope later to publish similar sketches of both Mr. A.P. Craddock
and Mr. Terry.

Business is business and the accurate records of business, it is here repeated, best tell its history. Along with this is the necessity to note any special economic conditions of a period in association with drastic changes in a business. Two documents among the Craddock-Terry records are sufficiently illustrative at this point of how extraordinary conditions and needed changes were met.

HISTORY OF CRADDOCK-TERRY FROM JANUARY 28, 1933
To MARCH 12, 1934

At the meeting of the Board of Directors of Craddock-Terry Company held on January 28, 1933, on motion the following officers were appointed to serve during the pleasure of the Board.

John W. Craddock	-----	Chairman
D.H. Dillard	-----	President
T.M. Terry	-----	Vice President & Treas.
George P. Utley	-----	Vice President in Charge of Manufacturing
A. Lee Briggs	-----	Vice President in Charge of Sales
N.C. Evans	-----	Vice President in Charge of Merchandising
Thomas E. Casey	-----	Vice President, Controller and Secretary
R.H. Cox	-----	Assistant Secretary
Athey Weekley	-----	Treasurer

At the monthly meeting of the Board of Directors held March 25, 1933, the Executive Management working with S.D. Leidesdorf and Company (Certified Public Accountants of New York City) had formulated a plan which involved a drastic modification and change in the Company's present method of operating, explaining that the major idea was the concentration at Lynchburg of all of the activities of the Company which required the transference of operations now conducted at Milwaukee and St. Louis to Lynchburg. This recommendation was approved at this meeting.

The major moves contemplated were:

1. The consolidation of the Company's activities which means the transferring of activities now conducted at Milwaukee and St. Louis to Lynchburg.
2. A comprehensive sales plan which provides for a complete rearrangement of sales territories, elimination of overlapping efforts, and a reduction in sales personnel. The plan does not contemplate the sacrificing of territories now covered but provides for complete direction from Lynchburg of a concentrated and scientific sales effort.
3. A substantial reduction in supervisory personnel.
4. A reduction in the number of styles of shoes in the various lines, thereby affecting material economies and manufacturing operations, and affording the ability to operate with lower inventories.

7. An equalization of pay to today's basis.

In the minutes of the meeting of the Board of Directors of Craddock-Terry Company held on August 26, 1933, the following resolution which was unanimously adopted by a rising vote:

IN MEMORIAM Thaddeus McGhee Terry: T.M. Terry, one of the founders and principal officers of Craddock-Terry Company died on the morning of August 23, 1933, at the Virginia Baptist Hospital, Lynchburg, Virginia. T.M. Terry came to Lynchburg in 1881, and in 1888 in association with John W. and A.P. Craddock, founded the business of Craddock-Terry & Company which was incorporated as Craddock-Terry Company in 1898 and became a senior vice-president thereof which position he held at the time of his death.

At a special meeting of the Board of Directors of Craddock-Terry Company held October 1, 1933, the chairman announced that the meeting had been called for the purpose of acting on changes in the organization and presented the resignation of Mr. David Hugh Dillard as president effective at once which reads as follows: Board of Directors Craddock-Terry Company, Gentlemen, for some time my desire to be relieved of the executive duties of president of Craddock-Terry Company have been known to you.

Recent developments in my other personal affairs are of such a nature that I must now insist that I be immediately ~~relieved~~ relieved so I hereby offer my resignation as president of the company. My interest in the company's ~~affairs~~ affairs will continue as in the past and I will cooperate in every way possibly for the future success of the company. Very truly yours, signed D.H. Dillard.

At a special meeting of the Board of Directors held November 11, 1933, it was resolved that Craddock-Terry Company should retire from the state of Missouri. In the minutes of the meeting there is an affidavit of retirement of Craddock-Terry Company as principal agent retiring from continuing business under the name of McElroy-Sloan Shoe Company from the state of Missouri.

At the same meeting the Board authorized appropriation of \$1,000 to the Community Chest Fund of Lynchburg, and the sum of \$500 to pay a portion of the cost of a night school at the Y.M.C.A.

At a special meeting of the Board on Dec. 2, 1933, Mr. George P. Utley was unanimously elected President of the Company and Mr. J.A. Faulkner Vice President and Treasurer to serve at the pleasure of the Board. It was further resolved that the Management Committee appointed and consisting of Mr. J.A. Faulkner, Mr. T.G. Hobbs and Mr. J.T. Noell, Jr., having served the purposes for which they were appointed is hereby dissolved.

At the special meeting of the stockholders of Craddock-Terry Company held Jan. 16, 1934, the proposal was approved that the recommendation of Board set forth in the foregoing resolution be and hereby are ratified and approved and that offer of the Manufacturer's Realty Corporation to purchase the warehouse and factory property of this company located in the City of Lynchburg, Virginia, in the city of Milwaukee, Wisconsin including lands, buildings, equipment and fixtures

thereon and therein for the consideration and on the terms set forth...hereby is accepted. Amount \$820,000.

At the regular meeting of the Board on Jan. 27, 1934 the following officers were unanimously elected for the ensuing year:

Hohn W. Craddock -----Chairman of the Board
George P. Utley -----President
John A. Faulkner -----Vice President and Treasurer
H.A.Wells -----Secretary Controller
R.H. Cox -----Assistant Secretary
A.V.Weekley -----Assistant Treasurer

The arrangement with the Leidesdorf and Company, and the affirmative action taken upon their recommendations with drastic management changes, became to some of the officers and stockholders "a bleeding and liquidating process" which was in no way to the wish or intention of the Craddock-Terry Company. Therefore, at the Directors meeting on March 16, 1934, a change and improvement may be read into the approval of "factoring of accounts receivable ~~by~~ with William Iselin and Co. of New York City.

At the meeting on Jan. 26, 1935 there first appears on the Board, as elected by the stockholders, the names John M. Miller, Jr., native of Lynchburg and prominent Richmond banker, and T. Gibson Hobbs, prominent Lynchburg attorney, the other members being John W. Craddock, G.P. Utley, James T. Noell, Jr., J.A. Faulkner, D.H. Dillard. At the same meeting the stockholders approved the election of seven members to a committee for formulating and presenting to the Board a plan for reorganization of the capital structure of the company.

The work of this committee is mentioned in the report of President George P. Utley dated Jan. 9, 1936:

"At your stockholders meeting a year ago, there was selected a committee charged with the responsibility of putting into effect the new set-up of the financial structure of the Company and each and every stockholder has been made cognizant of the details of the plan that was advocated by your Company. Under the ruling of the State Corporation Commission, the consent of 66 2/3% of the Common stock and 100% of the Preferred is necessary to make the plan effective...There are 1,298 stockholders of all classes of stock. The consent of more than 66 2/3% of your Common stock has been

secured. Of the Preferred classes, consent has been secured as follows: First Preferred 95.31 %; Second Preferred 94.16%; of Class C Preferred 89.91%. There are only 86 Preferred stockholders who have not signed their willingness to accept the plan and whose consent is necessary before it can be put into effect."

On June 26, 1936 at the Directors meeting they accepted the resignation of George P. Utley as President, and adopted a resolution that they would elect no President or Director to succeed Mr. Utley, but the operating management would be vested in a committee composed of J.A. Faulkner as executive head, H. A. Wells, C.G. Craddock, J.W. James, L.F. Almond and J.W. Craddock, Jr. and such others as the Vice President might desire to add.

The Directors followed this on Nov. 28 with:

C.G. Craddock in charge of manufacturing
J.W. James in charge of sales
L.F. Almond in charge of merchandising
J.A. Faulkner Executive Vice President and Treasurer and
all of the others being Vice Presidents.

The arrangement with William Iselin and Company, Inc. enabled the finances to be handled in a more efficient way and provided needed operating capital to go ahead with regaining the Company's place in the shoe industry, passing through a long period national and world business recession.

A few excerpts from the minutes lead to the President's report showing the drastic reorganization of ^{the} Company into a new operating structure, and thence into the developments of 1938, these two years, 1937-38 being largely determinative of the Company's future.

On November 19, 1937 the directors approved the formation of the Quarter Century Club for personnel, something which was to prove productive of pride in and recognition of service in both time and quality.

On February 18, 1938 the directors approved discontinuance of the Management Committee and empowered the President, John A. Faulkner, to conduct the affairs of the Company subject to the Board.

On July 15 the directors authorized the United Shoe Machinery Corporation to check one of the factories, producing a voluminous, detailed report of value. And on August 19 they authorized employment of McKinsey,

Wellington and Company of Boston to make a survey of the Company. This company produced a valuable report with recommendations. And here it is necessary to reproduce the President's report on 1937, which report provides the essential facts on the Craddock-Terry Company becoming the Craddock-Terry Shoe Corporation, as it has since been styled.

much

It is with pleasure that I am able to announce the consummation of the plan that was submitted ~~to~~ by Craddock-Terry Company to its stockholders with its letter to stockholders of August 1, 1938.

