

TWENTIETH CENTURY BUSINESSMAN

An Oral History Interview with

Walter Samuel Johnson
by
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Forest History Society - Santa Cruz, California

1974

Forest History Society, Inc.
P.O. Box 1581
Santa Cruz, California 95061

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TABLE OF CONTENTS

INTRODUCTION	iv
FAMILY BACKGROUND AND LIFE IN THE WEST, 1884 TO 1899	1
MOVE TO THE SOUTHWEST, 1899	10
EVENTS AND POLITICS	17
THE YEARS 1902 TO 1917 IN SAN FRANCISCO	21
WORLD WAR I: THE IWW AND THE 4L	33
THE NEW DEAL AND THE LUMBER INDUSTRY	42
ON INDUSTRY RECORDS AND WOODEN BOX ASSOCIATION FILES	48
TARTER, WEBSTER & JOHNSON, INC./AMERICAN FOREST PRODUCTS CORPORATION/MERGER WITH BENDIX	53
INDUSTRY RELATIONS WITH THE GOVERNMENT	62
OTHER TOPICS	66
REVIEW OF TARTER, WEBSTER & JOHNSON, INC.	75
INVOLVEMENT IN FRIDEN BUSINESS MACHINES	96
FOREIGN TIMBER AVAILABILITY	98
EFFECTS OF CORPORATION MERGERS	100
THE CORRUGATED FIBERBOARD INDUSTRY	107
OPPORTUNITIES IN BUSINESS TODAY	108
PALACE OF FINE ARTS RESTORATION	110
CONCLUSION	118
INDEX	119

INTRODUCTION

Before the conglomerate became the mode in the business world, there existed a breed of corporate titans whose colorful personalities and brilliant display of daring made them clearly discernible players in the history of their times. Walter Samuel Johnson is one of the last best examples of that breed which counted among its members the late J. C. Penney, John Henry Kirby, Henry Ford, Andrew Carnegie, Frederick Weyerhaeuser and John D. Rockefeller, Sr. The more recent captains of industry seek and achieve far lower profiles despite the awesome weight of financial power they wield.

What follows in the pages of this book is the product of three long conversations with Mr. Johnson during his eighty-eighth and eighty-ninth years. All were tape recorded at Johnson's Golden Eagle Farm at Pleasanton, California, a beautiful old Spanish Grant property in the Livermore Valley from which the owner still commutes to a townhouse and office in San Francisco. The first interview was made on June 18, 1973, the second on August 27, 1973 and the third on April 16, 1974. The interviewer did preparatory research in the libraries of the Forest History Society at Santa Cruz, California and the University of California at Berkeley, in records of the American Forest Products Corporation of San Francisco, and in personal papers supplied by the respondent.

Oral history makes no pretense of being polished prose. It is the transcript of conversation and seeks to preserve the informality and character of original statement with only minor emendations. Its purpose is to provide future historians and writers an additional source of information which may be used in concert with study of documentary and published sources. This work will be of particular value to scholars of American business history, forest history, the history of the lumber industry, trade association history, and the cultural history of San Francisco and Northern California.

Walter Samuel Johnson's strong views pepper his conversation. It should be noted that some of his judgments of President Nixon and Vice President Agnew were made prior to the disclosures which drove both men from office. At the time he rendered these judgments they were held in common with a majority of Americans.

Perhaps of most significance in this memoir are details of how a fortune was made in the box lumber business and how it related to the amazing productivity of California agriculture. Here is told the story of how a comparatively

small company rose to become the major producer in its field, how capital moved from one industry to another and how it was expanded greatly by foreign investments. Here, too, the scholar will derive insight into relationships between industry and government, especially as they apply to regulation and to acquisition of sources of raw material. The changing roles of trade associations are examined and the results of industrial public relations efforts are critically surveyed. The trend toward consolidation of capital within a free enterprise system is critically interpreted by a man who played an important part in that phenomenon.

Johnson here recounts his personal experiences during the Great San Francisco earthquake of April 18, 1906. Here, too, he tells tales of a peripatetic boyhood in California, Oregon and Arizona which include encounters with Indians and the impacts of Mormon school teachers on his life. Corruption in San Francisco city government during the Eugene Schmidt-Abe Reuf regime is briefly reported along with analysis of the newsboys strike of 1906 during which Johnson served as circulation manager of the San Francisco Bulletin. World War I brought him into service as a First Lieutenant in the Army Signal Corps and assignment as an adjutant to Colonel Brice P. Disque in the Spruce Production Division. There he encountered the Wobblies (Industrial Workers of the World). His recollections of tactics used by the Army and lumber mill owners of Western Washington in combatting the Wobblies will be of particular interest to labor historians.

Johnson tells of his legal education after World War I and of his struggle to establish a practice during the Harding Administration. He sets forth in some detail his entrance into the wood products manufacturing field in partnership with Bert Webster and Horace Tarter. His involvement in management of Friden, Inc., is treated in these interviews to a lesser extent than in T.E.D. Friend's book, Country Boys Make Good published in 1969 by Poor Richard's Press of San Francisco.

In the later part of this volume Johnson responds frankly to questions concerning his long struggle to preserve and restore the Palace of Fine Arts as a permanent cultural landmark and institution of San Francisco. There he speaks bluntly of the oftentimes bitter encounters he had with politicians and lions of the social register.

This volume is one of a growing library of similar works produced by the Forest History Society through foundation grants and donations of its members now counted in eighteen countries of the world. The author is indebted to Barbara D. Holman for aid in preparatory research, indexing, illustrating and design of the work. To my wife, Eleanor Crenshaw Maunder, belongs the credit for final typing and editing the manuscript. Special thanks are due David Ohman, Director of Public Relations for the American Forest Products Corporation, Division of Bendix Company, and his associate,

Pamela McMillan, for generous assistance in obtaining access to documentary sources and for providing pictures and identifications.

All uses of this manuscript are covered by a legal agreement between the Director of the Forest History Society and Walter Samuel Johnson, dated July 2, 1974. The manuscript is thereby made available for research purposes. All literary rights in the manuscript including the right to publish, are reserved to the authors, Walter Samuel Johnson and Elwood R. Maunder, during their lifetimes and to the Forest History Society thereafter. No part of the manuscript may be quoted for publication without the written permission of the Executive Director of the Forest History Society. Requests for permission to quote for publication should be addressed to Forest History Society, P. O. Box 1581, Santa Cruz, California 95060, and should include identification of the specific passages to be quoted, anticipated use of the passages, and identification of the user. The legal agreement with Walter Samuel Johnson requires that he be notified of the request and allowed thirty days in which to respond.

Elwood R. Maunder, Interview Author
Executive Director
Forest History Society

Santa Cruz, California
October 24, 1974

Elwood Rondeau Maunder was born April 11, 1917 in Bottineau, North Dakota. University of Minnesota, B.A. 1939; Washington University at St. Louis, M.A. (modern European history) 1947; London School of Economics and Political Science, 1948. He was a reporter and feature writer for Minneapolis newspapers, 1939-41, then served as a European Theater combat correspondent in the Coast Guard during World War II, and did public relations work for the Methodist Church, 1948-52. Since 1952 he has been secretary and executive director of the Forest History Society, Inc., which headquarters in Santa Cruz, California, and since 1957 editor of the quarterly Journal of Forest History. From 1964 to 1969, he was curator of forest history at Yale University's Sterling Memorial Library. Under his leadership the Forest History Society has been internationally effective in stimulating scholarly research and writing in the annals of forestry and natural resource conservation generally; 46 repositories and archival centers have been established in the United States and Canada at universities and libraries for collecting and preserving of documents relating to forest history. As a writer and editor he has made significant contributions to this hitherto neglected aspect of history. In recognition of his services the Society of American Foresters elected him an

honorary member in 1968. He is a charter member of the international Oral History Association of which he was one of the founders. He is also a member of the Agricultural History Society, the American Academy of Political and Social Science, the American Historical Association, the Organization of American Historians, the Society of American Archivists, and the American Forestry Association.*

*Adapted from, Henry Clepper, ed., Leaders of American Conservation (New York: The Ronald Press Company, 1971).

FAMILY BACKGROUND AND LIFE IN THE WEST, 1884 TO 1899

Elwood R. Maunder: Mr. Johnson, your background has already been written up in a book by T.E.D. Friend. * I have read it with a good deal of interest and I do not think it is necessary for us to repeat all that Mr. Friend has already done and done well. What I shall do is ask you some additional questions concerning your origins and early life that perhaps do not get fully revealed or explained in this book.

You were born on November 10, 1884 in East Saginaw, Michigan to Alfred Alexander Johnson and Mary Calkins. Your father was a piano tuner and a salesman of musical instruments.

Walter S. Johnson: He was in pianos and organs mostly, as a salesman and dealer.

ERM: His father before him, Alexander M. Johnson, had been a lumberman in Bay City, Michigan, and was married to Sarah E. Childs. In other words, your own history as a businessman, particularly in the lumber business, had its precedent in your family with your grandfather being in the lumber industry. What do you know about your grandfather's experience in that business?

WSJ: He wasn't any great success as a businessman, but he was in it for about ten years running a circular sawmill in the area of Bay City. He had a brother, Henry Johnson, who ran a number of steamers hauling iron ore through the Great Lakes to Detroit steel mills. This particular brother was a big success. He had a number of boats and there was always plenty of ore to haul. He also owned some resorts in Michigan. I don't know if my grandfather got in on any of that.

*T.E.D. Friend, Country Boys Make Good, (San Francisco: Poor Richard's Press, 1969).

My father and mother were born in Cleveland, Ohio, on Lake Avenue, and were raised together.

ERM: I take it your grandfather left the lumber business by the time your father was born. Or did he return to Michigan and go into the lumber business after his children were born?

WSJ: Grandfather was up in Michigan at the time we lived there, which would have been about 1884 to 1887. I'm pretty sure he was still in the lumber business at that time.

My father had no particular reason for being up there because there were plenty of other places to go. Ultimately, my father determined to come West, so he moved the family to Cleveland where part of the Calkins family lived. There were four of us children by that time: two older sisters, myself, and a younger sister who was about six months old.

As I remember, my father went first to Napa, California, but he wasn't satisfied with Napa. He brought the family out West on a train, and later we went down to Tulare, below Fresno, and settled. He began actively to go after the piano and organ business and he was doing very well. I was about eight or ten years old and was going to school down there.

ERM: How did he solicit his business? Did he have a retail outlet store?

WSJ: Naturally, a piano or organ needs repairs or tuning. The people come around to you for this, and then you get leads that some other family needs an organ or a piano and you go solicit them. One of the things he used to do was take off with a team of horses and a three-quarter inch spring wagon, a couple of organs back to back on board. He would intend to go as far as Delano. Winter or summer he had a cover for protection. He would be gone a week and he usually came back with an empty wagon. He told me one day:

I had to ford a river that was up pretty high, and I didn't want to have to come back across that river. There was a big wheat ranch not too far away, so I drove over and asked if I could leave the organ there and wait until the river went down. And I went in and played the organ.

He could make you cry because he played with great feeling.

He said:

The children came in for lunch and the woman was there. I was playing along not conscious that anybody was listening, and I came to the end of a piece and looked around, and here was a big husband and the woman's eyes were full of tears. That organ never left that house.

ERM: I gather from reading this book that your father was frustrated in lots of ways when growing up in not being able to follow his bent as a musician.

WSJ: That did happen in his early life. In fact, when he was fourteen years old he ran away from home because they wouldn't give him any music lessons, and he never went back.

ERM: Did he have formal music training or did he teach himself?

WSJ: He learned by himself. I don't remember that he ever took any lessons.

ERM: Did he ever perform in concerts or musical groups?

WSJ: No, just among friends. He was not the type that would lend himself to anything unusual. He knew how to entertain people. I remember when he was well he played during the day for an hour or two, either the organ or the piano. He loved music.

They tried to teach me the violin but we never stayed anyplace long enough for me to learn. We went to Oregon from Tulare, and then afterwards we went to Arizona. I never did get a chance to really learn any musical instrument. But my oldest sister became quite a pianist. She took after my father. I have a picture of them taken about 1910 in Modesto. My dad had a ranch down there for awhile. He died on that little ranch.

ERM: His life was really one centered around his interest and love of music. Did he try to make a living doing other things?

WSJ: As far as I know he never tried anything except selling pianos and organs, or tuning pianos and repairing organs. I remember that he'd have me sometimes clean an old organ that somebody brought in, and I had to learn how to clean an organ with polish. He'd say, "Don't worry about the open panels, they'll take care of themselves. But get the cracks, get inside, get everyplace

that is hard to get at, and when you get through it will all be clean."

ERM: You weren't interested in playing them yourself?

WSJ: No. I loved music, though. I enjoyed my sister's playing, but I had no interest in playing music myself.

ERM: On a couple of occasions your father tried his hand at homesteading.

WSJ: We went up to Oregon and took up a homestead in June 1898, but we had to abandon it because of the cold weather. My father got rheumatism and we had to go to a warmer climate. By November or December up in Deschutes County, it gets terribly cold. He just couldn't take it. So on Thanksgiving Day we headed back to California. He sold the little improvements and the fencing and the little log cabin to somebody.

ERM: You had built your own cabin and fences?

WSJ: Yes. We had forty acres and logged ten of them. We built a log house about sixteen by twenty-two feet. We had a stove in one part of it and a bed in the other. There was nothing fancy about it.

ERM: How would you characterize your father?

WSJ: He was a very kind and thoughtful man with a love of the beautiful things in life; sunsets, his music, paintings. He had no desire to make any big show of his abilities. He had quite a sense of humor and played jokes on you sometimes. He would say to me, "If you do any work today, don't do it where other people will see you. Respect other people's religions. Don't make any show of work today." He would mean any of the neighbors that were Christians and thought it wrong to work on Sunday. Things have changed, of course, since those days.

ERM: I take it he was not very religious?

WSJ: I would say no. He loved astronomy and he studied it. He would lie out in the open and look up at the stars and study them while I was asleep. He had some idea about the distances of the stars and where they were. He had books on the subject.

ERM: Was he a good businessman?

WSJ: For handling the sale of musical instruments and doing a certain

amount of repair work or tuning, he did well. I never saw him when he didn't have some money. When he died he had two pieces of property near Modesto which each of the kids got part of. When we traveled around I wondered sometimes where he would get his next money, but he always had it. He had probably as much as five hundred to a thousand dollars in the bank nearly all the time. He didn't have any outstanding money-making ability, though.

ERM: Maybe he wasn't motivated to make a lot of money.

WSJ: That must have been so. He and my mother didn't get along and they separated in 1897, and he just ran downhill.

ERM: Was their disagreement of the intellectual type or were they incompatible in other ways?

WSJ: All I know is what my mother told me. She said, "We had five children, and they came pretty close together. I just didn't want to have any more babies, so I wanted to leave my husband, and I did." So as nearly as I could figure out, it was purely a matter of her not wanting anymore babies. Five was all she was going to have.

ERM: Did she have strong intellectual interests of her own?

WSJ: Yes. She became a book reviewer for the San Francisco Bulletin. At first she was a reporter and she did a lot of interviews. I remember she wrote quite an article about Luther Burbank. Her mother had died when she was twelve and shortly afterwards she started teaching school until she got married.

