CHAPTER 5

THE CHICAGO CONNECTION:
CONSOLIDATED SUBSIDIARIES AND
BAKER, FENTRESS & COMPANY
1902 to 1941

With the formation of Consolidated by its seven major partners in 1902, their vision for the naval stores syndicate from its inception included ancillary corporations and holding companies. Just why Consolidated partners did not establish a vertically integrated corporation which provided all services to turpentine operators cannot be ascertained from available documents. But, as successful businessmen, they were surely aware of the advantages in operating wholly-owned subsidiaries and, no doubt, wished to avoid being perceived by the industry and the federal government as a monopoly. However, as various business ventures failed or merged with Consolidated

Naval Stores Company, a vertical integration was eventually realized.[119]

A listing of Consolidated companies should provide the reader with some conception of the sprawling financial empire which reached into every region of the state and down to Central America. The author has made the roster as comprehensive as possible, but additional Consolidated companies may well have existed:

> Arcadia Naval Stores Company; Baker, Fentress & Company; Barnett National Bank; Barnett National Bank Securities Corporation; Chattanooga Pottery Company; Citrus Land Company; Clark Meggs Company; Consolidated Automotive Company; Consolidated Crate & Lumber Company; Consolidated Financial Corporation; Consolidated Grocery Company; Consolidated Land Company; Consolidated Naval Stores Company; Consolidated Tidewater Pine Company; Consolidated-Tomoka Land Company; Covington Turpentine Company; Deen Turpentine Company; DeLeon Naval Stores Company; Downing Company; J. W. Dutton Company; Florida Cooperage Company; Florida Export Company; Florida Grocery Company; Florida Industrial Company; Florida Pine Company; Fort McCoy Turpentine Company; Hall Naval Stores Company; Herty Turpentine Cup Company; Horseshoe Ranch; Kissimmee Island Cattle

Company; Lake Childs Company; Lake Placid Land Company; Lake Wales Naval Stores Company; Naval Stores Investment Company; Pine Wood Naval Stores Company; Punta Gorda Naval Stores Company; Putnam Naval Stores Company; Salem Turpentine Company; Singler, Baldwin & Company; Smith-Edwards-Ewing Company; Tropical Investment Company; Tropical State Bank; and Williams Upchurch Company.[120]

In the examination of the financial records available in the Kendrick Papers collection, thirteen companies formed the core assets of the Consolidated-Baker, Fentress association. Not all of the companies existed simultaneously, but instead represented an evolution of the Chicago banking firm's interests in Consolidated Naval Stores Company, its subsidiaries, and successors.[121]

Soon after the formation of Consolidated Naval Stores Company in Jacksonville, Florida, on October 1, 1902, the company directors, B. F. Bullard, Walter F. Coachman, H. L. Covington, J. A. Cranford, Columbia Downing, Hugh A.McEachern, D. H. McMillian, Lawrence McNeill, W. C. Powell, Charles B. Rogers, J. R. Saunders, and John R. Young,[122] acted to form the Consolidated Grocery Company on December 30, 1902.[123] The the grocery subsidiary fulfilled one of the founding purposes of the naval stores consortium: "... establishing Supply Departments at convenient points, under management of experienced men, where supplies of all kinds can be purchased at the lowest possible prices with the least cost of transportation." With shipping options in the state very limited, railroads had a free hand in setting freight rates. The primary reason the original seven partners had moved their factorage business to Jacksonville stemmed from the unwillingness of Georgia railroads serving Savannah to negotiate rates.[124] In a move that would characterize Consolidated's later business dealings, the board of directors decided to acquire existing grocery firms rather than create a new one. In accomplishing this, Consolidated swapped stock for C. B. Rogers Company (owned by one of its directors), and Florida Grocery Company, purchasing for cash I. S. Giddens & Company of Tampa. The company took over the grocery branches of naval stores operations owned by individual board members, as well. These included groceries of the Florida Naval Stores & Commission Company, the Mutual Naval Stores of Jacksonville, the Gulf Naval Stores Company of Tampa and Pensacola, and the West Coast Naval Stores Company of Pensacola.[125]