Briefly, and for purposes of summary only, Messrs David H. Dillard, J.T. Moell, Jr. and John M. Miller, Jr., submitted to Craddock-Terry Company on July 22nd last, a written proposal to purchase all its assets, including good will (except, however, its franchise to be a corporation) as a going concern and that proposal was accepted by Craddock-Terry Company. Those gentlemen agreed to cause to be formed a new corporation to which such assets would be conveyed and transferred, and that such new corporation would assume the debts and liabilities of Craddock-Terry Company (excepting its liabilities to stockholders) and issue and deliver to this company shares of stock of such new corporation on the bases set forth in said proposal, and also deliver to this company certain obligations in writing of said new corporation as also set forth in said proposal. Copies of that proposal and the acceptance thereof accompanied said letter of August 1st last to all stockholders.

The proposal so accepted was upon the condition that holders of at least eighty per centum of each class of the stock of Craddock-Terry Company should consent to the sale, conveyance and transfer and agree with Craddock-Terry Company to accept from it shares of stock of the new corporation in exchange for their shares of stock of Craddock-Terry Company upon the bases outlined in said proposal. That condition was fully met, and within the time stipulated in said proposal the requisite consents and agreements of stockholders had been ~~executed~~ executed and delivered to your company at nine o'clock A.M. on November 14, 1938.

Accordingly and in conformity with said accepted proposal the new corporation by the name of Craddock-Terry Shoe Corporation was duly incorporated by the State Corporation Commission of Virginia; and thereafter proper proceedings were continued for effectuating the sale, conveyance and transfer, as outlined in said proposal. This was fully consummated at eight o'clock A.M. on January 23, 1939, by Craddock-Terry Company then conveying, transferring and delivering all its properties and assets as a going concern, together with the possession thereof, to said Craddock-Terry Shoe Corporation, and the latter's acceptance and receipt thereof, ~~and~~ and by Craddock-Terry Company then receiving from Craddock-Terry Shoe Corporation certificates for the appropriate number of shares of the latter's stock at that time to be delivered on the bases of said proposal, and said Craddock-Terry Shoe Corporation's written obligations in all respects as provided by said proposal.

The following tabulation shows the number of shares of the various classes of stock then issued and outstanding and the number of shares of said several classes of which the holders had at eight o'clock A.M. on January 23, 1939, consented in writing to said sale, conveyance and transfer and executed written agreements with the company as provided in said proposal.

<u>Class</u>	<u>Outstanding</u>	<u>Consenting</u>	<u>Being</u>
First Preferred	12,560 shares	10,673 shares	85.38%
Second Preferred	12,500 shares	10,947 shares	87.57%
Class C Preferred	9,956 shares	8,414 shares	84.51%
xxxx Common	32,704 shares	29,295 shares	89.58%

Accordingly there were then delivered to this company shares of stock of Craddock-Terry Shoe Corporation, as follows:

First Preferred stock 10,673 shares, equaling the number of shares of the First Preferred stock of Craddock-Terry Company, consenting, and 5,336½ shares of the No Par Common stock, equaling one half share for each share of the First Preferred stock of Craddock-Terry Company consenting.

Second Preferred stock, 10,947 shares, equaling the number of shares of the Second Preferred stock of Craddock-Terry Company consenting, and 2,736 ¾ shares of the No Par Common stock, equaling one fourth share for each share of the Second Preferred stock of Craddock-Terry Company consenting.

Third Preferred stock, 8,414 shares, equaling the number of shares of Class C Preferred stock of Craddock-Terry Company consenting, and 1,051 ¾ shares of the No Par Common stock, equaling one-eighth share for each share of the Class C Preferred stock of Craddock-Terry Company consenting.

Common stock, 29,295 shares of No Par Common stock, equaling the number of shares of Common stock of Craddock-Terry Company consenting.

And the written obligations of said Craddock-Terry Shoe Corporation as provided in said proposal.

The former assets and business of Craddock-Terry Company have, therefore, since eight o'clock A.M. on January 23, 1939 have been owned and conducted by said Craddock-Terry Shoe Corporation, and as the successor of Craddock-Terry Company. As promptly as practicable after compliance with the legal requirements Craddock-Terry Company will deliver to its stockholders who are entitled thereto and in exchange for their present shares of Craddock-Terry Company stock, shares of stock ~~in~~ of Craddock-Terry Shoe Corporation of the various classes and upon the bases set forth in said proposal: and notice, of course, will be given of the time when and the place where the stock certificates of Craddock-Terry Company are to be sent for making such exchange.

Craddock-Terry Shoe Corporation has in accordance with said proposal the same officers and directors as Craddock-Terry Company. The new corporation in setting up its capital structure listed the fixed assets it acquired from Craddock-Terry Company at figures believed to be their fair values. For example, the "capital assets active" appearing on the Craddock-Terry Company balance sheet herewith submitted were carried as of the end of the fiscal year at \$955,915.92 and they are on the books of the new corporation at \$473,322 and the "capital assets inactive", including the ~~xxxx~~ idle factory property in Milwaukee and the leasehold at St. Louis were carried on said balance sheet at \$944,630.32 and they are on the new corporation's books at \$123,293 -- making an aggregate total of the new corporation's fixed capital assets, comprising land, buildings, machinery, etc., of \$596,615 as against \$,900,546.24 shown on said balance sheet. The new organization, therefore, faces the future without the burden of a capital deficit and any

~~accumulated~~ accumulated unpaid dividends and is in a favorable position as to overhead, and furthermore for the next five years has reduced dividend requirements.

Those stockholders of Craddock-Terry Company not uniting in the sale are not considerable in number. The law makes provision as to their rights.

A balance sheet as of the end of the ^{fiscal} year, November 26, 1938, is hereto attached. The operating results for the year 1938 were unsatisfactory. They produced net earnings of \$62,556.81 before providing for State and Federal income and surtaxes of \$22,220.31, and left \$40,336.50 as the profit and loss surplus.

Net sales diminished as compared with the year 1937 to the extent of \$610,802.93, and this was due to decline in sales in the spring season. The fall sales held reasonably close to the fall business of the previous year.

Our only consolation in this poor showing is the knowledge that the year 1938 was far from satisfactory as a profit producer for industry as a whole, and particularly in the shoe industry.

We feel encouraged at the present time as to operations of the new corporation. The month of December last showed an increase in shipments by Craddock-Terry Company of slightly over ninety per centum as compared with the same period of the previous year, and unfilled orders are held by the new corporation for approximately half a million dollars in excess of those held by Craddock-Terry Company a year ago. How long the present improvement in business conditions will continue, we cannot venture to predict, but assuredly all endeavors will be made by Craddock-Terry Shoe Corporation to realize upon the improved situation.

During the last several months of Craddock-Terry Company's operations its board and management were in collaboration with outside representatives in developing plans to inaugurate such changes in policy and operations as seemed to be required.

The Craddock-Terry Shoe Corporation starts upon a sound capital basis. A balance sheet of the new Corporation showing its financial set-up as of January 23, 1939, the date of its beginning operations, will be sent to each stockholder when the stock in the new Corporation is delivered.

John A. Faulkner

President of Craddock-Terry Company.

The minutes of the Directors meeting on January 20, 1939

recorded simply: Authorized consummation of sale, conveyance and transfer of Craddock-Terry Company to Craddock-Terry Shoe Corporation, as approved by the stockholders. But successful litigation before the Virginia Supreme Court had been necessary to accomplish this.

At this time, under the new corporation, the officers were:

Chairman of the Board, John W. Craddock
President, John A. Faulkner
Vice President and General Manager, Charles G. Craddock
Vice President, Merchandising, Louis F. Almond
Vice President, Sales, John W. James
Treasurer, Athey V. Weekley
Controller-Secretary, H.A. Wells
Assistant Secretary, R.H. Cox

The Board of Directors:

John W. Craddock, John A. Faulkner, John M. Miller, Jr.,
John W. James, L.F. Almond, Charles G. Craddock, D.H. Dillard,
J.T. Noell, Jr., T.G. Hobbs

On October 13, 1939 the Civic Clubs Council of Lynchburg honored John Wimbish Craddock with its second annual First Citizen award, the award having gone the previous year to Senator Carter Glass. More than 3,000 citizens attended the ceremonies in City Armory. The presentation address was made by Judge Aubrey E. Strode. The principal following address was made by Harry N. Holmes, Associate Secretary of the World Alliance of International Friendship Through the Churches. It was the 153rd anniversary of Lynchburg's founding. "Mr. John" was at that time 81.