ERM: How much formal education did your parents have?

WSJ: I imagine they got as far as high school, but I doubt it.

ERM: In those days, people went into teaching even without high school diplomas.

WSJ: I got to the last year of high school but didn't finish; I went to work. Plenty of people were doing that at the time. Some of those I went to school with finished high school, though not too many.

ERM: Your education must have been very spasmodic over the years. Yet I find in reading the letters you wrote as a boy to your mother and your sisters, that you were more than usually articulate for a



Mother, Mary Calkins Johnson at the age of twenty-five. She lived to be ninety-three and a half.

youngster of that age. Many youngsters today would not write letters as well as you did.

WSJ: My mother's father wrote for a newspaper in the East and he also taught school. I kind of figured that I belonged to the type of people that could be teachers or could write. So I really concentrated on that a little more than I would have normally.

ERM: Did your father or your brother have any exchange with the family by letter, or did you do all the family writing?

WSJ: I'm sure my brother didn't. My father wrote to me when he was away, but whether he ever wrote to the girls, I don't know. Every once in a while I would sit down and write a letter home. I was very fond of my sisters.

ERM: How did the separation of your parents affect you? Did it have any profound effects on you?

WSJ: No, because the judge assigned myself and my brother to my father. We had been with my mother at the time in Oakland. We moved from Oakland back to Tulare and we lived with my father until I was seventeen and a half years old. I didn't consider it any difficulty. My father wanted me to go to school and I went. He saw that I was properly boarded at the school. When summer, or even some weekends came, I would go to the ranch and work. Sometimes the neighbors would hire me for fifty cents a ten-hour day. This started out when I was sixteen. The following year they raised me to a dollar. That is about as much as they paid anybody in those days. I could handle the hay pretty well.

ERM: You had some hair-raising experiences as a boy during the two trips that you made with your father, one up into Oregon and one down into the Southwest. There are several stories in this book about experiences you had involving Indians. From those experiences I gather you must have developed certain feelings about Indians. I wonder if they persisted through the years.

WSJ: I have a lot of respect for the Indians up in Klamath. When we were out in the cold in the latter part of November 1898 and were trying to find a place for shelter, we came down off of the ridges above Klamath Lake about a thousand feet to the floor of the valley, and we came to a river. My father unharnessed one of the horses and he rode out into this river, because we knew the horses couldn't get across the river with the wagon.

ERM: Did you have a wagonload of gear and musical instruments?

WSJ: No, only a grub box and bedding. We didn't even have hay for the horses, and no grain. There was no place to buy anything like that. You just had to load on enough hay to feed them one night and try to get down from the ridges. Anyway, this particular night we came down off of the mountain, we had to practically hold the wagon back because it was so steep. It was an old army road. When we got to the bottom of the hill, my father had to stand up front of the horses and hold back the tongue and my brother and I were in back holding the wagon as much as we could. He went out to the stream with a horse but he couldn't make it. There was an unfinished bridge with logs across but they were covered with snow. So my father took the ladder we had onto the bridge and brushed the snow ahead of him, and he finally got to the other side.

I was about sixteen and my brother was about ten or eleven at the time. Out of the night came the cry of a cougar that made our blood curdle. My brother started to cry. I always had a rifle, so I got it ready and we harnessed up the horses again. He stayed up in the wagon crying for father. I didn't have any fear because I had the gun and I was pretty good with a gun in those days. My father was gone for at least an hour. We could hear some dogs barking in the distance. Finally, he came up on our side of the river, which was called the Wood River, by the way. How he did this I didn't know, but we soon found out. He came with two Indians. They knew where a swinging bridge was over the river and they knew where you could get across on a river bar. So my father and one Indian went with the wagon and my brother and I went with the other Indian down to Fort Klamath, which was the old army barracks occupied now by Indians. The old squaws knew we were hungry--it was about ten o'clock at night--so they warmed up some wild duck and fixed us something to eat; I have a feeling it was squash. Anyway, we were damned hungry and we ate it.

We were wet clear through. They had a big fire in the fireplace and made us take off most of our clothes and hang them in front of the fire to dry. The next morning my father tried to give them some money and they refused to take it. He tried to give them a dollar for a souvenir but they wouldn't take anything. From then on I've had a deep respect for Indians. They told us where to go when we had to get down to Klamath Falls. We had to stop one night on the road because it was too far to go in one day, but we finally got through. I remember the second night we went into an old shack that had no roof on it but had some hay. We were laying down on the

hay and it started to rain. The first thing we knew we found ourselves damn near sleeping in water. So we had to get up at three o'clock in the morning and hit the road again. By keeping moving we got into Klamath Falls by two o'clock the next afternoon. The horses were hungry and we were hungry. We went to a livery stable and put up the team and headed for a restaurant. We went back to the livery stable that night and slept. I would say that on that trip all the way home we were never in a house once. We made about twenty-five miles a day with the team. Some days a little more or some days a little less. The roads were dirt mostly. The fact was, in those days you never did see any pavement except in the cities. You might see cobblestones but not pavement. We had some good old faithful horses and we made the whole journey back to Tulare.

ERM: Those same horses had gone all the way up and back?

WSJ: Yes. In those days the Deschutes River country north of Bend, Oregon, was just loaded down with beautiful ponderosa pine. Of course, it has been logged out now by different outfits. A lot of the country belonged to the government, but the Brooks-Scanlon people had bought a lot of it. They were the big lumber people in those days in that area. Farther south you had the McCloud River Lumber Company. They owned a lot of timber but not as good as that in the other area. There was lots of good clear cutting there, too. I had nothing to do with the lumber business in those days. It was much later that I got into it.

ERM: You were in the hunting business at that time.

WSJ: I had to supply the meat for the three of us.

ERM: Did that usually take up a great deal of your time each day?

WSJ: No. I might go out for perhaps three-quarters of an hour and get a cottontail rabbit, or a duck, or a couple of doves. About the only meat we would buy was bacon. My father always insisted that I dress my own game, so I would have to skin the rabbit, gut it, clean it, cut it, and put it in the frying pan and cook it.

ERM: My younger brother would go out with me to carry the game back. One day I was out hounding a sage hen in what they called the Madeline Plains, a little north of Susanville, California. In those days there was wild game of all kinds. It was maybe June or July when we hit the Madeline Plains. I had a single-gauge shotgun, and I was pretty good with it. I shot a couple of sage hens and

and the rest flew back up the hillside. I gave the hens to my brother to carry, and I went around so that the rest would fly over me and I would get a chance to shoot them. My brother was coming up the hill toward me and here was a big, old, yellow mountain lion heading right for him. I got scared! I yelled at him and he dropped the birds and ran to me, and I ran to him ready to defend him. I got to where I could see where the lion was, and he had gone. He had heard us and went the other way. We never found the dead sage hens. By this time we had to go shoot some more for dinner. You know, a sage hen can fall on the ground and it is hard to see. I know the lion never got near them because he was heading the other way.

ERM: There aren't many cougers left today. The ranchers were very hard on the cougers, weren't they?

WSJ: The cougers were pretty rough on the sheep. I've seen sheep come in with a hip bleeding. Some couger had knocked it down and had a meal out of it and let it go and we had to kill it. If you had sheep, cougers were worse than coyotes. They would maul them, knock them down, and eat a piece of them. Coyote would kill the sheep. But the damn cougers would cripple them and they would walk back to camp and you'd see the damage. That was wild country at the time and we expected most anything. The worse thing would be if a couger killed a calf. Mostly they attacked sheep, but I don't think you see that anymore.

Right up here in these hills there was a couger killed recently. They come wherever you find deer. I saw one, and a neighbor shot one that was seven feet from tip to toe. That was about eight or nine years ago. Some thirteen year old kid went up there and saw a couger lying on the rock in the sun and he shot him. My neighbor, Bob Stewart, and I used to ride up there on horses and we would see the cougers different times. But they are pretty sneaky and you don't get a chance to get a good look at them. The couger I saw up north when I was a kid was more yellowish-tan in color than these here, which are darker grey. They are probably the same breed of animal but different shades of color.

ERM: Did your father teach you all you learned about hunting?

WSJ: No, he couldn't teach me anything about hunting. Take him out with a gun and chances are he would miss everything he'd shoot at. He was a musician. I learned that if I wanted to get more than one bird at a time I had to let them get closer together. I got six quail one day with one shot. You get so that you learn how to be a good shot.

MOVE TO THE SOUTHWEST, 1899

ERM: Your trip to the Southwest in 1899 presented a whole range of different experiences. What do you remember most vividly about that trip?

WSJ: We went through Porterville, California, and headed up over the Greenhorn Mountains towards Walker Pass. Ten or fifteen miles out of Porterville we stopped to get something to eat. I saw a lot of cottontail rabbits running around the rocks and I went out and got a half a dozen of them. Then we went up on the top of Greenhorn Mountain where I shot three or four big grey squirrel out of the trees. We were loaded with meat before the end of two days on the road, and we had enough to last us through Mojave.

ERM: How did you preserve it?

WSJ: Salt. You had to keep it clean. You could wrap it in some wet rags and that would keep it. But not for long; it had to be eaten pretty fast. You could also cook it. We never got in trouble with bad meat.

Anyway, we went on through Barstow. In Mojave we bought a couple of sacks of barley and a couple of bales of hay and we shipped them by Santa Fe Railroad to Bagdad, about half way across the desert. When we got to Bagdad we picked them up. And those supplies lasted us all the way to Needles. We were able to get some game along the way, though it wasn't as plentiful as before. At that time, Needles didn't consist of more than a saloon or two and a few Indians. The Indians had a flat boat, and they took us across the Colorado River for five dollars.

ERM: In those days, what did you see as you went along? Were there other travelers?

WSJ: There wasn't much traffic. I remember we were out as far as Bagdad and met a man and his wife with a good team of horses and a wagon about the size of ours crossing the desert the same direction we were going, from California to Utah. We traveled along together for a couple of days. One particular night we stopped and we put a strap around the leg of one of the horses.

ERM: A hobble?

WSJ: It was equivalent to that. It was a chain tied to a strap and you tied that around the ankle of the front leg of a horse. He couldn't go very far with it. We turned the horses loose as we usually did and when we woke up in the morning, there wasn't any horse. So we had to start a hunt. We were able to trail the horse because we could see the chain had been dragged across the sand. We followed up two or three different ravines and finally we sighted him. We succeeded in catching him and bringing him back but it lost a whole day.

From then on our friend put hobbles on, too, or those horses could have gone fifty miles before we caught up with them. We would have been stranded. We didn't see anybody else on that two-hundred-mile trip across the desert. We'd see the train go by. They had soldiers coming back from the Philippine Islands after the Spanish-American War was over, and they would wave at us.

ERM: Did the road parallel the railroad most of the way? If you were in real trouble you could have flagged down a train.

WSJ: I guess we could have. They had water tanks along the railroad, because in those days they couldn't go clear across that desert without water.

ERM: What did you do for water?

WSJ: We had a twenty-gallon barrel on the side of the wagon. That didn't seem to be any trouble, as I remember. Out on the desert you had to buy water. One or two places gave it to us.

ERM: Feed for the horses was one of your principal problems, I take it.

WSJ: Before you started out you'd better have your feed. That wouldn't be so if you were going up to Carson City, Reno, or Susanville. You could find farmers all along the way. But across that desert you had to have grain and hay or your horses wouldn't make it.

ERM: What was the attraction for your father in going down into that area?

WSJ: As a guess, I'd say that he wanted to get out of the State of California. He was a broken-hearted man because of the breakup of the family, and thought he could establish himself some other place.



Walter's father, Alfred A. Johnson, breaking a horse at Safford, Arizona, 1902.

ERM: Your mother remarried. Was that soon after the divorce?

WSJ: No, two or three years afterwards. She married a newspaper man that she worked with in the papers.

My dad didn't want to come back to California. But finally, when all of us kids got settled down in California, he decided to come back and he bought a ranch down near Modesto. That's where he ended his days.

ERM: In other words, he had done well enough in the Southwest so that he could move out here and buy a ranch?

WSJ: Yes. Of course, land wasn't so expensive in those days.

ERM: You went to a Mormon school in Arizona, as I remember.

WSJ: The Latter Day Saints Academy at Thatcher, Arizona. It was the only school in that part of Arizona, and it was strictly Mormon, run by the church. It was headed by a professor with a German name that I can't remember. They had a bookkeeping teacher and an algebra teacher. I studied under both of them. You could also learn Spanish if you wanted. They didn't have anything like a medical school, but there was a little chemistry. Today it has become the Southeast Arizona College. Four or five thousand students go there now. I've been down there since. In fact, I sent them some money to finish off some of their buildings. It has now been taken over by the state.

I learned enough bookkeeping down there so that I could keep books, but I never really got a job keeping books. I did get a pretty good education, though. There were over three hundred pupils. About half of them were young women and the other half were fellows. I would say they were mostly the children of farmers, because there was no other industry there, just farming. You raised hay or barley, alfalfa, corn. Now it is all cotton in the same area.

ERM: Did your father try to farm down there?

WSJ: Not seriously. He would have liked to but he didn't know how to farm. He continued to sell organs and pianos to ranchers until he came out to California. My brother stayed with him in Arizona for quite a while. My brother didn't come out to California until four or five years after I came back.

ERM: Before you came to San Francisco you were a corporal for a brief time in the Arizona National Guard at the age of seventeen. Were you still living with your father? How did you happen to get into that?

WSJ: Yes. The national guard was organized for the college, and half or more of the boys joined it. Down in the valley was an Apache Indian reservation, and the Indians were threatening to raid some of the farms because the government had cut off the meat they had been giving to them. So the people were a little alarmed and they got Arizona to form a national guard. I joined and became a corporal. The Indians never raised any hell, but they had done it in the past. In fact, I went to school with some people who had lost their father in an Indian raid of cattle. A girl's father in my bookkeeping class was shot by Indians who were trailing them. The man was trying to catch his animals that the Indians ran off with. The Indians ambushed him and his brother and some other men. They killed her father and her uncle. That was only eight or nine years before, so the people were alarmed that these Indians might make more trouble. The Apaches were pretty bad.

ERM: How would you compare the Indians in different parts of the West as you knew them? You had seen Indians of different tribes .

WSJ: I would say the Apaches were the most vicious and cruel in the United States. The only ones that were worse were ones in Mexico, who were even more cruel than the Apaches. A fellow told me stories down in Mexico about these Indians who captured him and wanted to tie him to a handcar on the railroad, pour gasoline on him, and run him down. He had to talk them out of it. They had done the same thing to somebody just a week or two before. They were terrible. The Yaqui were the really bad ones. They had me down there one time and I was worried whether I was going to get out or not.

ERM: I gather that your early experiences with Indians as a boy were a good bit different than those you had in Arizona and afterwards.

WSJ: Yes, people were more friendly and you felt a little more at home when I was a boy. I used to play with Indian boys. They were like any other boys I knew and I enjoyed them. We swam together over in Bishop when I was fourteen or fifteen. I had no trouble with Indians except in Arizona. The Apaches kind of bothered me a little, and that's why I went into the Arizona National Guard.