Throughout its twenty-five year existence, Consolidated Grocery remained a wholly-owned subsidiary of the naval stores syndicate. Upon acquiring the Rogers enterprise located in

Jacksonville, the board appointed C. B. Rogers, president, a post in which he served until the company's merger with the parent organization in 1927. Upon opening for business in 1903, Rogers established grocery stores in Jacksonville, Tampa, Pensacola, and Savannah. The Georgia outlet, however, "was transferred" to Consolidated Naval Stores by the end of the year for some reason. The chain eventually expanded to include a grocery concern in Miami by 1917.[126]

The grocery venture enjoyed a steady trade during the first years of operations with sales of $3,954,813 which afterwards remained in the range of three to four million dollars until World War I. In 1917, gross sales climbed to reach $5,530,711, and advanced again in 1918 to $5,818,623. During the year 1919, when naval stores unit prices reached their historic high, the grocery chain showed a modest increase in business of $636,867. By 1920, gross revenues had risen to the $7,876,505 mark, but the firm's profit margins had not followed in tandem with its increased volume of sales. This decrease in profitability had resulted from the federal government's regulation of the grocery industry during World War I.[127]

W. F. Coachman, Consolidated Naval Stores chairman, informed stockholders that the grocery division had realized "very gratifying growth in the volume of business," but, that a "corresponding increase in profits" had not ensued. He went on to tell investors that "the restrictions of the [Federal] Food Administration have been so severe as to result in an actual loss" for some inventory carried by the chain. During World War I, the Federal Food Administration had imposed limitations on grocery business profit margins as a part of the war effort. In his address, Coachman assured his audience that the firm had complied completely with federal dictates and "cheerfully and patriotically" approved of the war measures. Certainly, the Consolidated Grocery financial statements for 1917 and 1918 reflected losses from federal control of grocery prices. While the growth which the chairman had found "very gratifying" actually amounted to a modest five percent, profits had hemorrhaged by 47 percent. The business downturn continued into 1920 when Consolidated Grocery Company posted a loss of $34,005 for the first time in its history. Demand for Consolidated Grocery products slipped even more during 1922. This activity mirrored the lackluster post-war business recovery nationwide that had depressed the naval stores industry throughout the Southeast. When combined with an audited expense of $117,235, losses reached $276,781 on a volume of $4,563,573 during 1922.[128]

For the first 12 years of operation, the business had limited its inventory assets to the $300,000 to $400,000 range. But for the years 1916 to 1919, restocking had gotten out of hand during the illness and eventual demise of the company's chief merchandise buyer. For that period, inventory reserves more than doubled from $490,301 in 1916 to $1,162,088 in 1919. For the next two years, with the lifting of federal regulations, warehouse volume began to shrink and settled to $669,927 by the end of 1922. Auditors attributed some of the company's financial troubles to the national economy, citing "inflationary forces." This upward pressure on the commodities markets had produced high restocking costs. The "business depression" that followed in 1920 deflated prices for goods, generating a loss for Consolidated's devalued inventories. This cost of doing business had not been passed along to consumers. The grocery subsidiary had also failed to reduce its operating expenses "commensurate with the decrease in...net sales" during the war years. Syndicate board members had urged their subsidiary managers to institute such economies at the war's onset. But, independent auditors had a plenitude of bad news for the grocery concern's managers.

During 1922, the accounting firm of Marwick, Mitchell & Company, discovered that the grocery company had more problems than justified by the economic downturn. Management had not kept the "Accounts and Notes Receivable" reined in. In 1903, these debits amounted to only $438,822 but had ballooned to $1,230,945. The company's policy of extending credit had been criticized by a special "Committee of Directors" in their report of November 1917 following a four-month investigation. Total receivables for Consolidated Naval Stores Company amounted to $4,597,426. Among the nine companies under the Consolidated umbrella at that time, the grocery operation carried 27 percent of the operators' debts on its books alone. In something of an understatement, the special committee reported: "We feel that this Company has been rather liberal in extending credit."[129]