Judge Strode said: "Recognition and approbation by one's fellows supply inspiration for high endeavor and are the best of returns for service to human kind...No man deserves better of this community than does 'Mister John', because his vision, foresight, enterprise and love of humanity have brought to great multitudes of our people the best of gifts in useful work to do for daily bread, while he himself for more than half a century has been in the forefront of every worthwhile ~~community~~ movement to promote and advance the material and moral welfare of the people of this community.

"He is a great captain of industry, who helped launch the wholesale shoe business that was to grow, with the later addition of manufacturing, into the City's chief enterprise and make of Lynchburg the leading Southern shoe center and but fifth in rank in the United States."

Mr. Holmes said: "You write golden words -- friendship, kindness and helping a brother -- across the skyline of your city."

In expressing his gratitude Mr. Craddock said, in part, "I never

dared even to hope for such a sweet climax to my life as this. Whatever comes to me, you have contributed your part, more than your part...I love you. Without you life would not be worth living...You and I have worked together and know each other and you don't need to be told how much I thank you and how much I love you."

Extracts from an article in Boot and Shoe Recorder, fill out the record in the issue of October 28, 1939:

"John W. Craddock is one of most outstanding examples of the major industrialist, who, from a small beginning in a small city and in a most competitive field, has built up one of the largest manufacturing establishments in his line and with it all has shown the broadest humanity, fair play and consideration for employees. So successful has he been in promoting good will between employer and employee that Lynchburg is noted throughout the United States as a favorable place in which to manufacture.

"With his brother, A.P. Craddock, who retired from the business a few years ago, and T.M. Terry, now deceased, Mr. Craddock started a small wholesale shoe business in Lynchburg in 1888. This business originally employed only 15 to 20 people, but due to a forward looking policy, steadily grew, establishing ~~xxx~~ its first factory in 1902. This was the first shoe factory south of the Mason and Dixon line and grew until it is now running full time producing 5,000 pairs daily of women's fine dress welts and Littleway shoes.

"By bringing capable superintendents, experienced foremen and a nucleus of skillful operators from shoe centers in New England, Mr. Craddock was able to properly launch a new industry which has since become a major factor in the South's economic structure.

"In 1906 the West End factory for the manufacture of men's dress welts was established. The capacity of this factory has just been increased to 6,400 pairs daily.

"Craddock-Terry Company has always had a large business in women's popular priced style shoes to retail in the lower brackets. In 1920 the Fort Hill factory was opened and is today making 10,000 pairs daily and running to capacity. A few years ago a factory was established at Farmville to make work and service shoes. This factory manufactures 2,500 pairs daily.

During the past six months all factories have been completely modernized so as to take advantage of the new methods in shoe manufacture that have developed in recent years.

"The payroll of Craddock-Terry Shoe Corporation of Lynchburg, Va., labor is in excess of three millions yearly, with an output of shoes valued at more than nine million dollars, and the company has 3,500 employees.

"Mr. Craddock's activities have not only been confined to the shoe business. He has rendered valuable service to his city, his state and his nation. No drive for the city's institutions was ever made in which he did not take an active part, and he has always come to their aid in every emergency. He was responsible for the first playground, for the purchase of an island in the James River as a YMCA athletic field, and gave funds to build a large

outdoors swimming pool at the YWCA camp.

"During the World War, Mr. Craddock headed every Liberty Loan drive, and Lynchburg made a record for the entire country by raising its quota in record time. He served a number of years (12) on the Board of Vistors, the governing body of the University of Virginia and rendered signal service.

"In August 1918 Mr. Craddock became head of the Shoe Division of the War Industries Board, succeeding Mr. J. F. McElwain. In this position he had charge of all purchases of shoes, leather, and raincoats during the World War and Mr. McElwain, in speaking of Mr. Craddock as his successor, stated that by his acts Mr. Craddock had proven that he was the best equipped man in the country for this difficult task."

John W. Craddock, Jr., who had served the company in many capacities, attaining the status of member of the Board and at one time in charge of the Western Department in St. Louis, died on Feb. 5, 1940, bringing a resolution of respect at the Board's meeting on Feb. 17.

On March 4 authorization was given to the officers of the corporation to proceed with construction of a new office building at 56 Ninth Street designed by the architectural firm of Fauber and Poston.

On July 29, 1940 the Board adopted a resolution of respect to "Mr. Abe", Abram Poindexter Craddock, brother of John W. Craddock, and with T. M. Terry, deceased, associated with "Mr. John" from the beginning as partners. A. P. Craddock had been among the initial star salesmen, was always especially valuable in sales and in creation of good will for the business wherever he was, a man of great real ability and capacity for friendship.

The death of A. P. Craddock was the first of three important ~~things~~ events relating to ~~the~~ company personnel in this period. The second was the return to the company after many years of Percy Norman Burton, now widely experienced in the shoe industry and an expert in shoe manufacturing. The third was the death of John W. Craddock.

If it can be said that there is a favorable time for a man of considerable age, distinction, varied accomplishments to die, it might be said that this was so with John Wimbish Craddock who died on February 6, 1941. The last, and leader, of the partners who founded the Craddock-Terry Shoe

Corporation he continued, in his 83rd year, as chairman of the board. The great shoe manufacturing business he had founded was moving into its strongest period, he had but recently been given the award of First Citizen of Lynchburg where 60 years of his life were spent. A drastic reorganization and modernization of the corporation, strengthening it in all departments, assured him of its future prosperity, and he was to miss the travail of World War II. Loved, respected, honored, much of what he last saw about him was in part his accomplishment. But it is best to let the record of his going, following his death, speak upon these things.

Herewith is the resolution of respect of the Board of Directors meeting on ~~February 22, 1941~~
February 22, 1941:

On Thursday, February 6, 1941, John Wimbish Craddock, the founder of this business completed his life's span.

For some months it has been apparent to us all that the end was approaching and his family and friends watched with sorrow the gradual ebbing of a great career.

In the line of his special activity, John Craddock was a national figure. Throughout the Shoe and Leather industry he was recognized as a leader and in the councils of the trade his wise direction was constantly sought by the leaders everywhere as long as his health permitted.

In the affairs of his state and home community he was a natural leader, and while he shunned political preferment, his business acumen, his broad knowledge of affairs and trends, and his ability to meet and solve difficult situations, caused him to be sought to serve on all occasions when public welfare required the direction of a master mind.

It was with his more intimate relations of his personal business as the founder and guiding spirit of a great local manufacturing enterprise that we, his associates in those operations, knew him at his best, and it is here that his loss will be more keenly felt. He was a great man from every angle, and in our daily contacts with him, it has been our privilege to appraise and appreciate his true worth.

He was a prophet with honor even in his own country. He brought to us a matured and considered judgement, based on sound conclusions thought through. He was approachable, considerate and possessed that rare tolerance for the views of others that endeared him to us all to a degree few men have realized in their business associations.

He was a prince among men, a paragon of fair dealing in every transaction, and a friend whose friendship knew no limitations. From the highest co-executive on his staff to the lowest paid employee, he was courteous, kind, thoughtful and cooperative.

its life keeps its name in history. Or the quality of its citizenship through the years sets a pattern that is followed, even though sometimes unconsciously, and gives it an honored name in its State.

In this last, especially, Lynchburg has been fortunate. In the energy the ability, the loyalty, the character of its citizens from the beginning it has had the right to be proud.

Among these men and women of the more than 150 years of municipal life, none has been more distinctive than John Wimbish Craddock.

That old and familiar quotation fits here, that "The good that men do lives after them," and an illustration of it follows most concretely in A Message to the Executives, Salesmen and Key Men of the Craddock-Terry Organization, dated March 17, 1943 and signed by John A. Faulkner, President:

These are strenuous times in which we find ourselves -- times that call for an expression in deeds of the very best that is in all of us; times that call for tolerance and consideration in our relations one with another; times that call for fortitude in making the sacrifices we are called upon to make and making them cheerfully; times that call for the acceptance of conditions necessarily forced upon us with as good grace as we can muster; in short, times to demonstrate that we have that intestinal fortitude that is required to meet the conditions of the present, than which nothing more serious has confronted the American people in all our history.

This morning there came to my desk a letter addressed to you gentlemen over the signature of Mr. John. It is like his voice coming out of the past, but is so aptly pertinent to the conditions of the present that I am taking the liberty of reproducing it herewith as an inspiration to us all to be men in the real sense of the word at a time when men in the real sense of the word are needed.