ERM: There is an interesting letter that you wrote to your mother and

your sisters that dated from Safford, Arizona, April 6, 1900. In that letter you tell your mother that you had received the Christmas box and you enjoyed the papers that she had sent. I get the impression from some of the things said in these letters that you were out of touch with a lot of things that were happening in the world outside your own little community, and these newspapers that your mother sent tended to bring you up-to-date.

WSJ: Yes. My mother's brother was a naval captain and he was the navigating officer on the Olympic that went into Manila Bay and fought the Spanish under Admiral Dewey. He was my uncle and they wanted me to know what was going on, so she sent me these clippings out of San Francisco papers. Down where I was, you didn't get any news like that.

ERM: Had you known this uncle very well?

WSJ: Not very well, but I had known him. He was a scholar and read all kinds of things. I wrote him a letter from Arizona, and he replied, "My dear Sam, I have your very nice letter and I appreciate it, and I find that some of your spelling is perfect." He was sarcastic that time.

ERM: It is interesting in this same letter to your mother and sisters to see your attitude towards the war news from South Africa. You had a very strong bias on the side of the Boers. What was your reason?

WSJ: In the first place, this country had freed itself from England, and those fellows were trying to do the same thing, and I sympathized with them.

ERM: I see. You indulged in a little bit of boyish bravado here by saying:

I could take my 30-30 smokeless Winchester, a belt of cartridges, a knapsack, a pair of blankets, and a canteen, and go and be a sharpshooter til some 'Lobster backs' rifle ball ends my career. Peace suits me better than war, for war kills off our best men, besides making homes sad and ruining nations. The bloodthirsty English ought to be wiped off the face of the innocent earth. There is no place on Nature's soil for such rascals to reside.

I gather that you had very strong anti-British feelings.

WSJ: I came originally from England, my people did. I disapproved of everything they were doing in the war line.

ERM: Then you go on to say:

But the rich run this earth, and when an honest man, who is not looking out for himself to [sic] much tries to make himself heard among the rich, he might just as well talk to stone. The only way for the poor or the laborers to do is to fight for their Liberty.

You sound like a revolutionary there. That does give one some insight into some of the intemperance that obtains in every generation.

WSJ: Yes. Down in that country you took a different view. I had been raised earlier in the San Francisco area and had one opinion there, but another opinion down in the big open country with cowboys and farmers. Your attitude is a little more liberal. You're more for freedom.

ERM: You were more for freedom down there and less for it up here?

WSJ: Yes, I think that would be true. Sometimes universities boil over a little, but the rank and file of cities like Chicago and New York accept the things as they live them, more so than somebody in a smaller place. A lot of these young people around sixteen, eighteen, form a lot of ideas that are easier to form in the big open country than in the big city, where they're struggling along to find a way to get a little recreation and enjoyment out of life. Down there you were riding a horse or going someplace in the wagon or going to a dance someplace. It was open country with big broad-minded people. I correspond with some of the people I went to school with. One is a woman who is ninety years old. She was in our class studying bookkeeping. She writes the most critical letters of the Democrats. She is strong for being a Republican. She is Mormon. She doesn't think much of these people on welfare, either; they ought to earn their living.

ERM: What is her status in life? Is she a woman of some independent means?

WSJ: She's a widow. She and her husband ran a drugstore for years. She owns her own home and has income coming in. She's smart enough to take care of that.

ERM: But she's probably living on a certain fixed income that she doesn't like to see going down the drain and I suppose she feels a lot of government activity is a heavy tax upon her.

WSJ: It is, too. The Mormons are less inclined to go to welfare than other people, but that doesn't mean that some of them don't. In the main, they help each other rather than look to the government. Down where I was going to school, there was a house about a block away where the woman was a widow with a couple of kids. The house burned up one night. She got out with the kids and went to the neighbors. She had nothing when the fire was over. She stayed around the neighbors not more than a week before the men in that area built her a new house and got a stove in it and brought in sacks of beans and flour and the things that she needed to carry on--blankets, beds. I was brought up on that kind of stuff down in Arizona among the Mormons.

EVENTS AND POLITICS

ERM: Don't you suppose that if that same spirit existed in society today as it did then there would be less need for welfare?

WSJ: They don't have the same kind of welfare in Italy (I just went over there for five weeks.), but they do have all sorts of medical aid. If somebody gets sick they go to a doctor and he makes a prescription, the government pays him for his time, and the patient takes the prescription to the drugstore and gets the drug and the government pays that. I didn't see anybody living off welfare like we do here. They do have some sort of social security coming along and it is getting better. I imagine the English are carrying this thing to the very limit; doctors and dentists and everybody are being paid by the government.

ERM: I was quite amused when I read this letter of yours because it's indicative of how a young man feels when he is poor and has nothing, and he looks out and he sees something that he doesn't think is right. You wrote, "Why just look at the state that this country is in. The rich run this country and the poor labor for their benefit, and what do they get in return?" So you see, that was your attitude when you were young and poor. How do you feel now that you are older and rich? Has your view been altered by that change of experience?

WSJ: Actually, you adjust yourself to it and the different jobs you have. I was the head of Friden, Inc., for eighteen years; president of it. And all those people working for that outfit were interested in building up a fine company so that it was an opportunity and a privilege to work for me. I went around and visited them all. They knew me. The same thing with the American Forest Products. I'd go around and meet the cat drivers and the truck drivers and go and have breakfast with them in the logging camps. I came close to the people, so I could see that they were all doing well. That's about all anybody can do.

ERM: Isn't that something the free enterprise system has to deal with, or it may be in serious trouble?

WSJ: I would say yes. Because if you regard yourself as something different from these working people, you're only fooling yourself. They have just as big a heart as you have, they're just as generous as you are. But they just may not have the ability to head a company and direct it. Some of the outstanding men in the country that run the economy run these companies; some do a good job and some of them are like the old barons that used human beings for fighting and raiding people. I would say we have a greater liberty and a greater freedom, on the whole, in the United States than they have in England or Germany. If you get to be top man in Germany, you don't have much sympathy with the people working for you. In Italy, for example, the men that rise to the head of a business don't have the same respect for their help. They hire help just like a commodity. To me, a well-run business is a business that's got just as much of a soul as the individual. If it hasn't got that, I haven't got much respect for it.

ERM: Isn't that the old story of people who ride the tallest--economically or politically--are very often corrupted by their power rather than live up to its responsibilities? This obtains not only in the business or political worlds; it's true in the universities, too. Or it's true in the church. It's true in any institution of society if the person who comes to power has no real empathy for his fellow men and the people that are working with him.

WSJ: That goes for all of them. Nixon made a hell of a lot of mistakes by thinking too much about his own importance and not enough about the people. His judgment of the people he put around him hasn't been good. I'm satisfied that Nixon never did approve of the raiding of the Democratic headquarters. But having got into it he's tried to cover up. And it is all because he had the wrong kind of men working with him. If they had been high-type honorable men, they would never have done that. A lot of fellows tried to endear themselves to Nixon so they'd get promoted, and so they took this chance.

ERM: Certainly, one of them would have come forward and said to him, "Look what's going on, you can't allow this." If it does turn out that he actually did know something about this and acquiesced to it, what would your attitude be, then?

WSJ: I would say that they aren't going to hold another election quick enough to get rid of him. I would never have any faith in the man. Because if he knew that was going on and he didn't stop it, he is not as smart as I think he is. He is an attorney and knows the consequences. He went after this fellow Alger Hiss in the fifties.

- ERM: Yes, but in the current issue, his partner, John Mitchell, also a legal man, was attorney general of the United States and approved the breakin of the Democratic headquarters.
- WSJ: How he could pick that man to be the attorney general is rotten. Whether it's a Republican or Democrat, the same type of people get into office. You go back over the history of the United States. When it came to picking a president during the days of Madison, Monroe, Adams, and Washington, they didn't go out seeking to become president, they were picked by their contemporaries as the logical person to run the nation. You don't get that anymore. They get somebody like John Kennedy with millions of dollars behind him. He wanted to be president and he got it.
- ERM: His father wanted him to be president.
- WSJ: You take Franklin Roosevelt. Even Rockefeller would like to be a candidate at the next election for president. Men like Mussolini and Hitler get grandiose ideas of their superiority. There aren't any of us that are so damn much superior to the other one.
- ERM: Who do you see on the political horizon now who you like as a candidate? Who would you like to see run for president and get elected?
- WSJ: I haven't given it enough thought to give you an answer. I know it should be somebody who is not seeking the office necessarily. Because if you're seeking that office, you're doing it for selfish reasons. If you're asked to serve the nation because of your abilities--I don't know enough about the head of either party to pick out somebody--but take Agnew, someone who is as near being a sincere man as anybody I know. But I don't know whether he's got a chance to be nominated. I think that Agnew is an honest man who speaks his mind and he's interested in the welfare of the nation and he is a man who has devoted himself to serving the people. That's the only one I see in the whole picture, but there must be many others. The thing is to find them.
- ERM: Agnew is actively seeking the office, and that would disqualify him in your judgment.
- WSJ: Not necessarily. He might be urged by his associates in the Republican party as the logical man to run. If his associates were to center on him as the right man, I would say that it was all right. I am pretty sure that Agnew is being urged to be a candidate. And I think that he probably might be. Nixon hasn't come out very much

for Agnew. Connally might be a high tide man, I don't know. He's suppose to originally have been a Texas Democrat. But now he's swung over. You take somebody like Senator Ted Kennedy; the Democrats are sure as hell going to run him. I don't know who he'll run against, but he'll sure as hell run. And I don't think he's any more qualified than either John or the other one. John led the country to think that he was going to try to save Cuba. When it came right down to it, he backed away.

ERM: What should he have done?

WSJ: Well, having promised those people support, he might have held the Bay of Pigs down to the point where if he had landed enough people in there that were rebelling against Castro, they would have overthrown Castro. But he missed his chance.

ERM: You mean, he should have used his military powers to have assured a Cuban landing?

WSJ: On top of that he laid the groundwork for Russia to come in and establish a connection with Castro that is still dominating that country. It was the case of having the courage to go ahead. Nobody knows what would have happened. But in my opinion he shouldn't have promised these people that he would help them and then in the end pull his forces away. And he left Castro to the Russians. And that is the result of what Chile is in today--all because the Communists got a foothold in South America.

ERM: Why do you suppose they have a foothold in South America?

WSJ: I imagine they needed reform the same as we do. I imagine there was a certain amount of oppression going on among the people that were running Chile. I don't know just how you're going to correct everything.

THE YEARS 1902 TO 1917 IN SAN FRANCISCO

ERM: Well, by talking about current events and politics, we've gotten away from your story. When you went back to San Francisco to work, you rejoined your mother and your sisters. Where did you live in San Francisco?

WSJ: 929 Jackson Street.

ERM: You tried to get a job through your Uncle John Calkins. He wasn't able to get you the job right away, but you finally went to work for Western Union. What did you do for Western Union?

WSJ: Addressed envelopes. A telegram would come down the air shoot and I put it in an envelope and wrote the name on it. When we got enough of these messages, they were distributed to the messenger boys for delivery. There were two of us doing my job. As fast as they came down the shoot we read the name and wrote it on the envelope.

ERM: What was life like at that time in San Francisco? Can you tell us a little bit about what your day-to-day experiences were?

WSJ: I later got a job as circulation manager of the San Francisco Bulletin. The circulation manager had suddenly died, and here I was, about twenty-two years old, and they had nobody to take his place. So they made me the circulation manager.

The man who was the general manager was Jack Carruthers. He didn't think much of having a kid run circulation; he wanted somebody with more experience. I realized that and I got out and went to work for the Western Electric Company in San Francisco.

ERM: You had a crisis before you left the Bulletin. There was a strike of newsdealers, and the newsboys were on strike. You left the job shortly thereafter, is that correct?

WSJ: It was early in 1906 and the beginning of a political thing. Fremont Older was the editor of the Bulletin at the time, and he realized that Attorney Abe Reuf and Mayor Eugene Schmidt were corrupting the city. Eugene Schmidt was formerly a bandleader. Abe Reuf was the one that got him in as mayor because he could handle him.

About that time there was a question of putting in underground cables for the cable cars, or putting overhead trolley wires for running electric cars around the city. Part of the city's citizens didn't want overhead wires. The Metropolitan Railway Company was running things at the time and a fellow named Calhoun was at the head of it. Calhoun arranged to slip a shirtbox full of money to Eugene Schmidt. And Eugene Schmidt and Abe Reuf got the board of supervisors to approve overhead trolleys. That was the beginning of a lot of crookedness. Abe Reuf had a house of prostitutes down on Merchant Street near Chinatown, which was a source of big income. It was guarded and looked after by the city. Fremont Older was watching all this stuff and finally he hired an attorney to prosecute Abe Reuf. As a consequence, Abe Reuf, to get even, called out a strike of newsboys. There wasn't any real reason for the strike.

ERM: What did they say were their grievances?

WSJ: I can't remember any real reason. They had a two-cent profit on a five-cent newspaper. My job was to see that the papers were distributed not only on the street but also to homes. We had carts with horses to take the papers down to the Ferry Building where they were put on trains that went to Sacramento, Oakland, and other towns. The striking newsboys would stop these horses on the road and scatter the newspapers all over the street. If you wanted to buy a paper, there was no place that you could buy it. We hired some women. The strikers used to throw stuff on the women to make them stink, but we finally won out.

One day I was out on Kearny Street near the office and a bunch of newsboys followed me around and hit me over the head with a club, but I was able to get on the streetcar quick enough to get away from them. Then we had a fellow protect us who had been a police sergeant. They beat him up, too. We had quite a struggle but in the end Fremont Older got Abe Reuf sent to jail.

ERM: For the house of prostitution he was running?

WSJ: Because of graft in the whole city government. You could get police protection and you could buy anything you wanted with money. Of course, the strike died out because of the prosecution of Abe Reuf, and in the end he lost his power. For awhile he had been the city boss.

ERM: He was the real power behind Schmidt?

WSJ: Yes, Schmidt was just a figurehead. During that period there was tremendous interest by the citizens in what was going on. The rate Schmidt and Reuf were going, the city would have been in the dog house all the way around if it hadn't been for Fremont Older who had the courage to fight them. And they did their damndest to get even with him. In the end he won.

I worked under him for awhile. He was quite a character. He backed me up when I was fighting the newsboys. I had to take a certain amount of beating because these newsboys were the bigger type of ruffians.

ERM: Did they finally get back into their previous positions?

WSJ: No, they were pretty much scattered out. We got the newsboys going again, though, before I left. We fired all the women that we had hired for the strike. We had the women at the Ferry Building, at Third and Market, Powell and Market, and out in the Mission. The citizens wouldn't stand to see these boys beat up a woman. But we finally licked it.

ERM: What sort of work did you do at Western Electric?

WSJ: I worked for about six months with them. My job was looking after inventory. Orders would come in for things to go to different stations and I had to see that they were delivered. If somebody wanted something in Pasadena, I had to see it was delivered.

ERM: Would you say it was like being on the city desk of a wholesale outlet house?

WSJ: It was like a purchasing department and I was helping the man in charge.