The directors had been "rather liberal" in lending money to fellow board members and officers of the Consolidated Naval Stores Company, as well. In the 1922 audit, shareholders were unpleasantly surprised to find out that internal debt amounted to $217,736, the "principal debtors being Mr. and Mrs. C. B. Rogers." The grocery company president owed Consolidated $154,034. As might be expected of such sweetheart deals, few of the receivables had been secured by collateral. Following the audit, Consolidated proceeded to begin cleaning up the balance sheet in this regard, and, with the exception of deceased debtors, managed to eventually collect on these outstanding loans.[130]

After the "startling revelation" contained in the Marwick, Mitchell report on Consolidated Grocery Company finances, the executives of the parent corporation decided the time had come to either divest the grocery chain or recapitalize it. On May 1, 1922, Consolidated directors signed an agreement to merge the grocery portion of the company into Lewis-Chitty-Consolidated in return for 45 percent of the outstanding capital stock in the new company. Two years later, on January 1, 1924, the board sold the grocery's automobile accessory business, Consolidated Automotive Company, to E. H. Rogers and P. J. Watson for cash. During the three years that followed that sale, Consolidated Grocery Company attempted to redeem to the greatest extent possible its outstanding accounts and notes. With the transfer of remaining assets to Consolidated Naval Stores Company on September 16, 1927, the firm ceased operations. All that remained of the grocery company was its office building, considered a Jacksonville landmark on Bay Street. It was constructed in the aftermath of the great fire that destroyed much of downtown in 1901. The city's only "skyscraper" at the time, the seven-story office facility was counted among the tallest wooden-framed buildings in the United States. According to the Florida Times-Union account of its destruction in 1962, the building's height created such a local sensation that people paid up to a quarter to walk up to the seventh floor and look out over the reconstruction of Jacksonville after the fire.[131]

The wood products industry had become concerned over rapid depletion of the Southeastern naval stores forests. This apprehension had contributed to the formation of Consolidated Naval Stores Company. By 1902, American forest-products producers began looking to other areas of the world for natural resources. This problem of future supply came up for discussion at a September 9, 1903 meeting of the Executive Committee of Consolidated Naval Stores Company. Typical of many American industries during that period, board members contemplated exploiting the undeveloped assets of the circum-Caribbean basin.

The minutes of this late summer meeting recorded that the committee mulled over maps and other information about the availability of pine resources in the region. Chairman Coachman offered the following motion which passed the committee:

> "That the Consolidated Land Company be authorized to make a thorough examination of the Countries of British Honduras, Honduras and Nicaragua with a view to securing pine timber in those countries..."[132]

Following this meeting, Consolidated hired an independent surveyor, Buckner Chipley of New Orleans' Gillican-Chipley, Inc. to explore pineland resources in Latin America. Chipley joined J. C. Little, Consolidated's cashier, and E. A. Stark, general superintendent of the Standard Pole and Tie Company, in Honduras where they traveled from September 27 to October 31, 1903. It proved a memorable trip after the survey party went ashore in "mahogany pittpans" paddled by "Carib natives." Landing at Point Burchard, the group traveled by dory to Tocomanchia, a large village on the inside lagoon. After a ten-mile trek, the explorers arrived to find the tugboat Newton, owned by the Central American Commercial Company, which ferried them to the Deekens headquarters of the firm. Following a respite of several days, the survey team again traveled via the Newton up Brewer's lagoon to a Mosquito Indian village. At this locale, the company obtained ponies and native bearers for the journey into the interior. The party was not disappointed as they found "vast forests of pines" but could not reach a determination as to their suitability for naval stores production. The trees were of an unfamiliar species. A tempest-plagued return voyage to Florida on the schooner Alexander M. Lawrence completed the trip for the foresters.[133]

Consolidated determined to get a second opinion about the survey in Central America, sending D. R. McNeill, company vice president, to investigate British Honduras pinelands. His trip apparently confirmed the positive findings of the New Orleans surveyor. At a July 15, 1904 meeting of the Consolidated Land Company, the firm's directors resolved to "...accept the contract to be made with the Government of British Honduras with Mr. Chipley, and that this Company pay Mr. Chipley $10,000 as commission...."[134]