The letter Mr. Faulkner reproduced was dated January 12, 1925 and addressed: A New Year's Message to the Salesmen and Departmental Heads of the Craddock-Terry Co. Organization:

At no time during the thirty-six years in which I have been the head of this organization has a situation called for and demanded so much real, genuine manhood, loyalty, intelligence, energy and cooperation as the one now confronting us. With this feeling acutely present with me, I am daily and hourly thinking what I can do to improve our game and to inspire in you more courage and intelligent effort.

Just this morning our old and valued salesman, Mr. W. W. Brown, whom many of you know -- who for more than thirty years has been fighting with me and his other associates for the upbuilding and success of this business -- sends me the little poem For the New Year, which I am passing on to you as embodying in the most beautiful and appropriate terms the message which I want to extend you for the New Year.

If you will read this beautiful little classic as we commence our fight on the first day of each week during the year 1925 and catch its spirit and determination, there is nothing we cannot conquer

and overcome. READ IT and RE-READ IT until all the character and courage which you possess tingles with its inspiration and lofty purpose. There is nothing higher in this world than success which comes from winning in a manly, ~~XXXXXXXXXX~~ courageous way a hard-fought battle. EVERYTHING IS POSSIBLE to the ORGANIZATION and to the MAN WHO WILL CONSECRATE HIMSELF UNQUALIFIEDLY to the PURPOSE OF DOING HIS FULL DUTY.

With many, many wishes that the New Year may bring you generous blessings, and that at its close yours may be the greatest of all blessings -- A SENSE OF DUTY WELL PERFORMED.

Yours Sincerely,

John W. Craddock

Chairman of the Board, Craddock-Terry Company

FOR THE NEW YEAR

Others may wish you the peace and ease
Of a gentler break for the years ahead;
Silken sails on the stormless seas,
Or rose-rimmed paths where your feet may tread.
I wish you the fibre, the valiant need
To drive your way through the bitter blasts;
I wish you the heart of the fighting breed
To carry through while the battle lasts.

Here and there we can rest and dream,
But most of it is a finish fight;
War to the hilt where the red flares stream
Over a field that is thick with blight;
Life, as it happens, is raw and crude,
With sin and sorrow, defeat and shame,
Where the only answer is fortitude
And the old, old courage to play the game.

I could wish you luck that was spun of gold,
With softer paths for your feet to know;
I could wish you peace through an endless fold
With never a cloud on the azure glow;
But better the heart to meet the crash
When storms come down from the hills at dawn;
Better the soul that can face the slash
When life walks in with its saber drawn.

written

Mr. John's letter was/in 1925 when the business stimulus of World War I had vanished and a moral and economic fever was on the land. Mr. Faulkner was using it in 1943 in the middle of World War II when every material and spiritual resource of the land was strained taut. He called upon the company to remember Mr. John and so fight their way through whatever faced them, as part of a national and world crisis of such proportions as not ever before experienced. In the business world the period was characterized by increased volume for those supplying goods essential to prosecution of the war, with a balancing factor of increased taxation for financing the war effort.

For Craddock-Terry it was a period of continued consolidation and improved, with lease or sale St.Louis and Milwaukee properties, enlargement of the Farmville plant, generous contributions to welfare and war causes where the Company operated, including purchase of war bonds. And a move to prove significant was the first appearance of Percy N. Burton on the Board, elected at the annual stockholders meeting on January 24, 1942.

Large blocks of preferred stock were purchased and retired. And a Committee of the Board worked out changes in the general lines of shoes including setting up separate selling divisions for men's, and for women's and children's shoes. Steps were taken to "secure the trade names "American Gentleman shoes and American Boy shoes" and these plans were approved by the Board in session on April 27, 1942.

Appropriate resolutions of respect were passed at the death of T.Gibson Hobbs, who had been a valuable addition to the Board in ~~the~~ ^{the Company's} reorganization and development phase of the preceding years.

More extensive advertising was provided for American Gentleman shoes in Boot and Shoe Recorder and in Life magazine and for Miracle Arch in the ~~Executive~~ Boot and Shoe Recorder.

On January 19, 1943 the Board membership was increased to ten and at the annual stockholders meeting the directors elected were Charles G. Craddock, John L. Caskie, D.H.Dillard, John A. Faulkner, J.D.Owen, L.F.Almond, Percy N. Burton, John M. Miller, Jr., J.T.Noell, Jr and John W. James.

In 1944, on April 29, came the death of John A. Faulkner, president, with the Directors' resolution of respect in memory to the man and his services, on May 5.

Another key move came on May 31 when discontinuance of the factoring arrangement with William Iselin and Company of New York was authorized.

On the 26th of January 1944 H.A.Wells was elected to the vacancy on the Board created by the death of Mr.Faulkner, and officers elected were Charles G. Craddock, President; H.A.Wells, Vice President, Finances; Percy N. Burton, Vice President, Manufacturing.

It is said that the surest mark of a man's impression upon and recognition by his community -- that community being inclusive of that area of his country in which he is known -- is to become identified by his initials, by a nickname, or by whatever familiar diminutive is attached to him by his friends and acquaintances. That is why John Adams Faulkner was known and referred to always as 'Jack' Faulkner. His mark was firmly and widely made. With no intention of disrespect or familiarity even those who did not know actually know him referred to 'Jack' Faulkner when there was an occasion for mentioning his name. It is good that a man be so known and remembered when he was regarded with affection and respect.

Jack Faulkner was indeed widely known. His mark is left firmly upon many of Lynchburg's activities and enterprises. He was diverse in his interests and abilities and when his talents and energy were attached he left improvement, and left regret at his departure for a larger sphere of activity. So it is that his going now leaves Lynchburg better for his 72 years as one of its citizens.

Jack Faulkner participated in all those things that make demands upon the good and able citizen. His was never lip service, the lending of his name, but a contribution of the best that was in him.

A span of 72 years is a long time. Some men grow very old in 72 years. Jack Faulkner was young when the time came for him to go. That is a good thing for his friends to remember, for it means that ~~his~~ his life was full all the way, that he lived richly, that his three-score-years and twelve were such that his presence and his influence will be felt strongly long beyond his going and his memory will be like a bright July morning at Lynchburg Camp on the Cowpasture and like good hot sassafras tea on a cold day, among his friends.

The wit and humor and pungency of the man, his generosity, his loyalty, his sometimes stimulating irascibility were the marks of an individualist, of a man who accepted challenge and who did not know defeat.

The year 1945 was notable in the Craddock-Terry Shoe Corporation for authorization of new plants in Victoria and Halifax, the branch plant in Farmville having proved to be so successful a venture. Elias Richards, Jr, banker, had been added to the Board, bringing its membership to twelve. And before the year was out an addition to the Victoria plant was authorized.

The President's reports ~~for~~ dated January 8, 1945 and December 23, 1946 respectively, serve here to cover adequately the history of the company at this time, in war conditions and emergence from war conditions:

~~1944~~ Submitted herewith is the financial report showing the results of operations of your company for its fiscal year ending December 2, 1944.

Net sales to customers amounted to \$15,985,487.66 against \$16,109,641.46 in 1943, the decrease being caused ~~by~~ entirely by inability to secure the manpower to produce as many pairs as were turned out in the preceding year.

Earnings were \$1,225,311.56 as against \$1,348,700.74 for 1943 before taxes and \$311,891.85 against \$360,921.53 for 1943 after taxes. Federal and State taxes were \$913,419.71 for the current year against \$987,779.21 for the year 1943.

Your company has continued to operate under fixed ceiling prices for its products and has had to absorb material increases in both labor and overhead caused by a lowered production, which together with higher tax rates has resulted in a smaller net profit for the current year.

With 653 of its employes in the Armed Services, with many others ~~severing~~ severing their connections for different reasons, and with replacements available in a constantly diminishing number, production is severely curtailed and there is no immediate relief in sight. In spite of this and difficulty in obtaining many materials, former standards of quality have been preserved, and the products of its factories have been allocated to its customers as fairly as possible at all times. It is felt that its standing with its customers has never been higher.

In attempting to carry its share for our Armed Forces, shoes for both Army and Navy have been produced in a larger way than in any former year, constituting about 40% of the company pairage capacity on men's shoes and about 20% of its total dollar sales.

As of August 1, 1944, the company took over its receivables from its factors and resumed operation of its credit department. The results to be obtained from this it is felt will be a better rounded organization and a material saving. The ratio of current assets to liabilities is 5.2 to 1 as shown by the balance sheet. Inventories of raw materials have been taken at cost or market, whichever is lower, and the company is very appreciative of the fine cooperation shown by its principal suppliers under today's conditions.