In late 1906 I went into partnership with a Jewish fellow named Harry Cutler. We opened up a little newsstand on Filmore Street about six months after the earthquake. Among other things, we handled racing charts, newspapers, and stationery. Ultimately, in 1908 we went down on Market Street near Third and opened up a store and ran it as a stationery and bookstore.

ERM: Tell me about the experience of living through the 1906 San Francisco earthquake. Can you give a graphic word picture of how it all happened, how you reacted to it, and how the people around you reacted to it?

WSJ: I had been down in Arizona to visit my father and brother and had come back to take the job with Western Electric. The night I got back from Arizona, at 5:30 the next morning there was the earthquake, April 18th. I was shaken out of bed and then I had to do what I could to get the family across the Bay to Mill Valley.

ERM: You were actually physically thrown out of your bed?

WSJ: I found myself standing on my feet and I don't know how I got there. I couldn't go out of the house until the earthquake stopped shaking. The telephone and power poles were swaying back and forth, and I could look over from where I lived to the Fairmont Hotel and watch it move. You could see it was getting a hell of a shaking.

ERM: Were you aware of what was happening?

WSJ: Yes.

ERM: You knew it was an earthquake. Had you been through earth tremors and earthquakes before?

WSJ: No, that was the first one. I had seen maybe little shakes, but nothing so severe.

ERM: Had there been any forewarning of this? Had there been any tremors?

WSJ: No. I knew nothing until I found myself standing in this room at 5:30 in the morning. The whole house was awake. We got out in the street and saw the neighbors in their nightgowns on the run.

ERM: Were a lot of the houses on fire?

WSJ: Not right there. We could see the fire starting down around the Produce Market, and in other parts of the city fires were burning. But the fire moved up the hill towards our house. Meanwhile, I went out in the backyard and dug a hole with a shovel. A friend (Tom Truxell) who was out here from Chicago at the time, came from his hotel downtown to see how we were getting along and he helped me. We dug a hole maybe eight to ten feet long and four feet wide and lined it with Navaho Indian blankets and loaded it down with clothing and silverware from the house, and we buried it with six or eight inches of dirt over the top. We carried away a little truckload of stuff on the one-horse expressway they used to have. I carried a lot of the stuff out with me to his friend Captain Simmons,

who was in the army at the Presidio. The army put me in charge of a warehouse and they put Truxell in charge of another warehouse.

ERM: You mean they just commandeered your services?

WSJ: No, we volunteered. My friend was a close man to the captain who was purchasing agent for the army. By the time we had left he had gone down to Fresno and Stockton and bought supplies and started shipping them by boat from Stockton to the docks of the Presidio. Then it would be put in army wagons and hauled to the warehouses. My warehouse consisted of bulk stuff and my friend's of canned stuff. They shipped in all sorts of supplies, eggs, bread. We distributed this to the different relief agencies. Everything was done with teams and horses. They would come in here with their wagons--"mission relief" they would call it--and wanted their load of food. I would load them up with some corn beef, raw pork, and a sack of potatoes, and other things, and send them on their way. My friend would hand over the canned goods. We did that for about a month. By the end of the month the captain had come back.

The captain had two sergeants come out from Chicago and the job was turned over to them. In the meantime, old Captain Simmons said, "Walter, you've been quite helpful, and your folks are over in Mill Valley on the hillside. I'll give you an order here and you go over to the warehouse and get whatever you want." Well, I loaded up with a hospital tent and two or three other tents and a lot of different kinds of foods. I got the supplies to the ferry boats that were again running between Sausalito and San Francisco, and finally got over to Mill Valley. I put up the tents and took care of my people over there.

In the meantime I was getting calls from Western Electric, "Where are you?" Finally, I had to go to work. I worked there for about six months and then went into the stationery store business. Those were the last people I ever worked for except the army.

ERM: What was the general behavior of people under stresses of the earthquake?

WSJ: There was a General Funston in San Francisco in charge at the Presidio. One of the finest things I ever saw in my life were the soldiers all dressed in blue coming down off the hill in formation and with their guns, drop a couple of men off in our area of town, and go on downtown with the troops to stop the looting. They notified everybody that if they caught you looting they would shoot

you. They stopped a lot of looting down where the fire was raising hell. Funston did a very excellent job until another general came out from the East by the name of Greeley.

Greeley wanted some help one day to move a load of mattresses and bedding from Letterman Hospital to Golden Gate Park, where there were a lot of refugees. They brought up the wagons and said to me, "You go with these and deliver them to General Greeley over at the Presidio." They put me on this loaded down wagon with a driver and a team of mules and started me toward the Presidio. I got to Golden Gate Park and sure enough there was General Greeley, with a beard, and the first automobile I ever had anything to do with. I delivered these things to him and he turned to me and said, "How are you going to get back to the Presidio?" I told him with the wagon. He said, "Oh, come with me," and he loaded me in this automobile, the first automobile I was ever in. He took me back to Letterman Hospital. I remember that just like it was yesterday.

ERM: What was the condition of the streets?

WSJ: You couldn't get through certain streets. Market Street was wide enough to go up and down. Some of the streets where the buildings had fallen over were filled with rubble, mostly bricks.

ERM: Help was quite quick in coming in from the outside, wasn't it?

WSJ: Yes. Of course, the government took part in that--the army. If you ever saw anything good to look at it was those troops coming in. You didn't know what the hell was going to happen but you knew at least there would be law and order. I couldn't go back and dig the stuff out of my own yard because they wouldn't permit it. I had to go to the headquarters of the army and get a sergeant to go with me, and I had to describe the stuff that I buried and I had to get a wagon to haul it to the Ferry Building. It was almost a month after the earthquake.

ERM: This was the stuff that belonged to you, your mother, and your sisters.

WSJ: Yes, clothing and silverware, et cetera. I had saved quite a bit. My mother was a book reviewer for the Bulletin and she had four or five thousand books in the home that all went up in the fire. We had to start all over again.



A family dinner at Walter's mother's home in Mill Valley about 1908. Seated from right to left, mother Mary, sister Ruth, brother Alfred, sister Harriet and her husband Wesley Plunkett, and an unidentified gentleman.

We stayed over in Mill Valley on the hillside in the tents until October or November and we moved back to San Francisco into a place. By that time I had a little income from work that I was doing. My mother's husband started back again with the newspaper, so they had some income and a nice flat. I lived with them for quite awhile. First, though, I boarded at a woman's place with some other boys that worked at Western Electric. That was, you might say, the roughest period of my life; getting reestablished and taking care of the family.

ERM: What provoked you to go into the stationery business?

WSJ: This Jewish fellow, Harry Cutler, was a good salesman and he liked me. He had worked with me in the distribution of newspapers. He was a good businessman and he assured me that by handling racing tips and so forth, we could make some money. Well, I never really made any money out of it because I finally sold it out to my brother. I went to the University of California and Hastings Law School and finally graduated in 1914 as a lawyer and began practicing.

ERM: How long did your legal education take?

WSJ: Two years. I took a year at Boalt Hall at the University and then I had a chance to get into a law office in San Francisco and at the same time go to Hastings. There I could earn my living a damned sight better than I could in Berkeley at Boalt Hall. I sorted papers and ran errands to courts. School lasted about half a day and the rest of it you could earn some money.

ERM: And you earned money working for a law firm?

WSJ: I couldn't practice law. But I might go out and get a judge to sign an order once in awhile, or serve a subpoena on some corporation and get sixty-five cents. Money was worth a little more then than it is now.

ERM: As you recall your education at Berkeley and at Hastings who were the men in those schools who had the greatest impact upon you?

WSJ: At Berkeley there was Robert Harrison. He was the son of Judge Harrison who was on the State Supreme Court. Then there was Edward Taylor. He was mayor of San Francisco at one time. He was a very good teacher. There was a man named Gibbs who taught criminal law, I think. We had one or two girls in our classes at Berkeley, and maybe the same in San Francisco.

- ERM: Hastings has established a good reputation over the years. Isn't it true that they have men come from other great law schools, after they reach retirement, to teach there? Their faculty is made up of established legal authorities.
- WSJ: Yes, it is as good a law school as any in the West. They had a good dean there for awhile. They turned out some pretty good boys. It was part of the University of California, and if it wasn't for that, I wouldn't have been able to get in. Old Edward Taylor was very helpful to me when I wanted to get through. To tell the truth, he did something he shouldn't have. He accepted me as a regular student. Up to that time in Boalt Hall I had been a special student. I didn't have to have the previous years of college.
- ERM: You passed your bar exams shortly after you got your law degree in 1914?
- WSJ: Yes, and I practiced law until the outbreak of the War. In 1917 I joined the army as an officer trainee.
- ERM: During the three years between graduation and your entrance into military service, where did you practice law?
- WSJ: In the Chronicle Building. It's on the corner of Third and Market, where the original Chronicle newspaper was published. They are out on Fifth Street now. The Chronicle was published in the basement and we had offices upstairs. I had joined in with a group of established associates, Wythe and Vecki.
- ERM: They were the senior partners? Did they have any junior partners besides yourself?
- WSJ: No, there was just the three of us.
- ERM: What kind of a practice did they have? What sort of clientele were they serving?
- WSJ: In those days it was pretty much corporate work that they were doing, but they would take any kind of case.
- ERM: One of your earliest clients was the Ellery Arms Company, a Market Street sporting goods firm. What did you do for them?
- WSJ: I mostly handled their bad accounts. They had a lot of them and they put me to work trying to collect the money.

ERM: In other words, you were getting a lot of the nuts and bolts jobs that the senior partners didn't want to have to do. You were **serv**ing your apprenticeship as a lawyer.

WSJ: When I went into business I was able to go on my own from what I learned there. I went into the army from there, and when I came back the partnership had broken up.

ERM: What sort of people were Wythe and Vecki?

WSJ: Vecki was a member of the Bohemian Club, and I guess he got a certain amount of business from friends. They were good lawyers.

ERM: Was this a well-established firm or would you say it was a lesser firm in the city?

WSJ: A lesser firm. I wouldn't call them big. I'll tell you one thing that might interest you. There was a man named David Jacks down in Monterey. Did you ever hear of him?

ERM: No.

WSJ: Did you ever hear of Romy Jacks, Bill Jacks, Margaret Jacks, and Lee Jacks? Those were the children of old David Jacks. They inherited his business. He had been running a business down there way back in the 1870s. And he used to lend money to the Spanish who owned the grants down there. He'd lend them ten cents an acre. They'd spend all their money and couldn't pay off the mortgages and he would foreclose. He owned land almost from King City to Monterey. And you could practically travel all the way on land that belonged to him. He began lending this land out to Swiss people that came over here and got into the dairy cheese business.

ERM: Is that how Monterey Jack got its name?

WSJ: Yes. Finally, one day a lawyer I knew very well came to me and said, "We've got a job down here we think you can do." He explained that in the foreclosure of one of these big grant areas, the sheriff hadn't filed the proper papers to foreclose. And if that was ever known to the people that now owned the land, they would be into serious lawsuits. The Jacks wanted to buy back the land that had been sold to these people. Then they would clear the title before these people were aware of what was going on. Well, I was living down in Modesto. I had a little store down there for awhile

and I had been out with my father on the ranch. I had a little stripped-down Ford automobile. I undertook the job.

I strapped about a thousand dollars around my waist in a belt and I went to talk to the people who owned the land, but I had to do it in a way that nobody would suspect I had anything to do with these lawyers. I went down to the chamber of commerce in Salinas and asked them if they knew where I might find some good land for raising black-eyed beans. They gave me the name of somebody to see, and then I went down as far as King City and Soledad.

The two main ranches in question were near Soledad, and my people wanted them both, bad. So I went in and talked to a fellow named Sorenson who owned one of the big ranches, and he had it leased out to Swiss people who were making cheese. And the other fellow's name was Kelly. He owned over two hundred acres. He tried to raise black-eyed beans. I went out there and noticed he'd planted quite a crop of them, but as fast as they came up, a wild sparrow would clip them off. He was having a hell of a time getting the crop started. Finally, I got him to name a price of twenty-five thousand dollars to sell out. I didn't buy, but I went around again to see Mr. Sorenson.

I made nine different trips down there. One time I was going down my bosses hailed me and made me come back. They were scared. But they found there was nothing to be scared about so they sent me down again and I went in to see Sorenson. Finally, he named me a price, I think it was fifty thousand dollars. As long as I had him I knew that the other fellow was anxious to sell. I said, "I'll buy this, but you've got to throw in a few things around here that I need on the ranch. You've got this general merchandise store, and my wife is going to want a washing machine." He said, "I want a deposit." I said, "All right, I'll give you a thousand dollars." So I gave him a thousand and got in writing, "I give by sale to Walter S. Johnson this three hundred acres for \$50,000." I tied him up and beat it as fast as I could to the other guy, and tied him up with another \$500. I was lawyer enough to know how to do it.

I went back to San Francisco where I was paid fifteen hundred dollars to do the job. I got a nice fee out of it and they finally filed the papers necessary and got these people to sign the notary deeds and got the title all straightened up and then they went through the mechanical act of clearing the title of all these defects. It took altogether about three or four months.

The other big fee that I got was a damage case I handled for a railroad. It was against the Southern Pacific for crippling a woman. I got a good fee out of that. By that time I had gotten through World War I and had moved to Stockton because my associate down there whom I had known for many years wanted me to come down. That's the real beginning where I got into the lumber business. The first case I had down there was to transfer the title of a big sawmill in Klamath Falls. The man who owned it had died and his widow was selling it. They had a contract with the Weed Lumber Company for fifty million feet of logs at nine dollars delivered to the sawmill. That was a low price. They didn't want to lose that. So I handled that and picked up fifteen hundred dollars more fee. That's the way I got into the lumber business. My associate wanted me to come down to Stockton and be part of his company.

ERM: This is a minor question. In a news story of the time--a time when Victorian morality was still prevalent and the vision of a woman's knee was a matter of some concern--a woman's knee had been injured. In the story that was published on that incident you were identified as the lawyer representing Mrs. Jenny Osborn of Oregon. You were also identified as having been connected with the Aviation Corps at Seaside, Oregon, and "formerly a practicing attorney of this city." Now, what does Aviation Corps of Seaside refer to?

WSJ: I belonged to the Signal Corps and I had gone through the training camp at the San Francisco Presidio and had become a first lieutenant. They sent me to Vancouver, Washington, and then to Aberdeen, Washington. Finally, I ended up at Seaside.

ERM: This was during the time you were going to college?

WSJ: No, I was practicing law, 1917, 1918. I had got the right during this period to come down and try this case. I came down to San Francisco, tried this case, and won it. I got five or six thousand dollars for this woman and maybe fifteen hundred dollars for myself. They had the conductor of the electric train that hit her testifying, and I was able to convince the jury that the conductor and the motorman on the machine were eating their lunch and didn't see the woman. I was able to picture these boys at maybe six o'clock in the evening hitting this woman's car and damaging her knee, throwing her out. The jury believed me, and I was telling the truth.

ERM: How did you establish the fact they had been eating their lunch?

WSJ: In cross examination. "Didn't you have your lunch on the train?"
They answered, "Yes." "And at the time of the accident you were
eating your lunch?" They admitted it.



The brothers Walter and Alfred Johnson during a motoring trip through Arizona in 1913.