At the next stockholders meeting, held January 17, 1905, Vice President W. F. Coachman told syndicate investors that Consolidated had successfully completed negotiations with the British government and purchased 12,400,000 trees on approximately 700,000 acres of Crown lands for one penny per tree. Even after commissions, the deal had cost the naval stores consortium only $148,524. (A later survey found that the British Honduras concession contained only 486,500 acres of pines, but it still represented a bargain.)[135]

The British government granted Consolidated Land Company a 26-year lease on the tract which during that time eventually cost the company over $200,000. For some reason, Consolidated did not initiate operations in Central America despite the fact that the lands contained good pine lumber suitable for naval stores production. Perhaps because they had received such a cheap price -- $9,000 a year over the lease -- the company was not financially pressured to extract these assets. As years of inactivity progressed, Consolidated's interest in logging the Central American forests declined, and management decided to sell the lease rights to another firm. In 1912, an "English Syndicate" negotiated for the lease, but signed no contract. Six years later in 1918, the Directors thought they had a deal to barter the timberlands for a Dallas bank building, but that fell through. The company explored other commercial possibilities, but could not unload the property. This situation continued until only five years remained in which to harvest the Honduran timber. Company management attempted to negotiate an extension with the British representatives. But, the government had already let a 30-year lease of the timber rights, beginning in 1930, to Textile Mills Securities Company of New York.[136]

With a competitor at its door, Consolidated Land Company decided to reevaluate the assets of the Honduran pine tract. In making a determination, the company hired F. H. Cobb Jr. of Milton, Florida, and J. H. Stewart of Grand Rapids, Michigan. These men traveled to the region and estimated the potential of lumber included under the agreement. Their report gave a ringing endorsement of the forest, saying in part:

> "This tract of Pine timber, as a whole, we consider the best tract...in Central America...[I]t commences at deep water on [the] seacoast and...[i]s very easy to log. Good timber, and the most accessible tract in Central America."[137]

With the control of valuable resources at stake, Consolidated Naval Stores Company spun off yet another subsidiary in 1927, the Consolidated Tidewater Pine Company. This venture merged the interests in the Honduran lease with Textile Mills Securities Corporation. The two parties each took a 50-percent interest in the new firm. However, the merger was doomed from its inception. In a June, 1927 report on the potential earnings of Consolidated Tidewater Pine Company, C. M. Munson, Second Vice President of Baker, Fentress & Company, reported:

> "We have just completed an examination of the lumber markets of West Indies and Central America....After sizing this entire situation up,...[w]e are thoroughly convinced though that it would be a decided error to attempt to operate now as the lumber markets are very much upset in the United States. Until a decided improvement is shown and yellow pine operations become profitable it would be almost suicide to begin an operation in Honduras..."[138]

Munson did believe the Caribbean colony lease could show a profit with "improved conditions, an able operator and cooperation from the British authorities," however.

Munson had detected the root of the problem. Consolidated's vacillations about the Honduran property did not instill confidence in its ability to operate beyond the continental United States. Faced with "stiff penalty payments to the British Honduras Government" for not working the lease, Consolidated again cast about to sublet or sell the grant. With fines imminent, Consolidated Tidewater sent an "experienced timber cruiser and sawmill operator" to Honduras. He reported that under the fees and penalties scheduled to commence in 1930, a profitable exploitation of the company's holdings would be "practically impossible." Embroiled in a suit regarding the legality of the Honduran concession, Consolidated withheld its occupancy payment of $9,000 for 1931. As a result, the Government of British Honduras nullified the concession and voided the lease. Textile Mills Securities Corporation relinquished their interest to Consolidated Naval Stores Company. The syndicate absorbed the $200,000 loss on the property. So ended yet another subsidiary of the naval stores consortium.[139]