With no improvement in sight as to manpower, certainly for the first part of 1945, with materials for civilian shoes becoming still scarcer, due to the increased call for the Military, it will be

difficult to equal last year's volume during this period. Your company will continue to do its best. Its inventory of finished shoes is at an all-time low. Inventories of shoes in all hands throughout the country are at the lowest point in years recent years. When the war is finally over and many of our former employes have returned to their old jobs and when leather now going into Military shoes is again available for civilians, it would seem that our company should be in a reasonably strong position.

It is a real pleasure to recognize the loyal and cooperative manner in which the members of the organization have worked together and met their problems under difficult conditions and to express to them my sincere appreciation.

Respectfully submitted,

Charles G. Craddock, President

December 23, 1946

TO THE STOCKHOLDERS OF THE
CRADDOCK-TERRY SHOE CORPORATION:

There is submitted herewith balance sheet and condensed statement of Profit and Loss showing the results of the operations of the company for its fiscal year ended November 30, 1946.

Net sales to customers amounted to \$17,224,510.63 against \$13,958,389.56 for the preceding year, a gain of slightly less than 24%. It will be recalled, however, that the volume for the year 1945 was adversely affected by a work stoppage due to a strike among the employes of its Lynchburg factories during that year.

Net income before taxes and reserves amounting to \$1,896,172.64 against \$800,460.97 for the preceding year. Federal and State taxes were \$800,098.85 against \$543,392.84. While total taxes for the past year were greater than for 1945, the excess profit tax applied to only one month of the company's 1946 fiscal year as against the whole of its 1945 year. The percentage of taxes to profits was therefore considerably less for 1946 and this contributed materially to the company's increased earnings for that year. Net income after taxes, but before reserves, was \$1,096,073.79 against \$257,068.13 for 1945.

Hides, leather and shoes which under OPA had been held at lower levels than most other commodities, advanced sharply with the removal of controls and are now at a materially higher level than they have been for many years. Realizing that there is a possible danger in this situation, \$225,000 has been added to the company's Reserve for Possible Inventory Declines, bringing this reserve to a total of \$400,000.

The company's reserves for Bad Debt Losses and Contingencies have, also, been moderately increased.

Customers Accounts Receivable, amounting to \$1,964,069.86, are in excellent condition and protected by a reserve which, it is felt, is adequate.

The ratio of current assets to current liabilities, as shown on the balance sheet, is 3.11 to 1.

Inventories of shoes and raw materials have been taken at the lower of cost or market.

PREFERRED STOCK

The company arranged during the year for a long-term loan of \$750,000 at a favorable rate of interest, which is to be repaid in annual installments over a ten year period, or sooner, at the company's option. This money was used to retire the balance of its then outstanding First Preferred stock as of June 30, 1946 at \$110 per share which effects a further substantial reduction in the amount required for dividends on its Preferred stock.

NEW FACTORIES

About February 1, 1946 the company started production of Work Shoes in a new factory at Victoria, Va., and in April started the production of Casual or Play Shoes in a new factory at Chase City, Va. Both of these factories have developed satisfactorily and should materially add to the company's volume during the coming year. Each will have an eventual capacity of 2,400 pairs per day.

On December 2, 1946 production was started in the company's Growing Girls Factory at Halifax, Va., which has been under construction during the past year and will be, we feel, one of the most modern and best laid out factories in the country. Production will be gradually increased in this unit throughout the year as operators are trained, and it will have an eventual capacity of 4,800 pairs per day.

three

The addition of these ~~two~~ factories will add considerably to the company's volume, with a consequent reduction in general overhead. This now gives the company eight complete units, each specializing in one type of footwear, and allows the production of its better grade branded line shoes in its Lynchburg factories, making it possible to serve our customers better.

LABOR CONDITIONS

Labor conditions during the past year have been friendly. Substantial increases in wages were put into effect during the year. A second weeks vacation was granted to employes with service of five years or over, certain paid holidays were granted and a higher minimum wage made effective.

RETIREMENT PLAN

For sometime now, your Board of Directors and Officers have realized the need for some plan or system for the payment of retirement allowances to eligible salaried employes of the Corporation. Extensive preliminary studies were made by a committee of your Board and the plan recommended by the committee was adopted by the Board on October 21, 1946. The Board of Directors believes that the plan approved by it and to be submitted to the Stockholders for approval at the annual meeting to be held on January 25, 1947, if approved by the Stockholders and continued in effect, will result in the quicker promotion of young men to positions of responsibility and so help to keep the organization alive and virile. The plan approved by the Directors will, so long as it is continued

in effect, enable the Corporation to retire eligible salaried employees upon attainment of age 65. The reserve of \$50,000 shown on the enclosed statement is to cover the initial contribution to the trust. It is hoped that the plan will be approved by the Stockholders.

OUTLOOK FOR 1947

During the past year, particularly from midsummer on, due to the crippling effect of OPA controls on the flow of cattle, hides and leather, many problems were presented which your management had to meet daily to the best of its ability.

We enter 1947 with an entirely different set of problems and ones with which it may be even more difficult to grapple for successful results. The supply of leather should be reasonably adequate, even in face of a world scarcity. Hides, leather and shoes are on a high level, however, and consumer resistance to today's prices for shoes may well materialize. It is possible that the shortage of finished shoe inventories throughout the industry may allow full operation of our factories for the balance of our Spring Season, or until around May 1, 1947. With the start of our Fall Season, about that date, however, it is expected that conditions will bring about the return of a buyer's market, that selling will again be a problem and that quality and competitive pricing will be paramount.

Our company, I feel, with its present organization, and with greatly improved and modernized merchandising and manufacturing methods and facilities, is in better position than it has ~~been~~ ever been to meet these problems and faces the future with confidence tempered by caution.

Very truly yours,

Charles G. Craddock, President

The next few years were characterized by a reasonably good level of business and evidences of strengthening the company, of acts indicating the fact of the Craddock-Terry Shoe Corporation moving into line with changing industrial practices including, under the provisions of the tax laws, substantial contributions to educational institutions and welfare agencies as well as strengthening the welfare provisions for employees.

A memorial resolution adopted at a directors meeting on Nov. 1, 1948, to John M. Miller, Jr., deceased member of the board, indicated the loss of a man who had played a vital role in seeing the corporation through its most critical period and subsequent growth. Mr. Miller, a native of Lynchburg and president of the First and Merchants National Bank of Richmond, contributed richly to the corporation out of his

financial acumen, his conservative banker's adherence to sound practices, and his respect for corporate integrity. He had served with a small group in this, who were called in at the critical period, notable among them David Hugh Dillard, Lynchburg industrialist and James T. Noell, Jr., Lynchburg lawyer. These men, and others, played a quiet role so far as public knowledge was concerned, but one which the full record shows enabled the Craddock-Terry Shoe Corporation to move on to its high place in the shoe industry, in the face of conditions difficult for that industry. The entire period and process might be called a reforging of good metal into a superior alloy.

Next came the retirement, November 29th, of John W. James, Vice-President for Sales, member of the board, and for many years a valuable executive.

Among the significant contributions was \$10,000, authorized at the same meeting, toward establishing the Graduate School of Business at the University of Virginia, the first such school in the South and in its establishment marking the demands of industry for highly trained men for executive personnel.

During this period the corporation was paying a ten per cent dividend on its \$1 par common stock. The officers were: Charles G. Craddock, president; Percy N. Burton, executive vice president and V-B manufacturing; L.F. Almond, vice president merchandising; Herbert A. Wells, vice-president finance and controller-secretary; J. Troy Hopkins, vice-president sales; A.V. Weekley, treasurer; Herndon A. Hogan, assistant secretary. It is pertinent here to present the president's report as of Jan. 4, 1952, for the business status of the corporation:

There is submitted herewith Balance Sheet and Condensed Statement of Profit and Loss showing the operations of your company for the fiscal year ended December 1, 1951.

Net Sales, less discounts and returns, amounted to \$23,185,883.20 as compared with \$21,265,607.91, a gain of \$1,920,275.29 or 9.03%.

Net income for the year before taxes amounted to \$1,384,162.18 as compared with \$1,296,584.57 the prior year. Provision for Federal and State income taxes was \$683,060.19 against \$555,117.29 and Net Income after taxes was \$701,101.99 as compared with \$741,467.28 for the previous year. This was \$4.15 per share on the Common Stock against \$4.42 the year before.

Early in the year your company negotiated with the Prudential Insurance Company of America a \$2,000,000.00, 3 and 3/8% fifteen year loan, repayable approximately \$135,000 annually. This has resulted in a materially improved working capital position, with no current bank borrowings at the close of our fiscal year, and with a ratio of current assets to current liabilities of 6.09 to 1 compared with 2.43 to 1 the year previous.

Customers accounts Receivable, less reserve, amounted to \$2,485,722.36. Credit losses during the year have ~~been~~ again been negligible.