WORLD WAR I: THE IWW AND THE 4 L

ERM: You had a brief military career in 1917 and 1918. Did this involve going overseas or was it all in this country?

WSJ: I started out as a first lieutenant in the Army Signal Corps. I was informed that when I was finished training I was to go up to Aberdeen, Washington or to Europe. Instead of sending me overseas, they sent me to Aberdeen and put me as an adjutant of the commanding officer who was a colonel. We had two hundred officers up there and four thousand men.

ERM: That was called the Spruce Production Division, and you worked for Colonel Brice P. Disque?

WSJ: Yes. I was with that division for about two years. When the war was over I was sent with a troop train back to Maryland to Camp Mead to discharge the soldiers. We had about three hundred fifty men on the train. It was the month of February and it was damned cold on the northern line because the cars were hardly heated. It was a hell of a job getting this gang through without suffering too much. We had to cook and eat on the train. We fixed up a stove in the baggage car and distributed food the length of the train. It was forty degrees below zero in North and South Dakota.

ERM: Can you recall some details of your experience as a junior officer under Colonel Disque in the time you spent in the Pacific Northwest? What was your indoctrination into that job? How did you happen to get tied into the Spruce Division?

WSJ: I, along with a hundred others, was assigned by army headquarters at the Presidio in San Francisco, to go to Vancouver Barracks, across the Columbia River from Portland, for further instruction. Colonel Disque had a fellow named Huntsinger in charge of the personnel problems of the Spruce Production Division. This man had created the Loyal Legion of Loggers and Lumbermen and he had to have a staff. They divided up the state of Oregon and part of Washington into districts. I was assigned by order of Colonel Disque into the Aberdeen-Hoquiam District in Washington. Seven or eight other officers were assigned to other districts like Clatsop and Centralia. The Aberdeen District was one of the big districts. It produced a lot of spruce for airplanes.

It became important to avoid strikes and turmoil in the sawmills and the woods, because up to that time they had interrupted production more than anything else. The IWW's (Industrial Workers of the World) called a strike every time they could to shut down production of lumber and wing-beam spruce. They were doing other things that were harmful to the war, like opposing the Red Cross and getting the loggers to turn against the government.

I was picked for this area because I was an attorney. They wanted somebody who could handle things from the legal end, particularly somebody who could make a speech. As you know, the average businessman is no man to make a speech. But a man who is trained in law should have pretty good knowledge. That's how I got into the Spruce Production Division.

When I left the Presidio training camp I was told I would go to France in the Signal Corps. But instead they sidetracked me to Aberdeen to make talks to the workmen.

ERM: How much indoctrination for that job did you get before you were actually sent out to make these talks?

WSJ: I would say almost none.

There was a commanding officer for that district in Aberdeen by the name of Colonel Harry Bull. I reported to him and I did special work for him among the workmen in the district. Along with that command, Colonel Bull had charge of twelve hundred limited service men that had been assigned to their divisions because of some physical defects that made it possible for them to work but not to be soldiers. I was an assistant adjutant to Colonel Bull. He had an adjutant named A.J. Hightower.

My job was to go out into the woods and meet the workmen during the noon hour or the evening meal and make a talk on behalf of the government to obtain their loyalty and support so that we could get out the wing-beam spruce, which was being produced for airplanes for the United States. England and France also had to have it. (There was no such thing as aluminum. In those days airplanes were made with spruce wing beams and spruce parts. After they got the frame up they'd cover it with airplane broadcloth and paint it to keep the weather out.) Anyway, in the course of a year I signed up 8,500 workmen to be loyal to the government. I'd ask them to sign pledges of loyalty after I made a talk. Oftentimes as a result of my talk rousing their loyalty, some of the agitators would come to the surface. You'd find out who they were

and you'd run them out. There were times when it was a little dangerous because these agitators wanted to stop what I was trying to do.

ERM: You said you had to run them out. How did you do that?

WSJ: Take a crew of a hundred loggers, for instance, five of them are agitators and ninety-five are men, some persuaded to join the IWW and some indifferent, but when the IWW would call a strike in that camp, they'd all go out. After I'd get through talking to them and they'd see the necessity of production, I could persuade them then to support the government and keep on working. The effect of that is that if you have ninety-five of them on your side and five are radicals, the five have to get out of camp because the loyal boys turn against them. You'd drive them out and then they'd go to some other camp and try to get a job. Maybe you'd catch them again in another camp. Then they would go down into towns like Aberdeen, Centralia, and Hoquiam and try to agitate more. It was a case of our swinging the crews to be loyal. The 4L, Loyal Legion of Loggers and Lumbermen, would persuade the workers to turn against the radicals.

ERM: You convinced over five thousand men to sign up. Did you get them to sign a loyalty oath?

WSJ: Yes, 8,500 men signed a loyalty oath.

ERM: Did you also get them to sign up as members of the Loyal Legion of Loggers and Lumbermen?

WSJ: They were part of the same thing. To become a member of the Loyal Legion you were also loyal to the government.

ERM: I see. There had been a history of union activities before the war in which the IWW had begun to have some rather strong part. Some of the reason why they had been successful in signing up so many loggers and mill men was because the conditions of the mills in the woods at that time weren't too good, as I understand.

WSJ: That's right. Sometimes it was the food, sometimes it was the cleanliness of the camp, sometimes it was the shelter (there were some pretty poor shelters and when it rained like hell, somebody got wet), or the beds, sometimes it had to do with wages. Men were running the camps that didn't give a damn about the comfort of the workers, so there were real reasons to agitate. By the time the war came around, most of that had been taken care of.

ERM: Conditions in the camps improved?

WSJ: All the camps and the food were under the direction of the army. Colonel Bull would go out and inspect the different civilian logging camps and if he found that the conditions weren't good, he would report that to Colonel Disque. Then the operators would be made to correct the conditions.

ERM: In other words, the coming of World War I and the involvement of the military in spruce production brought about some fundamental changes in the conditions under which the industry operated in the mills and in the woods.

WSJ: Some operators were scrupulously careful to see that everything was right. Others didn't give a damn. The effect of the army coming in was to put them all under the guidance and persuasions of the army. The army had no right to go into a private camp and raise hell, but they could call the bosses in and say, "What are you going to do about it?" and try to get them to voluntarily correct the conditions, and they did.

ERM: Did the radical element in the IWW continue to try to agitate against the companies and against the army in spite of these conditions of change and improvement?

WSJ: They were still pretty strong at the time the army took over. They had memberships in organizations. The conditions hadn't been entirely corrected either. But by the time the army was in there, I'd say after a year and a half, I never heard any complaints. The operators just got in and corrected it and they have been correcting it ever since. They've got other unions in there now, you know. The IWW were radicals. The unions today are more like Teamsters. They are protecting the men, and nearly every camp of any consequence is unionized today.

ERM: How long had the spruce division been in existence prior to your joining it?

WSJ: Maybe six months.

ERM: Do you remember approximately the date that you went in? And did you stay there until the end of the war?

WSJ: Yes. I entered the fall of 1917. I was headquartered first at Aberdeen and later at a place called Seaside. But the Aberdeen part was the most important. Towards the end of the war, conditions

were so much improved there wasn't much to do.

- ERM: Your principal assignment was of a political nature. You were to contact the camps, make talks, try to persuade the members in each camp or in each mill to support the government and to join the Loyal Legion of Loggers and Lumbermen.
- WSJ: That's right.
- ERM: I gather from what you have said that the vast majority of the men did exactly that. What percentage of dissidents were there?
- WSJ: There might have been something between 5 and 10 percent of the radicals that you couldn't change. But the rest of the men we could swing around.
- ERM: I am sure that you gave a lot of thought back at that time as to why this 5 or 10 percent were such hard nuts to crack. Did you have any insights into why they were unresponsive to your appeal?
- WSJ: It was damn hard to understand. When I'd get through making a talk of the necessity for preserving our free enterprise system and the freedom of man and all that sort of thing, I'd wonder why there would be any opposition. These organizers had a reason, because they hated all forms of capitalism.
- ERM: Were they Communists or Socialists?
- WSJ: We didn't call them Communists then, but they were. They wanted the government to own and operate everything. They were even more than an ordinary Socialist, they wanted the government to dictate everything.
- ERM: Do you remember any of those agitators clearly so that you could describe them?
- WSJ: I don't remember their names but I remember some of them because I would meet them in the camps. You might see the same man in two or three different camps in the course of four or five months. Sometimes it would come back to me that a guy was going to lay for me after I left. Sometimes I'd go into a camp and say, "I understand that some of the men here are agitating and feel that they'd like to get me. I'm going to go down this road in about an hour and a half when I'll be finished here, and if they want to, they got plenty of time to get down the road and get me." They never did. I just bluffed them off.



This photo was taken of Johnson in 1918 while he was a captain in the U.S. Army.

- ERM: Were any of the other men from the division who were assigned to other regions or other areas ever roughed up or manhandled by these people?
- WSJ: I don't think so. I had a uniform and they'd have to be pretty brazen to attack a man in a government uniform.
- ERM: In the book, Country Boys Make Good, I read that you are quoted thusly:

We had no quarrel with the I.W.W.'s alleged objective, which it claimed was industrial unionism, but what we were concerned about was the shutdowns, the slowdowns, the sabotage, the threats and the violence. It was plain to us that the I.W.W. was working under the subterfuge of organizing for better conditions but its real objective was the subversive one of undermining the government and its prosecution of the war. My life was threatened in several camps by I.W.W. leaders, but we managed to get enough loggers to protect those of us who represented the army. I made talks to the men in their mess halls throughout the logging camp areas. A high point in my activities occurred in the main headquarters of the I.W.W. in Aberdeen, when I interrupted a meeting and delivered a straightforward talk on loyalty which resulted in the local workers wrecking the I.W.W. hall and driving the agitators out of the region.*

How would you describe that event?

- WSJ: We knew that they were holding meetings in a certain hall. One night when we understood that some of these radicals were there to make a big talk, I went down there with two or three civilians, I don't remember if any army people were with me. I went down there with some mill foremen or mill bosses that I knew, and I walked into the hall and a fellow was making a talk: "Why support the government in its drive for Red Cross! Who gets the money? Some people get the money and not the people who need it." The fellow finished his talk and I was about halfway up the hall aisle and the people were kind of looking at me. The minute the fellow backed off, I said, "Mr. Chairman, I want to speak to this audience." He said, "On what subject do you want to talk?" I said, "On the very subject that the last speaker talked," and he couldn't refuse me. He said, "All right, come up." So then I got in and gave them hell!

*Friend, pp. 94-5.

In the meantime, people around the town had heard that I was over there and the first thing you know, there were at least another hundred people sitting there, citizens, workers from the factories. They got so damned upset at the disloyalty that they went in there, and by God, they took the benches and tables and the roster and the rest of it and lit a fire to it. And they closed the damned hall up. They put the IWW out of business in Aberdeen. The same thing happened over in Centralia.

ERM: Then later on you say in Ted Friend's book on page 95: "In the end, the loyal workers captured several agitators, tarred and feathered them, and then drove them out of Centralia." They actually tarred and feathered them?

WSJ: That's true. They tarred and feathered a couple more over in Aberdeen, too. And then in another place over in Centralia they captured one of the IWW fellows, put chains on him, and paraded him on a truck through the town. Well, the result of all of this was the radicals got pretty well worked up against the public. In one case the people were holding a meeting at the end of the war and they had a parade in Centralia; some of the men were already back from the war. It was Armistice Day. Some of the radicals stood on the sidelines and shot three or four of these soldiers. Then the citizens got so riled up that they hung a total of eight of these radicals under a bridge. There was regular warfare after the war to get rid of the IWW. I didn't emphasize too much of that in this book, but that's what was happening.

ERM: I notice also in this book you're quoted as saying:

In spite of the unthinking ones, the unfeeling ones, the unknowing ones, I believe that the American Constitution is the greatest document ever devised by human beings to govern themselves in freedom and compassion. I don't think of the American Revolution as having merely happened in 1776. It became a permanent revolution when the Constitution was written in 1782. The Constitution provided ways and means whereby it could be changed, altered, amended, added to, subtracted from, edited, interpreted, re-interpreted through simple due-process without resort to violence ever again. It is a bloodless, permanent, perpetual, continuing revolution. And it is as much the best hope of mankind as it was almost two hundred years ago when it became the law of the land. *

*Friend, p. 98.

You later in that statement quote John Steinbeck's America and Americans, as observing that the United States has a government "more stable, more responsible, more permanent, trustworthy and respected than any other in the world." * With these comments, you indicate you are in everlasting agreement. I wonder if you still feel as strongly that same philosophy today as you did some years ago?

- WSJ: That was usually my attitude about the government because I was connected up with the National Lumber Manufacturers Association as a director, and we were fighting all the time to emphasize the opportunities and liberties and freedoms that our government afforded. I guess I was pretty worked up in those days, writing articles and making talks at different places. Today I would say that I am not quite so sure that we are so perfect.
- ERM: What has given you cause to feel that we are not so perfect?
- WSJ: Well, so many things that go on. When I get out and try to do something where I need the help of a politician, like the mayor of San Francisco, to rebuild the Palace of Fine Arts, all I get are a lot of political promises and nothing else. After awhile, you begin to see that men like Franklin Roosevelt are interested in the job and the honor but fundamentally they are not for the very things that I'm for, which is the protection of our free enterprise system and equal justice for all. They are playing the game for their own benefit and not for the general public. And that's one of the weaknesses of our type of government. I'm not so sure but what Switzerland has a better form of democracy than we have.
- ERM: You mentioned two politicians as violating this whole idea. One, the mayor of San Francisco, Joseph Alioto I presume you mean, and the other, former President Franklin D. Roosevelt, both Democrats. Do you assign this failure in living up to democratic principles primarily then to the Democratic candidates in local, state, and national government?
- WSJ: The Democrats have shown less concern for the ideals in government than the Republicans. Both of them have been guilty of neglect. Take what's going on right now with Watergate. I don't think that Nixon instigated any Watergate violations. He may not have even known about it until afterwards. But he had the wrong kind of men in office supporting him who were damn fools to do those things. That's weakness on the part of your Republican administration. Not that the Democrats aren't just as guilty.

*Friend, p. 99, from John Steinbeck, America and Americans (New York: Viking Press, 1966).

Certainly Franklin Roosevelt is an example of the beginning of what I'd call the breakdown of the ideals. At that point, I swung around. Up to that time, I voted Democrat, but after Franklin Roosevelt told about his New Deal and what he was going to do and he didn't do a damn thing, I became a Republican. He's the one that swung me around and he established something that I think even Nixon is guilty of, willingness to run the government into debt in order to get his way.

ERM: I take it then that you voted for Al Smith in 1928, not Herbert Hoover.

WSJ: I don't remember. Al Smith was a Democrat.

ERM: And Herbert Hoover was a Republican. You said before Franklin Roosevelt, you'd always voted Democrat. After Roosevelt came in you turned the other way and voted Republican, so that would indicate that you voted for Al Smith in 1928.

WSJ: Well, I'm not too sure but I think I did. The reason that I went against the Democrats was largely Franklin Roosevelt's so-called New Deal which was a misnomer and a fraud if there ever was one. He didn't have a damn New Deal except to spend more government money to create more political support.