In 1907, Consolidated Naval Stores directors decided to make direct investments in "naval stores operating companies" and, to this end, incorporated the Florida Pine Company. The profits of this subsidiary were realized to a large extent by subleasing convicts from the State of Florida prison system to individual turpentine camps. In Florida, the practice of leasing state prisoners to private contractors predated the Civil War. (In some Southern states and in the District of Columbia, for instance, free blacks were sold into slavery for payment of their legal fines or "jail fees.")[140] The decision to submit a bid for the state convict lease proved controversial among Consolidate board members, however. At meetings held in 1908 and 1909, directors debated the proposal with apparent strong feelings. When the board finally approved the leasing of convicts in 1909, J. A. Cranford, Vice President; E, A. Champlain, Vice President; E. J. L'Engle, Vice President; and John H. Powell, a former vice president, tendered their resignations to the Consolidated Naval Stores Company's Board of Directors.[141]

During its twenty-year operation, the Florida Pine Company netted almost $360,000. But, only $13,385.80 could be attributed to commercial activities outside the convict lease part of the enterprise. Florida Pine held investments in eighteen naval stores companies, primarily in Central and South Florida. But, without knowing the extent of capitalization, it would be difficult to determine why this portion of the Florida Pine portfolio proved so unprofitable. William C. Clark, Vice President and General Manager of Consolidated's Tomoka Land Company, recounted in an interview:

> "Just after the first World War, it [turpentine spirits] got up to two dollars and thirty-three cents a gallon just before the bottom dropped out...When the first, or original timber was worked out, the production dropped a lot. Then we turpentined places where the timber was not good enough for the sawmill to cut, in other words we scrapped..."[142]

Certainly, much of the prime turpentine forests located in the northern and western areas of the state had been clear-cut and abandoned by lumber companies during the late nineteenth and early twentieth centuries. In the Panhandle region, particularly, milltowns had proliferated, sending profits to Northern parent companies like Brooks-Scanlon of Minnesota and Putnam Lumber Company of Chicago. After logging every available tree, forest products corporations extinguished boiler fires and deserted thriving sawmill towns throughout the state. They left behind tiny backwaters where the echoes of buzzing headsaws and planers faded to silent memories of better paydays.[143]

Perhaps, Florida Pine Company had invested in operations on cut-over lands where these sawmills had found the timber stands too thin to be profitably harvested. Such properties, in many instances, could be had for payment of back taxes. In any event, Consolidated Naval Stores Company dissolved the corporation on January 18, 1927. The syndicate realized profits totaling $358,925.90 on the business of Florida Pine Company, 88 percent of which had been earned leasing state prisoners.[144] Yet other Consolidated subsidiaries, with seemingly excellent potential for profitability, had failed completely.

On the January 21, 1920, at the annual stockholders meeting, William J. Kelly, President of Consolidated Naval Stores Company, informed investors of plans to build "one or more" citrus crate mills. Kelly said, "This mill will convert into crates and lumber the timber from certain tracts now being turpentined by one of our subsidiary companies." In realizing this goal, Consolidated Land Company purchased a 174-acre tract "just outside the city limits of Lake Wales, on Lake Effie" for $16,600. The sawmill constructed on the site had a limited capacity of only 50,000 board feet a day. But, because it was built during the height of the Florida construction boom (1919-1920), Consolidated paid $660,000 for the fully-equipped facility. In November, 1920, the Florida Industrial Company, a joint partnership between Consolidated Land Company and Gillican-Chipley of New Orleans, bought up all the sawmill's capital stock. Chicago banker and financier Calvin Fentress described Gillican-Chipley as "the greatest and most progressive naval stores operators in the world."[145] But, their expertise seemingly did not extend to crate manufacturing.