Inventories of finished goods and raw materials have been taken at the lower of cost or market. Our Net Worth stands at \$6,323,696.44, an increase of something over \$300,000.00 during the year, and the book value of our stock is now \$31.00 against \$28.85 a year ago.

The free buying which characterized all industries during the last half of ~~1950~~ 1950 continued in our line into early 1951, with a momentum that kept factories operating at capacity and resulted in a considerable build-up of inventories by the Spring of last year. This free buying was sharply curtailed later in 1951 and the industry's production of civilian shoes for the year was about 10%, or 50,000,000 pairs fewer than for the year 1950. As the sale of shoes at retail continued reasonably normal ~~throughout~~ throughout the year it is believed that ~~inventories~~ total inventories of ~~shoes~~ finished shoes have been reduced by something approaching this figure and are now in normal shape.

During the year we shipped shoes for the Armed Services with a value of \$1,931,342.40. It is not probable, barring a further emergency that our Government will purchase shoes in 1952 to the extent it did in 1951, and with such contracts as are being let, being priced on a basis making their desirability debatable, it is not probable that we will manufacture such shoes to this extent during the coming year.

Prices of hides and leathers, our raw materials, have declined sharply over the past several months and are now on a basis enabling us to price our lines in more popular ranges. We feel, therefore, that with inventories of finished shoes brought back to a healthy position and with shoes more attractively priced, 1952 should hold reasonably good business for our company.

I wish to take this opportunity to acknowledge the work of the members of our organization and to thank them for their efforts.

Charles G. Craddock, President

On July 18, 1952 Herbert A. Wells, vice-president finances, secretary-controller, and for many years ~~is~~ serving the company at a high level of performance, died and received a fitting tribute from the board. Herndon A. Hogan was appointed to his unexpired term as secretary-controller and Athey V. Weekley was moved to the full duties of Treasurer. Other officers remained the same and the board, as of Jan. 24, 1953 consisted of C.G. Craddock, Percy N. Burton, L.F. Almond, D.H. Dillard, John L. Caskie, J. Troy Hopkins, Elias Richards, Jr., J. Doniphan Owen, Charles G. Baber, James T. Noell, Jr., David E. Basten.

Plant extension continued when on May 25, 1953 the management was authorized to accept a plant site offered by Chase City, Va., and to go ahead with plans for a plant with approximately 40,000 square feet of floor space.

At the directors meeting on Jan. 4, 1954 John Leslie Stone was employed as General Salesmanager and on the 23rd was added, at the stockholders meeting, to the Board of Directors, and on the same day the Board elected him Vice-President in Charge of Sales.

A major event in the Craddock-Terry history came on Jan. 28, 1956, when circumstances of health led Charles Granville Craddock, president, and son of the principal founder, announced his decision to retire, at the stockholders annual meeting. In reality the retirement had already been made known and on the previous evening he had been given a testimonial dinner at Boonsboro Country Club. On that occasion Percy N. Burton, executive vice president, presented him with an engraved silver pitcher on behalf of the officers and directors, and paid strong tribute to him for his 44 years of service to the company.

Mr. Craddock responded with comments of appreciation and pointed out that the payroll the previous year, for the Lynchburg plants, had been just under \$8 million for the 2,500 employes, that the company was close to the nation's top four shoe manufacturers, and expressed his confidence in the knowledge and ability of the younger men taking over to operate the company with success.

David Hugh Dillard, one-time president, and continuing as a member of the board, presided over the meeting and introduced the out of town guests who were men of distinction in the shoe industry, and executives of the company's plants outside of Lynchburg. The Daily Advance commented editorially upon Charlie Craddock's retirement:

On Friday evening the friends and associates of Charlie Craddock gave him a testimonial dinner. The occasion was his retirement as president of Craddock-Terry Shoe Corporation after being with the company for forty-four years.

The dinner honored the head of Lynchburg's largest industry; it honored one of Lynchburg's finest citizens.

Charles G. Craddock is a modest man. To know his ability in business, his loyalty to the city, his contributions to the community in which he has headed successfully its biggest industry, and one of the largest of its kind in the country, requires some degree of investigation. For he is quiet in what he does, seeking no credit.

In the shoe manufacturing business to head successfully such an organization as the Craddock-Terry Shoe Corporation means the ability to survive and make money in one of the most highly competitive industries in America. Necessary adjustments through the years have been many. They have been made soundly so that the son of John W. Craddock, one of the founders, retires with the business of his company at the highest point in its history.

Many and generous have been the contributions of the company to worthwhile causes in Lynchburg. No man has favored these contributions as much as Charlie Craddock. No man has been more interested in the ~~company's~~ city's welfare. And his interest and generosity have been extended far beyond the city to those matters forwarding his native state, to those communities where other Craddock-Terry plants are situated.

In the social, business, civic and church affairs of Lynchburg a quiet support, an unostentatious participation, a deeply sincere interest could always be counted on from Charlie Craddock, and it is reflected in always in the respect and affection of his friends and acquaintances.

The retirement of Charles G. Craddock means an earned rest after long and important accomplishment. And it means, The Advance hopes, many years of Charlie Craddock doing the things he likes to do and continuing as a citizen to be one of the most valuable men in this community and in the Commonwealth. He holds an enduring place on Lynchburg's roll of honor for its distinguished sons.

The same stockholders meeting elected as directors Charles G. Craddock, David H. Dillard, Percy N. Burton, Elias Richards, Jr., Charles G. Baber, Louis F. Almond, David E. Basten, John Leslie Stone, W. Martin Johnson.

The Directors elected as officers: Percy N. Burton, president; J. L. Stone, vice-president in charge of sales; L. F. Almond, vice president in charge of merchandising; Athey V. Weekley, treasurer; Herndon A. Hogan, secretary-controller; J. Troy Hopkins, Asst Vice-president, sales.

Mr. Burton, a native of Bedford County, had worked for Craddock-Terry in his youth, going from them to the J. K. Orr Shoe Co. of Atlanta, of which company he became an executive and member of the board. He moved from there to Frankfort, Ky. as general manager of that division of the General Shoe

Corporation of Nashville, when General bought out Orr. In 1940 he returned to Craddock-Terry as director of manufacturing. In 1944 he became vice-president in charge of manufacturing, and in 1951 was made executive vice-president.

At the time of his election as president, to succeed Charles G. Craddock, Percy Burton was a director of Lynchburg Community Chest; and vice-president/a director of Lynchburg Chamber of Commerce; a director of Lynchburg National Bank and Trust Company; a director of First Federal Savings and Loan Association; a director of the National Shoe Manufacturers Association.

The death of Charles G. Craddock, retired early in the year, came on October 18, 1956 and was properly memorialized by the Board on October 19.

At the same meeting authorization was provided for increasing retirement benefit payments to members of the Quarter Century Club from \$1,000 to \$1,600 net.

On the 26th the first payment to the Craddock-Terry Foundation, Inc. was authorized, thus instituting the modern system of providing for corporate gifts.

For the ^{fiscal} year ~~1955~~ ending December 1, 1956 it is pertinent to record the first report to the stockholders by Percy N. Burton as president:

Net sales of \$28,772,448.54 reached the highest total in the history of the company, exceeding 1955 by \$1,639,079.90, or 6.04%.

Net income for this year, after providing for Federal and State Income Taxes of \$1,028,746.07, amounted to \$900,811.67, or 3.13% of Net Sales. Net income for the previous year, after providing for Federal and State Income Taxes of \$926,787.21, amounted to \$770,734.27 or 2.84% of Net Sales. After payment of dividends on the company's 5% Preferred Stock, the Net Income was equal to \$4.15 per share of Common Stock as compared with \$3.48 per Common Share for the year 1955. Net income after taxes showed an increase of \$130,077.40, or 16.9%.

The company's Working Capital (Current Assets less Current Liabilities) increased during this year by \$549,151.32, and at December 1, 1956 amounted to \$8,978,596.80. The ratio of Current Assets to Current Liabilities at the end of the year was 5.78 compared to a ratio of 5.40 at the end of the preceding year.

The net worth was increased from \$7,745,960.65 to \$8,373,449.56 resulting in an increase in book value of the Company's Common Stock from \$30.71 to \$34.07 per share.

Customer Accounts and Notes Receivable, less reserve, are \$1,105,182.01 as compared with \$3,384,901.13 a year ago. Credit losses were again extremely small.

Inventories are valued conservatively at the lower of cost or market.

Our advertising and promotional program has been accelerated and the increasing acceptance of our brand names is most gratifying. Constant effort is being made to assist our customers in merchandising and promoting our lines.