Walter on snowshoes during a trip to Yosemite Valley in 1920.

THE NEW DEAL AND THE LUMBER INDUSTRY

- ERM: Mr. Johnson, I just recently finished an interview with David T. Mason. Mr. Mason was the executive officer of the NRA's (National Recovery Administration) Lumber Code Authority and we spent a long week or more of discussion on that story. Mr. Mason, who was head of the Western Pine Association at the time this was all brought into being and left Western Pine in Portland to become head of the Lumber Code Authority, told me that conditions in the industry were so bad, that losses were so great, unemployment so bad, everything in a terrible shape, that in 1932 and 1933 the industry was practically down on its knees to the government to do something. "Help us! For God's sake help us, we're in a terrible condition and we can't seem to straighten it out!" The New Deal, whether it was good, bad, or indifferent, made some endeavor to do something about the situation. There are some people who will argue today that if it hadn't been for the New Deal, we might very well have had a revolution in this country. Would you disagree or agree with that?
- WSJ: No, I don't agree with that. In the first place, when you say it was bad and so forth. Sure, we weren't making any money but we were paying our way and going along and meeting the demands of labor and the market. For years the lumber business was not very profitable. In 1933 when they formed the Lumber Code Authority, that's the only time that I can see the government was doing anything and that was mostly regulatory. They weren't giving us any money. They were making a try to stabilize the industry but there was no financial help.
- ERM: It was an attempt at industrial self-management.
- WSJ: I can't remember that our Western Pine Association or the West Coast Lumbermen's Association ever asked the government for any money. They asked for better deals in trying to buy government timber, and other little changes to make it more equitable, but as far as getting government money support, no.
- ERM: Well, the whole thing behind the NRA was to give industry a chance at industrial self government. The NRA board and Lumber Code Authority were the people who guided the whole NRA activity as it applied to the lumber industry. The code was written by the

industry representative and approved by the NRA and approved by the president, and then it was imposed by the industry's own leaders on themselves.

WSJ: But the industry wasn't asking the government for finances.

ERM: No, but the industry was asking the government to impose certain controls upon it that it could not individually impose because there was no unanimity within the industry. Some operators would overproduce and undersell, and all of these things had to be dealt with in some way.

WSJ: The government backed up what the industry needed in the way of regulations, but they gave no financial help.

ERM: Oh no, no financial help. It was never intended to be financial help.

WSJ: It was for the government to make rules and regulations that had an effect on the industry. For instance, on the question of grades of lumber or thickness of lumber, the unscrupulous operator was cheating the honest man by selling a poorer grade of lumber under the title of number 2 common, whereas, it was about a number 3, but he was getting away with it. We had to get some regulation in there.

ERM: There had to be some way to control the amount of lumber that was produced, too.

WSJ: Well, they tried to do that, but when we tried to do that as an association, we got into monopoly procedures where the Western Pine Association was convicted of monopolistic practices. One day I got a letter from the Western Pine Association headquarters saying that the board of directors figured that everybody should cut down 25 percent on their production in order not to overproduce. Well, we'd already done it in our particular companies. We had several sawmills. I wrote back and said we'd already done this and the government sent men into the files of the Western Pine Association and they found my letter. So our company got indicted.

ERM: For what?

WSJ: Damned if I know. But they did it and we had to consent to have a decree declared that we would cooperate. I didn't say we would do this, I said we've already cut down our production. That cooperative effort from one company made the association guilty of monopoly.

And we were part of the association.

ERM: When did that happen? That wasn't during the depression?

WSJ: I don't know what year it was. It was after the depression, I am sure.

ERM: In the 1940s.

WSJ: Yes, in there someplace. So from then on we couldn't discuss anything that had to do with either production or prices. The benefit of the thing was that we were hobbled to the point as an industry, that about all we could do was to hold meetings and tell what had happened. We could say that so-and-so sold some lumber at such-and-such a price and that established the theory that that would be something that we could do in the future. It was kind of a fake way to control things, but that's the way we did it. Of course, today it's all different. You haven't got enough lumber and you get any old price. It's like raising cattle. Hell, I raised a cow up here on the hills, took her down to market about sixty days ago, and got \$470. She was dry but fat. They used to sell them for \$40. That's what's going on today; the lumber market is just that crazy. Two hundred and some odd dollars for 2x4s, and they're almost impossible to get at that unless you got pretty good pull.

ERM: To what extent do you hold the government responsible for this radical inflation?

WSJ: Well, I can't say the government is responsible anymore than the potato raisers that overdo it or underdo it. It's just a condition. During these periods when Mason said we were all losing money and something had to be done, in a sense that was the condition, but the government was proper in trying to do something about it. There may have been better ways to do it than the way the government did it. After all, when you boil it all down, take an industry as big as the lumber industry, with all types and conditions of men running them, you are bound to find some inequalities and lack of respect for your industry.

ERM: When those conditions provoke a national crisis, how are you going to deal with that situation short of exercising powers that only the federal government has? You have admitted that your own

industry's associations don't have the hold over their members to do anything about it. Then what do you do? You've got a catastrophic situation, a national depression, or a war, or something or other. Now, in World War I in which you were a part, firm action was taken by the government. It moved in. It didn't brook any interference. It said, "This is the way it's going to be done, and here is a division of spruce that's going to see to it that it is done. Why? Because we have a national emergency on our hands. We've got to fight a war and win it." Now, when you've got an economic disaster to contend with the people turn naturally to the government again and say, "We've got a disaster on our hands. What are we going to do about it?"

WSJ: The government is the people.

ERM: Were you party to any of this back in those days? Weren't you a member of the National Lumber Manufacturer's Association when it had its great meetings in Chicago and elsewhere, when these things were discussed, debated, and acted upon by you and others?

WSJ: Yes, these were all things that we were struggling to try to find a solution to. In the lumber business in those days we were all suffering from a kind of wild and loose competition and you couldn't hold a price because somebody else was out to cut it.

ERM: And everybody was overproducing, causing wood products to be a glut on the market, weren't they?

WSJ: Yes, but what are you going to do? Today we're in economic difficulty with inflation and certainly nobody would deny that we're living under inflation right now. You go down to the grocery store and look at the price of meat and you see pork chops \$1.59 a pound, that's cheap. The real price for a good steak is \$2.25 a pound. You say people turn to the government. The president has put controls on certain prices and the next thing he takes them off again. Right now I don't know whether he's got controls or not.

ERM: How much of that \$2.25 a pound do you think has been put on the cost of beef by the high cost of feed that is brought about by the lack of cereal grains on the market? And where did the cereal grains go? They went to Russia, and we subsidized through our tax dollars, their purchase of the stuff. They're not even paying for most of it. We are.

WSJ: I wouldn't be surprised.

ERM: Who is to blame for this?

WSJ: You have a government that is composed of three departments, the executive, the judicial, and the legislative. The legislative branch moves far too slow to get anything done. Take a thing like selling wheat to Russia, first thing it's all done and then you try to say how can we stop it? I don't know how you can get the Congress to do anything about it; they are so damned busy trying to find out how they can harm the Republicans by Watergate, and the next crack will be the Republican's and something they will do to the Democrats. What the hell! They should tend to the things that are important to the nation as a whole instead of spending all this time fighting each other. Both parties are guilty.

ERM: Politics is always a matter of fighting between parties. We'll never change that.

WSJ: Well, they get worse and worse. You take politics back when I was born. A man was selected to run for president because of outstanding ability. We don't get that kind of executives today. Today he's got a father with a hell of a lot of dough and who backs him up--like Kennedy or Roosevelt--with a lot of influence and so forth; they want the job and will do most anything to get it. Take the early presidents like Madison and Monroe, they were selected because of their outstanding accomplishments. Who ever heard of fellows like Humphrey ever doing anything? Right now you haven't got anybody that could come up and head either party that's worth a damn.

ERM: You don't see anybody that's worth a damn?

WSJ: Well, who would you take? For instance, who is either on the Republican or Democratic ticket that would make a good president? You haven't got a senator or even a congressman that's outstanding enough. They're just spending their time fighting each other. Look at the Supreme Court and at all of the things they've done, releasing a lot of convicted criminals because they didn't have an attorney on hand at the time they made a confession. There's a hell of a lot wrong with the government, but what you are trying to do right now is get a little of my experience in the lumber business. We're getting completely off the track.

ERM: You're right. This discussion came out, of course, of our considering how industry responds to certain circumstances.

- WSJ: General Hugh Johnson was the head of the NRA and I went into a meeting with some lumbermen to try to get a decision from him. He was drunk. How he could even think! He made a lot of big blustery noises as though he was mad at somebody, and we got no place going to the head of a department where the man himself was not able to think because he was full of liquor. That's one of the weaknesses in our government.
- ERM: Were you representing some particular association in that meeting?
- WSJ: I think that I was there for something that had to do with the wooden package business, because I was the head of it. The wooden package industry had to do with wood that made packages or containers. There was also a man named Louis Powell in the wooden box business. His son became a United States Supreme Court judge. Louis Powell was a good man.
- ERM: When you found it impossible to communicate with Johnson, what did you do? Didn't you have some alternative or some other administrator who could be reached, at a lower level?
- WSJ: I don't know how we overcame that particular problem, but we must have because we are still here.

ON INDUSTRY RECORDS AND WOODEN BOX ASSOCIATION FILES

ERM: All through this time of your life when you were in the lumber industry, you were writing letters, getting minutes of various meetings, and acquiring all kinds of things that would be the very best kind of historical documentation of your experience and of those times, of committees, trade association meetings, and that sort of thing. I wonder if at the office downtown there aren't old files that would contain a lot of that information in some great detail.

WSJ: Things that I was more concerned with had to do with the wooden package business rather than lumber. There were fellows like S.V. Fullaway up at Portland; he might know where some of that stuff is.

ERM: That's a part of the forest industry picture, too. That's the part that I'm concerned about finding and I wonder if you don't have something in your old files downtown in San Francisco.

WSJ: No. For instance, you have a wooden package association back in Washington, D.C. I helped to select the man who ran it, a fellow named Hudson. He was there ten or fifteen years and he kept all the records and held all the meetings. Sometimes he'd come out to the Coast and hold meetings. Those records are all back in Washington, D.C. If records were kept, they should be available, but Hudson died about eight or ten years ago and I don't know that the association back in Washington is any longer alive, but there is a branch out here in San Francisco of the Wooden Package Association. They might have some local records but they wouldn't be the important national records.

ERM: That's why when we try to piece together the history of a very complicated and wide-ranging industry, such as forest products industries are, the only way you can really get down to the nitty-gritty, is through people like you who were once members of the association. And because you were on various committees and boards, you regularly got a flow of mail, minutes, reports, newsletters, what have you, and these things have been in many cases packed away in cardboard boxes and put in dead storage. Today they are rotting away, whereas, they could be brought out and help us to understand what happened back in those days.

To get at the real heart of the story, one would have to go back to those records that were written at the time to be assured of getting the full detail. I'm just wondering to what extent you might have such records in the files of your company or elsewhere.

- WSJ: I don't know where you'd get the connecting links except in Washington, D.C. That's where they were for the wooden box industry and for most of the lumber industry, too.
- ERM: If the Wooden Box Association has gone out of business back there, probably all its records have been thrown out.
- WSJ: They are not out here, I'm sure. You see, so many of these people that were head of the Pacific Coast Box Association are already dead. I'm just living on borrowed time myself. In fact, in 1924, I started the Wooden Box Association. We called it the Pacific Coast Wooden Box Association. Later on we merged into the national. We ran it out here for ten years before we merged.
- ERM: You were the president for a long time.
- WSJ: Yes, from 1924 to 1929 or 1930.
- ERM: During that period of time you had intimate acquaintance with all the association's work, did you not?
- WSJ: Yes. We had a secretary and an office, and I kept all that away from my own business. I never let that stuff get into my files except once in awhile a letter. It was all handled officially by an association supported by dues. You'd ship so many boxes and you'd pay a certain amount of dues per thousand feet of boxes, and that was the money that hired the secretary and maybe the lawyers or anything that was necessary to run an association.
- ERM: As members, you all got through the mail, I'm sure, letters, reports, minutes, and things like that from your secretary. These things pile up in a person's own business records and in their own control. I know that the secretary of the association kept copies of all these things, but very often those association

records don't survive because the association goes out of business. When it does, the whole thing goes down the chute. The only way then you can track what happened is to go to individuals and companies that once were members of those associations and say, "What do you have that might help to restore our knowledge of what happened?"

WSJ: Again, here is your weakness of memory. The memory of the man might not be good enough to give you a thing as authentic as you'd like.

ERM: That's right. That's why we keep probing for records, things that are tucked away in boxes, in warehouses, wherever old records of business are stored.

WSJ: Well, I don't know how you are going to get any records. For instance, in my case, when a thing gets four years old, I try to get rid of it legally, particularly in my own business. Even the American Forest Products Company is forever dumping out records that get five or six years old, otherwise you are bogged down with paper. For instance, if somebody said to me, "What did you do in 1964 on certain things?" I keep a little diary. Somewhere in that little diary I might find something. That's about the only record that I can really put my hands on. The rest of them, anything as old as that, have probably already been burned up.

ERM: A little earlier we spoke about the founding fathers of the country, the Jeffersons, the Washingtons and the Adamses. We know more about what they did day-to-day than we know what people of your time have done, because they were more concerned about preserving the record that documented what they did. If the American businessman is to be faulted in the future, it may be because he was so ahistorical that he threw away the record of everything that he did.

WSJ: There probably is a lot of that. If you were to try to get the history of the oil business, for instance, you'd get clear back to John D. Rockefeller nearly a hundred years ago. Try to follow through what happened to the oil business and you'd get to the point where the government dissolved Standard Oil. But I doubt if they kept any of the records of the company.

ERM: Yes, they did. At least six big books of Standard Oil Company history have been written by accomplished historical scholars based upon original records of Standard Oil of New Jersey, Ohio, Indiana, California. All of these companies have employed

scholars to write their histories and they have saved their records so that they could do so.

I realize that the modern businessman creates a tremendous volume of paper records and it isn't practical to save the whole thing. The important thing is that the essential stuff be saved. For example, if we could go back in time right now to some of your letter files that were written between 1915 and 1935, think of what a valuable record that would be. We could see step by step how you put this company together, what its problems were, how you reacted to them, what you did about them, whether they were solved satisfactorily or partly, or whether you failed to solve them because the problems were overwhelming and because factors were so against you, you couldn't solve them. This is what history is really about and this is what I am trying to obtain through interviews. We can't hope to get it all out of memory, because memories are fallible and fail us.

WSJ: Yes, that's the trouble. I haven't even thought of trying to save anything after it gets a certain age because I had one bad experience. I saved up a lot of financial records of my own personal business and I got in trouble with my wife and she hired an attorney who knew all the angles about making trouble for you. So I had to dig up records that went back to (and I kept them foolishly) 1913, 1914, 1915, right on up to the day of the hearing. I had to pay a quarter of a million dollars just to get the stuff ready, because that was the price charged by the auditors that worked under this attorney. Then I had to give him a quarter of a million dollars, too. So I decided that I'm going to get rid of all the old stuff that I don't need anymore so they can't put me on the stand and try to force me to get something because it's gone. If it gets five or six years old, I am not expected to have it any longer. They put a premium on me destroying all these old records.