The Consolidated Crate & Lumber Company opened in 1921 and then ceased operations after just two-and-a-half months. The W. C. Sherman Company leased the sawmill and expanded its capacity to 100,000 board feet a day. Then, Sherman closed the plant in 1929 after building a new Highlands County sawmill near Hicoria, Florida. For a time, the Florida Industrial Company rented out the "office building, commissary, boarding house, approximately 25 white residences and 51 negro shacks," hardly making enough to pay the caretaker's salary of $40 a month. After selling off the mill's assets piecemeal, Consolidated Naval Stores divested ownership in the residual 144 acres to Florida Citrus Canners Cooperative for $20,000, taking a considerable loss on the transaction. Certainly, the Depression can in part be blamed for the failure of Consolidated Naval Stores subsidiaries. But, poor management and government interference also contributed to Consolidated's business difficulties. In spite of a technological edge among competitors, a superior product, and a good distribution network, its

Chattanooga Pottery Company proved only marginally profitable during 39 years of operation.

Consolidated's seven original partners had become interested in buying a ceramic manufacturing plant at the first meeting of the Turpentine Operators' Association. At that 1902 convention, Dr. Charles Herty joined Jacksonville Mayor Duncan U. Fletcher and Governor William S. Jennings in addressing the approximately "600 naval stores men from several southern states." In their speeches, Fletcher and Jennings had pointed out wasteful practices in the industry which included the cutting of boxes, or tree cavities, into naval stores pines. Dr. Herty, a federally-employed scientist, described his experiments with a new process (at least in the United States) for collecting raw gum. The technique that Herty had perfected in Ocilla Georgia, and subsequently patented, had been developed in the naval stores region of France. Around 1850, French turpentiners had attached clay pots to trees and collected pine gum drippings from these containers. Herty adapted this practice and to it added metal gutters to better direct the resin flow into the "turpentine pots." The Herty cup, as the vessel came to be called, held three important advantages over traditional tree boxes: it extended the useful life of the tree, collected cleaner gum more easily, and reduced resin waste by 75 percent.[146] (In the next chapter, the process will be explained in greater detail.)

As a part of his experiment, Herty had tested clay and shale deposits throughout the Southeast. He located an ideal formation near Daisy, Tennessee, not far from Chattanooga. In December, 1902, Dr. Herty made a presentation to the Consolidated Naval Stores Board of Directors. He promoted the advantages of his technique and urged its adoption by turpentine farmers. The board members had been thoroughly impressed with Herty's speech at the naval stores convention and needed little convincing. The directors voted to form Chattanooga Pottery Company and invested in $10,000 worth of its stock, a 70 percent interest in the ceramics firm. With this infusion of capital, Chattanooga Pottery purchased the Daisy, Tennessee plant that mined the shale deposits favored by Dr. Herty's experiments.[147]

With Herty's patent application approved in February, 1903, Chattanooga Pottery contracted with the inventor for the "exclusive right, power and privileges of manufacture and sale of the Herty turpentine cup and gutter." Turpentine operators enthusiastically endorsed the Herty system and purchased 1,200,000 clay pots during the 1903 season (February to November). The orders increased to

2,850,000 cups in 1904 with the pottery turning down requests for an additional two million units. (Herty cups sold for 2.5 cents each during the 1930s.) By 1909, the Herty system proved so popular with turpentine farmers that Chattanooga Pottery sold 10,000,000 cups. The brisk business convinced Consolidated Naval Stores officials to merge the pottery manufacturer with the Herty Turpentine Cup Company that owned the patent rights. This diluted the syndicate's ownership in the combined business to 51 percent.[148]

The Herty organization added galvanized iron resin cups to their line for the 1910 season. The zinc-coated cup had the advantage of lighter weight compared to the heavy, clay "flowerpot" design of the original product. Many operators, especially those who turpentined remote forests with few roads, switched to galvanized containers. But, a tendency to eventually rust and stain the pine gum limited the acceptance of iron vessels. However, in 1910, Herty Turpentine manufactured 1,399,000 clay and 878,000 metal cups. The net profit of these transactions ($129,658) equaled 43 percent of the firm's capital stock. Encouraged by booming business and a backlog of orders, management built a new plant to supplement production with "four cup machines, improved driers and nine kilns," and modernized the original pottery plant, as well. Yet, the new and increased capacities fell short of meeting distributors' orders by 750,000 units.[149]