Bookings on our Spring lines for 1957 have been satisfactory, and we expect good business for the first half of the year. Conditions in the shoe ~~business~~ industry look reasonably favorable and we believe that 1957 should show some improvement over 1956.

It is with much sorrow that we report the death of Mr. Charles G. Craddock on October 18, 1956. Mr. Craddock retired in January 1956, after 44 years service; however, he continued to serve as a director until his death.

I should like to take the opportunity to express my appreciation for the cooperation and efforts of the members of our organization who have made this another successful year.

Sincerely,

Percy N. Burton

Jan. 4, 1957

President

Personnel changes in 1958 found Louis F. Almond, vice-president in charge of merchandising retiring on January 1 for reasons of health. On January 4 Ernest M. Taylor, president of the G.A. Coleman Shoe Co. was added to the Board. Robert S. Lockridge, general superintendent of manufacturing was made vice-president in charge of manufacturing, and added to the Board. Jack F. Almond was promoted to vice-president in charge of merchandising.

Business conditions generally and in the shoe industry brought a drop in sales for 1958 of something over two million dollars but the condition of the company was excellent with the ratio of current assets to current liabilities 6 to 1 compared with 5.69 to 1 at the end of 1957.

The minutes show, in that lacknic way business records of importance are recorded, that space had been rented at 112 West 34th St., New York City, for sales offices and the Style and Fashion Coordinator, effective as of April 1, 1958. This was indicative of the progressive, competitive advance of the Craddock-Terry Shoe Corporation in meeting changes in the industry at a higher level.

President Burton reported on ~~October~~ August 10, 1959 the employment of Charles R. Murphy, who was elected Executive Vice-President and, a member of the Board.

There was a big advance in modernization and expansion recorded when on October 8 of the same year the minutes read: "Approved building program for modernization of the company's facilities recommended Oct. 6, 1959; approved purchase of property on the Lynchburg Expressway; and authorized location of a manufacturing plant at Lawrenceville, Va. The following extracts from a story in The Daily Advance provide the essence of the new development.

Lynchburg's economic future received another substantial vote of confidence today with the announcement that the Craddock-Terry Shoe Corporation will construct new central facilities within the city.

The Craddock-Terry board of directors announced this morning that it will proceed with a major building program on a 59-acre site fronting the Lynchburg Expressway between Carroll Road and the Odd Fellows Home property.

Initial estimates indicate a capital outlay of approximately \$2,500,000 with construction work tentatively scheduled to begin in the early spring. The new facility will be designed for 200,000 square feet of floor space. Grading of the site will be extensive enough to accommodate possible future expansion of the company...

...The building program will involve sweeping changes in the location of various Craddock-Terry operations. In addition to transferring two manufacturing operations, one of which will go into the new plant, the move will consolidate a number of administrative offices and storage facilities.

(1) General offices now located at 56 Ninth St., central plant and factory offices, personnel offices, all sales divisions, the raw materials buying division, and the style department will all be centralized in the new location on the Expressway.

(2) Central supply and raw material storage facilities will go into the new building.

(3) The Natural Bridge manufacturing division will be transferred to the new location from the present Southland plant at Commerce St. and H orsford Road.

(4) Fashion Craft and Miracle Tread brands, ~~will~~ now manufactured in the Fort Hill plant at Twelfth St. and Campbell Ave., will be shifted to the Southland plant.

(5) Finished goods warehousing, now divided among three buildings in use at Ninth and Commerce, Ninth and Jefferson, and Thirteenth and Jefferson, will be consolidated in the Fort Hill building.

This program had brought strong incentives for location of the new central facilities outside of Lynchburg. The decision to remain in Lynchburg

was outlined by President Burton: "In the final analysis, the management feels that it is in the best interest of the majority of our employes, hundreds of whom have been with us here in Lynchburg for more than a quarter of a century, to remain within the city at maximum convenience for these members of the Craddock-Terry organization. It is our objective ~~xx~~ from the standpoint of both management and personnel to keep our employment situation ~~stabilized~~ stable. The centralization of several functions at the new site we have selected should have the most salutary effect upon employe morale as well as the general progress of the corporation."

This was an historic moment both for the company and for the city.

On August 29, 1960, at the directors meeting, Mr. Burton announced the engagement of Mrs. Margaret Clark Miller and Mrs. Bernice Shafton on a retainer basis for one year to assist in styling and line building of flats and Fashion Craft shoes. And at the same meeting the directors accepted the resignation of Mr. Charles R. Murphy.

Important to any historical narrative related to the shoe business, in Lynchburg and in America, are the comments of Merrill A. Watson on New York, executive vice-president of the National Shoe Manufacturers Association, addressing the semi-annual sales meeting of Craddock-Terry at the Virginian Hotel on the morning of Oct. 3, 1960, as reported in The Daily Advance:

The independent shoe manufacturers today are facing tremendous challenges brought on by cut-throat competition, an over capacity for production and low profits.

Watson went on to tell the group...that the manufacturers can meet this challenge by the modernization of their equipment and creative selling on the part of their salesmen.

Craddock-Terry, Watson said, is making great strides in both fields. He urged the 125 salesmen here from all over the country to help the stores which sell their shoes by assisting the retail salesmen to do a better job.

"You ~~xxx~~ also can encourage the stores to meet their competition by better merchandising displays, more and better advertising and by improving the overall appearance of their stores."

Shoes today are sold not only in independent shoe stores but in department, chain, variety, food, and drug stores among others, Watson said.

"In fact," he added, "the independent shoe retailers today do only 35 per cent of the retail shoe business and they are fighting to hang on to that."

Watson described the shoe manufacturing industry as a fluid one. Fifty-one manufacturers dropped out of the business last year and thirty new ones entered the picture.

He said, too, that of the approximately 850 shoe manufacturers the top 50 do only 45 per cent of the overall business.

In a letter to the Craddock-Terry salesmen from John L. Stone,

vice-president for sales, on October 29, 1960, Mr. Stone wrote:

At a meeting of the Board of Directors held during the National Shoe Fair in Chicago, Mr. Burton was elected President of the National Shoe Manufacturers Association, succeeding Joseph S. Stern, Chairman of the Board of the U.S. Shoe Corporation.

Mr. Burton has devoted the past 44 years to every phase of the shoe business. For many years he has been active in the Association's activities, serving on various committees, holding the office of Regional Vice-President and Director, as well as Trustee of the National Shoe Institute.

His vast shoe experience and his work in the Association qualify him to guide the Association's activities during the next two years.

We are proud and happy that this additional recognition has come to our President and know you join with us in wishing him every success.

On Saturday, Nov. 1960 the following editorial appeared in the

Lynchburg News:

Honor To Burton

The recent election of Percy N. Burton, president of Craddock-Terry Shoe Corporation, to the presidency of the National Shoe Manufacturers Association, is pleasing to his many friends and surely a matter of pride to them and to everyone connected with Craddock-Terry.

It is distinction and honor in plenty to be president of Lynchburg's largest industry and so the city itself is honored by Mr. Burton's national recognition.

Because of his personality and popularity it is especially gratifying to see Percy Burton honored, as further evidence of his ability in heading so large an enterprising a corporation as Craddock-Terry.

A furtherance of competitive modernization was provided when

during the late spring of 1961 President Burton, R.S. Lockridge, R.H. Newman, P. Norman Burton, and Edward W. Duffner joined other representatives of member companies of the National Shoe Manufacturers Association in visiting European shoe manufacturers and makers of shoe-making machinery in Europe. This was something of an eyeopener in revealing the modern methods in Europe, especially West Germany and Italy, and providing ideas for the American visitors which were acted upon by Craddock-Terry.

Meanwhile Philip G. Shank had been brought in as Executive Vice-President and Assistant to the President, and was placed on the Board.

An item from the sales department entitled New Dimensions gave a brief impression of the accomplishments and attitude of 1961:

For your company, the year 1961 was particularly noteworthy for the attainment of a new high level of brand prestige.

Long known for the exceptionally fine fitting quality of its shoes and dependability for its service to the trade, Craddock-Terry is becoming known for another important ingredient of success in the shoe manufacturing: Fashion.

The new emphasis on fashion, together with a new and intensive program of quality control -- from the conception of new styles by topflight designers, to the final manufacturing operation -- is attracting the interest of more and more of America's better known, more successful retailers. It is broadening the dimensions of opportunity for Craddock-Terry brands, and for the company's growth.

When you shop for shoes, ask for these brands:

FOR WOMEN AND TEENS:

Natural Bridge, Naturalettes, Miracle Tread, Miraclettes, Fashion Craft, Ki-Yaks, Andiamo.

FOR MEN AND BOYS:

A/G by American Gentleman, A/G Jr., Bob Smart, Bob Smart, Jr., Lion Brand.