ERM: I would guess that that rationale is adopted by a great majority of American businessmen today.

WSJ: They find something in the file and it can be held against them, particularly in a divorce case.

ERM: So personal concern over protecting ourselves one way or the other provokes us into a situation where we really destroy the sources of history.

WSJ: Yes.

TARTER, WEBSTER & JOHNSON, INC. / AMERICAN FOREST PRODUCTS CORPORATION / MERGER WITH BENDIX

ERM: Can you tell us something of the Tarter, Webster & Johnson partnership?

WSJ: Back in about 1902 I had a boyhood friend named Clarence A. (Bert) Webster. When Bert was fifteen years old his father died and he had to go to work. He got a job in San Francisco with the Gorham Rubber Company, and traveled back and forth to his mother, who lived in Alameda, on a ferryboat everyday. He had two fainting spells on the ferryboat and the doctor said to the mother, "You either get this boy up in the country away from here or he'll die." So he went up to work for the Diamond Match Company at Stirling City, California, driving line horses. In those days they didn't have any cars or trucks. The company found that Bert had education enough so that he could do bookkeeping. In those days it was hard to get trained help for the offices, so he went into the office end of Diamond Match for a few years and finally got another job with Northern California Lumber Company. He made a close friend of a man named Horace Tarter who was older than he was.

Bert went up to Hilt where he connected up with the Northern California Lumber Company. It was run by a man by the name of Leach, who was pretty much of a spendthrift and irresponsible operator. Ultimately, that business fell into the hands of the Fruit Growers Supply Company. Then Webster and Tarter had to get another job. They went down to Stockton in 1910, rented a warehouse, got a little machinery together, and began making boxes for the local growers of Stockton and Turlock. They finally built up quite a business. By 1920-1921 when I was back from the war, they wanted me to come down and become partners with them. I did go down to Stockton and started out practicing law but ended up partners with Tarter and Webster. That was my beginning in this lumber business.

They had been short of money for the first several years and Bert Webster's mother mortgaged their home for \$3,000 and Horace Tarter's mother got about the same amount together, and they scraped up enough to get the machinery and to really start a little business. Out of that grew the Stockton Box Company which later became American Forest Products Corporation. The branch of that

handling lumber sales was Tarter, Webster & Johnson. The box business was all under the name of American Forest Products and they added to their activities the timber business, corrugated boxes, and so forth. It became a business doing about \$160 million per year. It all started back in 1902 when Bert Webster's health failed and he had to get out into the forests and build himself up physically.

ERM: Did Webster and Tarter want you to be their legal counsel?

WSJ: First I was their legal counsel. Later on, Horace Tarter was getting old and he wanted somebody to take his place. He gradually retired and I stepped in. In addition to handling legal matters, I had to learn the business. Bert Webster was about my age.

ERM: What did you do besides handle the legal matters?

WSJ: We had a factory in Northern California at a place called Bray and another one at Dorris. I would go up there and manage the crew and get the lumber together. I would also sell to the big customers like California Pack and the Fruit Growers Supply Company.

ERM: You say that you had to procure the lumber for your manufacturing plants?

WSJ: We had a box factory and we had to buy lumber to make the boxes.

ERM: Where were you getting it?

WSJ: From the little mills that were producing from five to ten million feet a year. We'd take the whole cut, sell the upper grades separate, and use the box lumber in the box factory.

ERM: Did you own any forest lands in those days?

WSJ: In the beginning we just had the box factory. Later on we got into the sawmill business. At one time the American Forest Products Corporation operated as many as twelve sawmills, big and little. We had the sawmills produce lumber for selling of upper grades, and making of moldings, sash and doors, and boxes. It became quite an institution. In fact, it still is a pretty good size outfit.

ERM: When did you start branching out?

WSJ: In 1924 I got my partners to agree that I could go to San Francisco

and open a sales branch office. That led to selling more than we could produce. From that we got into more production and made a few mergers and built a few sawmills.

ERM: 1924 to 1926 were not bad business years as I recall.

WSJ: There wasn't a big profit but there was money.

ERM: There weren't big profits but you could sell whatever you could produce.

WSJ: That's right.

ERM: Then in 1927 and 1928 things got kind of sad and sick for the industry. How did you keep building in the midst of that growing depression in the industry?

WSJ: We did it by what we always called "superior service." You're a fruit shipper, you want boxes at a certain time. We got them there. You never lacked boxes. You could pack your stuff as fast as you could and sell it with no worry about boxes. Gradually we built up a tremendous following.

ERM: Because you were dependable deliverers. How did you do this where the other competitors did not?

WSJ: Well, the competitors were California Pine Box Distributors. They didn't offer the serious competition that they could have. We just knew that the important thing to the grower of vegetables is the shipper. When the produce is ready, he has to ship. He can't keep it until next week. It's got to go today, tomorrow, or the next day. We were right there even if we had to work nights to see that he got what he wanted. They're still doing that in the organization.

ERM: That's a hallmark of your operation that has had probably as much to do with its success as anything. In other words, it was a superior quality of marketing.

WSJ: Yes, that's right, because of the importance of perishable goods. A crop of cantalopes are about to become ripe in the Imperial Valley and you've got no boxes, what can you do?

ERM: You're out of luck.

WSJ: Well, we were there.

ERM: I should think that that would be such an elementary fact, that all people in the box business would operate on it religiously.

WSJ: I think that we just outdid the others. For instance, we've had occasions where they were growing cantalope around Firebaugh. It's on the west side of the San Joaquin River, around Los Banos. They had a tremendous melon crop, very profitable, too. We had already sent down twenty to twenty-five carloads of cantalope crates to Arizona, because they were planting so many cantalopes they wanted to have a good supply of boxes. Rains or something ruined their crop, so they could only use a carload or two of cantalope crates. Well, there was a big crop in Firebaugh, and where were they going to get the crates? California Pine Box couldn't get them. Sacramento Box Company couldn't do anything. We couldn't get enough of them out of Stockton or Fresno. So we sent trucks to get the unused crates that we had sent to Arizona. We did day and night trucking to get that crop out and they made hundreds of thousands of dollars out of a profitable crop because they had the crates. We didn't make any money on that, maybe lost money, but look at our reputation? Every grower says, "Why don't we buy where we can get the protection?" That's one of the reasons that American Forest Products grew to a point where we were primarily the big end of this wooden box business in the states of California and Arizona.

ERM: How far outside of that area have you shipped?

WSJ: We've shipped all over the United States but basically the bulk of the business is either Texas, Arizona, or California. Of course, the big end of it is California.

ERM: Who have been your principal competitors?

WSJ: California Pine Box Distributors, the cooperative group of big sawmill operators like the McCloud River Lumber Company and the Weed Lumber Company and the Red River Lumber Company. Some of those big operators had what they called a cooperative.

ERM: I see. They marketed through each other. They fed all their materials through one sales company. You didn't do that.

WSJ: We didn't do that. We operated either our own mills or we bought from little mills who were independent; the bulk of the stuff we produced. Still we bought a lot.

ERM: Outside of the area, who were the big box manufacturers in other

parts of the country?

WSJ: There isn't any part that's bigger than California. This is where you need the boxes. You take the melons and the fruit and other things that are raised out here, we're really the breadbasket of the nation, and here is where the bulk of the stuff is used. Of course, you get a lot of apples up in the Northwest. The apple business up north is very important but we don't go there. We can't get that far away, though we have shipped boxes all the way to Africa for oranges. Then they'd load them and send them into Europe.

ERM: Would you say that American Forest Products Corporation has been the largest?

WSJ: In California we have been the largest. I dare say today that they are still the biggest single shippers of boxes.

ERM: Is the demand for the wooden box declining?

WSJ: It's mostly corrugated now. We make a lot of wooden boxes still for lettuce, pear, and asparagus, and certain things that you can't put into corrugated boxes and have them arrive in any shape. Crops like oranges, apples, and peaches that are put into special wraps, or figs that are to be handled delicately, still need to have wooden boxes. Cherries have to have wooden boxes.

ERM: And berry boxes?

WSJ: They've gone to corrugated and so have avocados. For fruits like apples, oranges, lemons, the bulk of it is all corrugated now.

ERM: As you have been involved in this business over the years, what have been the things that have provoked the change from one kind of product in the box business to another? Do you recognize any things that were primary causes for these changes? For example, from wooden boxes to corrugated boxes, was this a product of better machinery to produce corrugated boxes or was it the demand from the people who were buying them that brought on the change?

WSJ: Everything has a bearing on why there was a swing. For instance, the corrugated box might weigh a pound and a half, a wooden box that will hold the same amount weighs five and a half pounds. There's four pounds in addition to the fruit that has to be shipped to New York. The dealer back there says, "We'll take it in corrugated because we can save four cents a crate," and four

cents on ten carloads is a lot of money. Take the case of the canned goods. California Pack would buy maybe 500 carloads of wooden boxes for putting up fruit. That would be enough to make 5,000 carloads of canned fruit. Say you've got 25,000 boxes. By the time you get 25,000 boxes in one carload and you're shipping like California Pack does, it runs into tremendous freightage and weight. You can load corrugated boxes on trucks and cars that are one-third the weight. They had us beaten. So we got into the corrugated box business, and we've operated that now for about fifteen years. But if we had started in earlier when we saw the handwriting on the wall, we'd have been far better off, because that's where the original money was when the demand was so strong. Later on, too many people came out and got into the corrugated box business and they kept the price down.

ERM: You say you were a little bit slow in getting into it, why?

WSJ: Because we were trying to be loyal to the wood. We didn't want to reduce our consumption of wood. We were lumber people, not paper people, and we stayed at it too long. If we'd been in the business earlier, we'd have built up a far better business.

We could have been far bigger and better if we'd have gone into the paper business earlier. We merged finally with Bendix. They are running the company now, and they are not so fond of the paper business because there is not enough profit in it, although we thought it was pretty good.

ERM: What are they going to do?

WSJ: They are getting into other things that they think are more profitable. For instance, they put up \$10 million to build a particle board plant. They gave that much money to American Forest Products. We didn't have \$10 million and they did and gave it to us in the merger. So now they own that plant and they are running day and night and making good money. Why should they stay in the paper business if they can make more money making particle board. They are making particle board for flooring, walls, furniture, and all kinds of things. And they don't even have to burn anything anymore. They can sell the bark for gardens. There's a demand for everything they can produce. They grind up all the scrap lumber and make particle board, and they sell it as fast as they can get it out.

ERM: Where is this plant located?

WSJ: Martell, near Jackson, Amador County. We bought the Winton

plant out and rebuilt. There isn't anything except the old office in it anymore. I'd say between what we spent and what Bendix has spent, nearly \$20 million worth of new buildings and machinery have gone in there. It's a very modern plant. I guess it's about the second largest particle board plant. There is one bigger up north someplace, near Medford or Grants Pass, that's an enormous plant. The machinery for those plants is very expensive.

About twenty years ago I realized that I was getting a little old. I was about sixty-eight, but I kept up an interest and finally hired Charlie Gray to be the president, and I became chairman of the board of AFPC. I had other interests but I'd say about eight or ten years ago I finally figured that I'd better get out of this thing. So when Bendix came along with a hell of a good offer, we took it. Bendix is running it today. Of course, I can see that they know what they are doing, but they do a lot of things that I wouldn't do.

ERM: Was American Forest Products Corporation primarily your own company?

WSJ: It was a merger of Tarter, Webster & Johnson, the Stockton Box Company, the Associated Lumber and Box Company, the Harbor Box and Lumber Company of Los Angeles, and the General Boxes Services of Fresno. It was a bunch of companies that all went in and all are owned now by the American Forest Products Corporation which in turn is owned by Bendix.

ERM: How was the stock held in American Forest Products Corporation before it was sold to Bendix?

WSJ: Well, different people in the organization like Gray, Joseph A. DeMaria, and different members, and a lot of the employees were encouraged to take stock. It wasn't held much by the general public. It was held more by employees and original investors and their families. They all did pretty well by getting a merger and getting Bendix preferred stock. They get good dividends, bigger than they got before. Some of them are still working and others are retired.

ERM: Bendix Corporation stock is on the big board.

The forest products industry has gone through a great deal of change since you first became associated with it. Can you identify some of the factors that have brought about the change in the character of the industry? For example, how would you compare the forest products industries which you knew when you first started with

what they are today? How are they different?

WSJ: Back as much as twenty-five years in the Western Pine Association, the products of the mills had to be marketed as either box lumber-- low grade, or a little common, not too much, or better--or shop lumbers or clears. The average mill like Weed or McCloud, would produce 60 percent of 2 common and shop and clears, and 60 percent of that would be box lumber. They had to get rid of the box lumber and that kept the price down. Those big mills had to work off this box lumber and they had to take a certain amount of lumber and waste and so forth. When the corrugated box business came along, because of its advantage in weight, it was able to take away much of this business that had gone into the wooden boxes. Then these mills had to find a new use for the low grade. The box business wouldn't take them all. They worked up certain things, including particle board, and then they got further into moldings. For awhile you could get a lot of business in moldings and sash and doors, but those finally went to aluminum. Gradually the sawmills have had to find new ways to work off the low grade and they finally have done a pretty good job in particle board. As a matter of fact, I'm sometimes surprised at how well they've done in getting rid of the low grades. If you go to a yard today to buy lumber, the stuff that they sell you has knotholes. We used to have to sell them clear lumber. Today, the stuff that used to go into boxes goes into houses. They have had to change their whole scheme in selling the product of the log.

ERM: What about the character of the industry itself? Has it become more concentrated than it was before? Weren't there many thousands of single operators back when you started out, producing all kinds of products, some of them good, and some of them mediocre, and some of them bad?

WSJ: Yes. There are far less little circular sawmills than there used to be.

ERM: You don't have as big a total input as there used to be.

WSJ: No, and there isn't available timber. The government sells the mills timber today. The private timber that they used to operate on is pretty much gone; they have to go to the government and compete with other mills, and the chances for making any real profit are mighty slim. Unless you have a modern mill and all the conveniences and so forth, it would be hard to make money. The product of a sawmill used to come off and you'd have what they called the "green chain." You'd pull the stuff off into different piles and then you'd have a lumber truck come and take it out into the yard.

All of that was done in the last thirty years. But today they don't do it that way.

ERM: It's all automated.

WSJ: Like the Martell mill. A fellow touches a certain key when he sees a board go by, it might be a six quarter, twelve inch shop board. The board goes onto a ladder and then is kicked off at a tray where the six quarters are. When that falls down the long trays, the men are there putting the stickers on it because it's green lumber, then the carrier comes along and takes it away. All of that is entirely different and new to this industry.

ERM: In other words, the costs of keeping up with new equipment are making for larger and larger demands for capital in order to succeed in the business.

WSJ: Yes, that's right.

ERM: Did this enter into, to any extent, your decision to sell out to Bendix?