But, in 1918, the wartime restrictions on shipping naval stores units to Europe evaporated the demand for Herty cups. Additionally, the federal government ordered operations at the Herty plants shut down for five weeks. Casting about for a replacement product, the company began manufacturing drain tile and experimented with the viscous pipe at Consolidated's Kicco Ranch property. But, with industry-wide reorganization of naval stores production in 1919, demand for cups and gutters improved briefly, then sagged again as the 1920 post-war business depression began. As with other Consolidated subsidiaries, the inflationary cycle of the war years ate into profits. For the years 1919 and 1920, gross income combined to reach over half-a-million dollars, but rendered a net profit of only 20 percent on sales. Anxious to diversify their product line, the Herty firm hired a consult who recommended manufacturing "hollow building blocks, and face or paving bricks" in addition to turpentine cups and drainage tiles. The company did move more tile, but could only make a profit on the clay resin pots.[150]

In addition to declining orders, "coal strikes, [a] transportation embargo, [and] labor troubles" beset the Herty Turpentine Cup Company. In 1924, "poor management" practices manifested themselves through the disclosure that the the pottery company's president, J. G. Boyd of Jacksonville, personally owed the firm $36,000. The consortium reorganized Herty Turpentine Cup Company and negotiated an operating agreement with Robert Gamble and Telfair Stockton. Under the terms of its contract, the partnership formed a new firm, Herty Shale & Tile Company. For their part, Gamble and Stockton received the pottery plants, and the syndicate took all of the preferred stock issue. However, the naval stores trade had survived the stock market collapse only to continue its steady spiral toward an all-time low in 1938.[151]

Prior to that, however, in 1931 the ownership of the pottery business had reverted to Herty Turpentine Cup Company with the manufacturing facilities rented out for the next year. During 1932, Consolidated Naval Stores officials contemplated the future of turpentine cup manufacturing. In a report to the syndicate in March of 1933, Charles E. Siddall, Secretary to the Board of Baker, Fentress,[152] assessed Herty's physical plant as "up-to-date in many respects and is probably the best of its kind for making clay turpentine cups...." The directors then appointed Walter R. Norris, Treasurer of Consolidated Naval Stores Company, as president of the pottery cup and resumed production. As it turned out, Mr. Siddall's report had been decidedly optimistic. President Norris found the facilities had lapsed into disrepair with "considerable" restorations needed. An energetic manager, Norris launched a direct mail advertising campaign aimed at turpentine farmers and educated distributors -- the factorages -- about the superiority of Herty turpentine cups. Sales responded with an increase in orders, but high overhead limited the pottery manufacturer to "modest" profits.[153] In spite of his best efforts, President Norris found manufacturing costs and plant operations difficult to manage from his Jacksonville office. During at least part of his tenure (1933 to 1939) as company president, he continued to serve as the syndicate's treasurer (1934 to 1937) and as assistant secretary and treasurer (1932 to 1936) for Florida Industrial Company.[154] Perhaps the combined duties proved too much responsibility, Norris left Consolidated during 1939. Following precedent, the Directors awarded Henry Rose, Consolidated Naval Stores Vice President, with the additional duties as Herty's president. His tenure in that dual capacity terminated with a disastrous fire that destroyed most of the Daisy, Tennessee pottery operation in 1941. In spite of the much improved outlook for naval stores futures brought about by World War II, the syndicate directors were more concerned about losses sustained during the Depression. Board members elected not to rebuild the plant and liquidated the remaining assets of the Herty Turpentine Cup Company.

After a brief revival during the war, the naval stores market and its labor force eventually faded away by 1968. Few of the old breed of turpentiners remained, and knowledge of the traditional practices had, in the words of one historian, become "arcane."[155] But, many scholars had limited their research to popular articles, news accounts, and textbooks containing abbreviated descriptions of traditional naval stores practices. The specialized jargon and colorful argot of turpentiners resulted in a general misunderstanding of turpentine farming. From 1921 to 1968, scientists working for the federal government studied and documented the naval stores industry in bulletins and pamphlets. These sources extensively detailed the crude gum collection and distillation practices that material culture scholars feared had been lost.