FOR CHILDREN:

Billiken

Officers of the Company at this time were Percy N. Burton, President; J. Leslie Stone, Vice-President in charge of sales; Robert S. Lockridge, Vice-President in charge of manufacturing; J. F. Almond, Vice-President in charge of merchandising; Athey V. Weekley, Treasurer; Herndon A. Hogan, Secretary-Controller; J. Troy Hopkins, Assistant Vice-President in charge of sales; T. Richard Holt, Assistant Secretary; Richard W. Hills, Assistant Treasurer.

As the Lawrenceville plant went into operation the company plants in Lynchburg and the other Virginia locations numbered eight. New Anzani shoemaking machinery was installed at Lawrenceville.

Mr. Philip G. Shank was employed as Vice-President and Assistant to the President but had only brief tenure with the company.

The strength of Craddock-Terry Shoe Corporation was apparent in

the first months of 1963 during a period in which it was somewhat routine news of the day to read of mergers, of business uncertainties, of the government's attempts to exert stronger economic influence through measures intended to or purporting to be controls offsetting the dominance of free enterprise in a country holding free enterprise as a first principle. The company had through the years refused merger offers from larger corporations, had weathered extremely difficult periods and emerged with new strength.

Modernization of ~~xxxx~~ ^{fiscal} structure, of manufacturing techniques, of labor-management relations, and the building of top personnel into a quality able to provide for succession in key management positions, were showing returns in general corporate strength and sales. New blood brought new ideas, new virility into program and accomplishment. This, as always, brought that essential high morale so often characteristic of the company at successive periods of its history.

With eight plants in operation, all in Virginia, the most striking improvement came with the new structure on the Lynchburg Expressway, now become a center for major industry. As this new structure was occupied November 12, 1962, had an editorial in The News outlined its value:

Craddock-Terry's New Plant

The News congratulates the Craddock-Terry Shoe Corporation on its new plant, on the Lynchburg Expressway, which opens today. It is the most impressive industrial plant in these parts. It is, as well as being spacious, expertly functional, exceptionally attractive, and beautifully situated for both appearance and function. The grounds, the buildings, the interior and furnishings present modern industry with good taste which in itself should be a prime asset to its business advancement. Surely there will be no place where the surroundings and conveniences can be more pleasing to the personnel in all departments. We can not conceive of the employes not being proud of such a place in which to work.

Founded as a partnership in 1888, Craddock-Terry & Company, engaged in the business of wholesaling boots and shoes. They soon were leaders in the business in the South. Becoming manufacturers before the turn of the century they soon were the leading shoe manufacturers in the South. Through the years they have become one of the top group of the nation in this industry and the new plant is a symbol of their past success and great promise for the future.

In this century the corporation has been the backbone of industry in this area, with the largest employment and a steadily increasing output and sales. President of Craddock-Terry from its founding

and almost to his death, was John W. Craddock, nationally known industrialist and one of the leading citizens of Lynchburg and Virginia. Other men have shared in this leadership and the present head of the corporation, Percy N. Burton, has exerted a dynamic influence not only in holding place but in moving ahead. With his colleagues and friends, and that seems to include the entire personnel, he has brought Craddock-Terry Shoe Corporation to a fruition which can be witnessed in the quality of the new quarters.

This business enterprise can properly be said to be the outgrowth of a favorable industrial climate here since the city's early days. Only major nationally adverse economic circumstances have ever given it precarious experience. In one of the most highly competitive industries it often has demonstrated an alertness to economic conditions enabling it to operate to special advantage. In this, the time of its 75th anniversary, it promises continued growth and allowances for that growth are included in the new plant.

Specifically we are impressed by the overall appearance, beautiful grounds and handsome modern architecture without extremism. The view from grounds and building are superb, and that has special meaning in Lynchburg where any vantage point is inspiring in its outlook. Inside, as before suggested, offices and all other space are expertly functional, adaptable to future needs, and good looking, inclusive of a data processing section and the heating and air-conditioning center. A tour brings the convinced reflection: "These people know what they are doing." To know the corporation's history is also to know that this is so.

As local citizens and visitors become acquainted with this plant, along with the other splendid industrial enterprises here, they will know a new pride in this city. A superior setting, a superior background of the city's history, are part of what we newly see. For Lynchburg has been since its early days one of the pioneer industrial cities of the South along with being a leading cultural center. Ideally they exist together, and necessarily, for the present and future, they exist together.

Craddock-Terry Shoe Corporation has given us another, and outstanding, industrial showplace. May it prosper as its enterprise, its people, deserve.

On January 26, 1963 Percy N. Burton retired from the presidency of Craddock-Terry and on January 29 a testimonial dinner for him was given at Boonsboro Country Club with Charles G. Baber, member of the board, giving the invocation, David Hugh Dillard, member of the board presenting the welcome to those present, John Leslie Stone, V-P in charge of sales, introducing the out of town guests, and Robert S. Lockridge, V-P in charge of manufacturing making the presentation address of a corporate gift to Mr. Burton. On February 1, the following editorial appeared in The News:

Percy Burton Retires

Percy B urton, native of Bedford County, started his career early, working part-time for the Craddock-Terry Company in vacation periods. In 1915 he began work regularly at the Southland factory. Five years later he took a job with the E.K.Orr Shoe Company in Atlanta, and attended special classes at Georgia Tech. By the time Orr was bought out by General She Corporation, Mr. Burton was an executive, and went to Frankfort, Kentucky, as general manager of a division of General Shoe (Genesco). In 1940 he returned to Craddock-Terry, in Lynchburg, as director of manufacturing and four years later became vice-president in charge of manufacturing. When Charles G. Craddock retired as president in 1956 Percy Burton was elected president.

In the years since his return to Lynchburg, Mr. Burton has been an invaluable, dynamic figure in the city's life as well as in moving the Craddock-Terry Shoe Corporation steadily ahead in one of America's most strongly competitive industries. Most worthwhile organizations, welfare, educational institutions, his church, social organizations, and other business enterprises as well, have benefitted from Mr. Burton's association with them, though often it has been a matter of amazement that he could spare the time and energy and talent from moving Craddock-Terry forward among the top shoe manufacturers of America.

Even so he has found time for his family, for golf and in general for a pleasant contribution to the social activities of his many friends.

Perhaps the thing that pleases him most at the time of his retirement, in addition to knowledge of the excellent condition of the Craddock-Terry Shoe Corporation, is witnessing the opening of the new plant on the Expressway, a truly superb one, to bring together the purchasing, planning, sales and distribution divisions with office and other facilities admired not only here but by visiting industrialists who see in it a modern model in functional facilities and superior taste in architecture and furnishings.

Fortunately Mr. Burton will remain active with offices he will use in a consultative capacity, and in serving out his second term as president of the National Shoe Manufacturers Association. A man of such accomplishments and fully sustained vigor and ability could ~~not~~ hardly go into "relaxed retirement" or end all of his activities directed toward serving the community.

No member of the Craddock-Terry personnel was without Percy Burton's interest, and concern for the welfare of all. The presence at the testimonial dinner for him on last Tuesday evening of distinguished leaders in the American shoe industry was a demonstration of the high place he held, and will continue to hold, in the industry to which he made such a valuable contribution. As a friend said, he deserves three D's after his name, for dynamic, delightful, deserving of all good things. And he added, "I hope he'll break his lowest score at Boonsboro now and then."

(C-T Corp.-- 80)

Following Mr. Burton's retirement Robert S. Lockridge was elected president of the company, and hailed as a man exceptionally qualified in his knowledge of shoe manufacturing. The Craddock-Terry Record, house organ of the company, provides a resume of Mr. Lockridge's association with the company:

Mr. Lockridge started with Craddock-Terry in 1936. He worked in various manufacturing activities until 1944 when he was transferred to the office of the vice-president in charge of manufacturing to assist on production problems in all of Craddock-Terry's factories.

In 1946 he was promoted to superintendent and put in charge of opening Halifax Plant which was being built. He was superintendent of that plant until May 1949 when he was promoted to divisional superintendent of the four out-of-Lynchburg plants.

In February 1951 Mr. Lockridge was promoted to assistant to the vice-president in charge of manufacturing with headquarters in Lynchburg. He was promoted to general superintendent of manufacturing in 1956.

In 1958 Mr. Lockridge was made Vice-President in Charge of Manufacturing and elected to the Board of Directors. Known as a man of pleasing personality, exceptionally fine character, a major supporter of his church and with an exemplary sense of civic responsibility, he fits into the history of the company in its record of superior men as president and commands the respect of the company personnel and stockholders as a man eminently fitted to carry on the executive responsibilities.