WSJ: Yes. The lumber business today is quite a different type of business. In the first place, there are many different angles. For instance, the Japanese came over here and bought tremendous quantities of Douglas-fir. Then they got into buying white fir, which is a poor grade. And then they began to make plywood, and from that doors and other things that are shipped back to the United States. Because of their cheap labor and cheap transportation on the water, they can outdo an American mill. We can't begin to supply what Japan would like to have from us. They were actually buying mill chips to make paper out of them in Japan. The Japanese can pay more to buy chips than the mills in the United States have been paying. You say, "What are the changes?" There's a change every year. For instance, loading a truck in the woods with a log isn't done like it used to be. When I was first in it, six or eight horses would be pulling a log. Before that it was oxen. I didn't get in on that. Then came different kinds of tractors, crawler tractors. They'd haul the logs down to the mill with crawler tractors. Today they're back in the woods fifty, sixty miles, and they can't use tractors. They have trucks that cost \$25,000 to \$45,000 apiece to truck logs down to a sawmill. When they get to the sawmill, there is an enormous new rig that they didn't used to have. It's a diesel rig that grabs the whole load of logs off of a truck and takes it over and puts it on the deck of a sawmill.



Truck loading operations in a California pine area.

INDUSTRY RELATIONS WITH THE GOVERNMENT

ERM: The tremendous change in technology and engineering, of course, has had a profound effect upon the character of the forest products industry. How would you say outside forces have influenced the change in the industry? How has government, for example, the Forest Service, the Bureau of Land Management, the Park Service, or any of these other agencies of state, local, and federal government influenced the change in the character of the forest industry?

WSJ: The Forest Service has had quite an influence because they own the bulk of the timber today. If you've got any private timber, you try to hold it back for future needs and use government timber. The different outfits have to bid against each other so that the price of stumpage keeps going up and up. Then there is the cost of building roads. The government isn't satisfied to let you build an ordinary dirt road into the woods. You've got to gravel it and put a certain width and depth of gravel in the base of the road that could be used not just for your logging but in the future for recreation and all that stuff. The government has had tremendous influence on the practices because of their restrictions. They have different ways of forcing you. You've got to find a way to get the lumber out and, of course, the work that's done automatically today makes it possible, if you can afford to do it, but with the machinery that they had twenty or thirty years ago, you couldn't afford to do it. It was impossible.

ERM: Then government regulation has, in a sense, worked to limit the number of operations that could be profitable. Has it tended to squeeze smaller operators that can't be efficient out of business?

WSJ: They're not going to admit that. I don't think that you can get the government to admit that because they'll put up a sale of timber like ten, fifteen million feet just to benefit some little mill, under conditions that only that little mill can bid on it. This is done in order to make it possible for the little mill to stay in business.

ERM: In order to sustain the life of the local communities of which that mill was a part. So, in a sense, the government has helped to keep small business going.

- WSJ: They've done different things in different locations and I'd say if the local man knows how to put it up and if he's got a little mill, he can get the government to put up the five million feet a year that he needs. They'll find a way to get it for him. Whereas, the big mills wanting a hundred million feet would have to bid against everybody else, and sometimes it gets pretty tough.
- ERM: Did you find it was getting pretty tough when you were in the business?
- WSJ: Oh yes. We had cases where we'd pay just to keep the other guy from logging in our area. We'd pay twice as much as we figured we ought to pay and try to break even on it, in order to keep them out. Bidding for government timber by sawmills even today is tremendous.
- ERM: By keeping him out, what were you gaining?
- WSJ: If he gets into an area and establishes a camp and facilities, he's right in your hair.
- ERM: And he's got as much right to bid on the timber as you have.
- WSJ: That's right. If you can buy out the timber so that he hasn't anything to go in there and cut, even if you don't make any money on it, you might be better off. We figured we had to buy numerous sales knowing we couldn't hope to make anything, maybe lose money, just to keep some fellow from getting in our hair. That's been going on all the time.
- ERM: That would be a general condition of the industry primarily in the West where public timber is available, right?
- WSJ: Yes. Where timber is owned by individuals, you don't have that experience because you deal direct with the individual. Maybe you pay too much, but maybe you can work out a partnership deal with him where he gets a certain percentage of the profit. There are different ways of handling it. But when the government itself is handling the sales, you are at the mercy of the other sawmill people who are bidding against you.
- ERM: That's an area in which federal government has an impact on you. Where does the state and the local government hit you?
- WSJ: The state does have some timber and they do sometimes put some up to sell. But they don't have much. Mostly the state is

interested in fire protection and state cutting regulations, like you can only cut a tree if it's twenty-two inches in diameter. You can't cut it if it's smaller. And you have to leave so many trees, say three seed trees to an acre to reforest the land.

ERM: Cutting regulations from the state side have been rather a hot battle over the years, have they not?

WSJ: Not too bad. I used to be a member of the State Board of Forestry. The industry didn't have too much complaint.

ERM: Why was that? Could they control the State Board of Forestry by their membership on it in a way that they couldn't control federal?

WSJ: No. The State Board of Forestry always had two men from industry and two men from the forestry department. It was a split management deal. The lumber industry could simply be there to protect their own interests. The regulations that the lumber industry wanted were granted because they were fair and proper and good for the need of the industry and even to the Forest Service. For instance, you're going to have a lot of reseeded, because most places you leave everything under twenty-two inches, plus three seed trees to an acre, and the seed tree is usually bigger than twenty-two inches. You come back there in ten years and you hardly know you were in there logging. So much has been done through the cooperation of the industry and the Forest Service, that you're in pretty good shape.

ERM: Why is there so much flap today then over this matter of timber cutting regulations? Hasn't the state law changed so as to throw the old regulatory system out with this kind of representation on it?

WSJ: There haven't been any changes that warranted any complaint. I think that the changes that have been made have been beneficial and good for the industry. But it does cut down sometimes on the volume that's available and may hurt certain people in business. Some of these people that are asking for more liberal deals are a little ruthless too. They don't cooperate. We tried by having tree farms and so forth, to come as near as possible to living up to the federal and state regulations. I don't think it's hurt us.

ERM: Were you in on the tree farm movement from its very beginning around 1940, or did you come in at some later date?

WSJ: We were there in the beginning.

ERM: Wasn't Colonel Bill Greeley a very important part of that?

WSJ: I don't know. He may have been long before my time. He may have been more important in promoting an idea like that, but in the actual carrying out of the program I don't think he got much involved.

ERM: What association had most to do with establishing the tree farm movement?

WSJ: Western Pine did as much as anybody. That goes back to the days of John Henry Kirby, I think is his name.

OTHER TOPICS

ERM: How do you feel colleges and universities have influenced the changes in the forest products industry over the years?

WSJ: I have never been in close contact with education programs for the forestry department. I had a cousin who spent his life at it, but I never really got into it enough to have an opinion. I would be more inclined to hire a man from the forestry department that has climbed up through the ranks than I would any of the graduates of the schools. I'd be inclined to think he knew more what the problems were than the fellow who got the education. I don't know that for certain, but I still think that practical experience is the best education.

ERM: Where did you recruit the men who worked for you at the higher levels of management in your company?

WSJ: Right out of the ranks; took them out when they showed outstanding ability.

ERM: Either in your own organization or others?

WSJ: Mostly in our own. I picked Charlie Gray out of another organization, but he was with us a great many years before I gave him a promotion to president. I put him through the task. It's possible to go out and get another man from another organization if he's showing outstanding work, but then you discourage your own people.

ERM: They don't think there is any hope for them to get to the top?

WSJ: That's right. I've found that that's important.

ERM: Let me ask you a few more questions along this same line, about the things that have changed in the industry and how they have been changed, what factors, what forces have worked to bring about these changes. Has the press been of any importance, either the popular press like the newspapers and magazines, or the trade press like the trade journals, or the professional press?

WSJ: The only place that I've seen any real influence on the industry is in trade magazines. They put out articles to improve the industry

conditions and carry advertisements of machinery outfits that have improved machinery available. I think that they have had some influence. But the daily press and the ordinary magazines haven't had much influence. You have to figure that if you're going to get any benefit from publicity, you get it from these trade magazines.

ERM: Through a trade magazine you are talking to yourself and your own people in your own industry. What about the general public?

WSJ: The daily press would have about the only contact with the general public.

ERM: You're a lawyer, you know that public opinion has its impact. What would you say has been the record of the industry, as far as public opinion is concerned, over the years since you've been involved? Has it grown better or has it grown worse?

WSJ: It's about the same today as it was when I was first in it. There are conservationists like the Sierra Club. You're always going to have those and they've had their influence and are having it right now. Maybe more than is justified, too. The conservation group is more active today than it was ten or fifteen years ago.

ERM: Is that because there are more people who are more affluent and who have time to be concerned with nature, and hiking, and wilderness, and that sort of thing?

WSJ: That has a lot to do with it. If you analyze it, many people have nothing else to do except to criticize what's being done in the oil industry, or the lumber business, or mining. For an example, they're trying to pipe oil out of Alaska. Look at the delay. It's been five or six years since they discovered all that enormous oil and they haven't even gotten permission yet to build a pipeline off across a country that is barren of human civilization. They have nothing but reindeer and wolves and things they'll never see with the damned pipeline. But look at all the time they've wasted and now you see a crisis. You go into an oil station today and try to get gasoline for a modern car and they say, "Sorry but the only thing we got is partially leaded. We haven't got any plain gasoline." How can the government let that go on?

ERM: Do you believe that all natural resources then should be used as they are discovered?

WSJ: I think that with civilization's increasing demand for natural

resources we have to have federal regulation that would include oil as well as lumber. There is a control on oil and how much can be produced and the price of gas is supposed to be controlled by the federal government. Maybe strong organizations like the Sierra Club say, "No, we don't want that. You're going to tear this mountain down to get some oil out of it and that's wrong." Some - body ought to be able to say, "We need that, we've got to have it." That's what they didn't do in connection with Alaska. We have to go to Arabian countries to get gas and oil and they can hold you up. Hell, it's wrong. You and I know that there's far more timber in the world than there is need for it. Whether you're talking about the jungles of Brazil or the Congo or Alaska, Canada, or Siberia. Yet in the United States today you have a shortage.

ERM: Partly because a lot of it that you've mentioned is not very accessible.

WSJ: There's no effort being made to develop a lot of that stuff. You go over to Italy. Near Venice there's a place called Portomaggiore. There's a big refinery and harbor, and they have timber. They bring the timber in from Africa, mostly from around the Congo and Liberia. They are beautiful logs. I've seen them come in there forty to fifty feet long and eight feet in diameter. Three or four trucks go by hauling four or five logs on them. You follow them up to some place and find that they are cutting them into plywood, veneers. They don't make the plywood there but they cut this stuff up and send it to Russia and France, and all around. That's accessible lumber. They put it in the hold of a steamer and bring it in there. Of course, it's expensive, all hardwood, good quality logs. There's just thousands and thousands of beautiful acres of beautiful timber down in Africa and the same thing in Brazil where they've got a river to float it out. You can go a thousand miles up the Amazon River and it's all timber.

ERM: Don't the marine bugs get into it if you float it in a tropical river?

WSJ: If you were to fall it and float it and take a year or two to get it out, yes, then that would happen. You'd have to find a way to log it and put it on boats and send it over to a port like the United States and make it into plywood or lumber.

ERM: I can see your point when it comes to trees. I'm not so sure it applies when you talk about petroleum though, because in one case you are talking about a renewable natural resource, the forest, and the other you're talking about fossil fuels which are limited. They are not renewable, so can you afford to use them up just because there's a demand for them? What about the future needs that we are going

to have for those things?

- WSJ: If you're talking about oil or gas, maybe you're right, because I don't know enough about that business. I'm pretty sure that if you take the oil out of the ground, there's no more going to be put in there unless you put it in. But we know that the forests are renewable no matter where they are. I've seen places where we logged thirty or forty years ago with a beautiful stand of second-growth timber. You make good profit on it and after only thirty years. In fifty or seventy-five years, you'd never know that anyone was ever in there logging. That's a matter of using intelligence to properly log it.
- ERM: You were in trade association work for many years. You started one, the Pacific Box Manufacturers Association. What do you think is the real importance and value of a trade association?
- WSJ: An industry adequately organized with its members can better cope with progress. Without an association you go along from hand to mouth making changes in your own outfit. You don't have an opportunity to know what anybody else is doing except what you may hear, or you might spy on them. But if you have an association where you all get together, executives, and so forth, you are bound to exchange ideas and thoughts about what's good for the industry and you're not too distant to ask questions. The first thing you know, you find that they're all progressing together. I build a sawmill up here in the woods and sell my products to an outfit. I don't have any association, no contact; I'll be running that same system without any changes for years. My neighbors around me who belong to the association know what's going on and maybe they have been getting this new stuff and first thing you know, they can out produce me costwise and volumewise and I'm out.
- ERM: Okay, so the first important reason, from your views, for a trade association is that it provides a forum for discussion and an exchange of ideas which are helpful and healthful to all its members, is that right?
- WSJ: Yes, and to the industry as a whole.
- ERM: It serves as kind of an intelligence organization for gathering information and data which will be generally helpful to everybody. What about its capacity to serve its members in a political way?
- WSJ: I can't see that the association can have any real power politically.

It would be unnatural. We might be members of an association, and you're Republican and I'm Democrat. You have a different philosophy about government, but we're both in the same business. How are we going to exchange ideas without being in opposition in our views?

ERM: I think that that obtains in all associations, that there are members of different parties, but that doesn't prevent the association from acting in a political sense in the state legislature.

WSJ: I've never seen them do that. All I've seen them do is talk.

ERM: Don't they act in concert on matters like tax legislation?

WSJ: Not very much. You have your own tax legislation organizations that you deal with not through your association. The association should stay in the things that concern the product, trade promotion.

ERM: So it's your view that a trade association should not get involved in matters of political moment or in lobbying or anything of that kind?

WSJ: That's right. The benefit of the association would be from what you exchange in ideas about marketing, production, cost, labor.

ERM: What about the national trade associations? One of their biggest reasons for being is to keep on top of what's going on in the government.

WSJ: They do have to have lobbyists to put through ideas in Washington with the senators and congressmen.

ERM: So trade associations do have political purposes, don't they?

WSJ: If you're talking about a national association, yes. But it wouldn't mean anything in California.

ERM: But isn't the national really an association of associations; The California Redwood Association and the Box Manufacturers Association, and the West Coast Pine and the West Coast Lumbermen are all affiliates of the national.

WSJ: As a matter of fact, they include the paper manufacturers now-a-days. The great benefit you get out of the national is with its influence in Washington.

ERM: What would you have to say about the trade association as the

spokesman for the industry in public relations matters?

- WSJ: I wouldn't put too much emphasis on that. I haven't ever seen any great amount of good from it.
- ERM: What about American Forest Products Industries? It sprung out of the national, but then it was independently funded by industry, wasn't it? Were you ever involved in AFPI?
- WSJ: I haven't seen too much good from it. I'm supposed to belong to something they call the 99 Club. It's a bunch of lumbermen that all put up \$99 a year to build a fund that is used for political influence on things that concern the timber business.
- ERM: Is the 99 Club organized on its own or through the national?
- WSJ: It's on its own.
- ERM: Where does it function? Who is its secretary?
- WSJ: I think in Washington. I've got a request right now on my desk to pay my dues for next year, and when I get over to the City, I'll send them a check. Some people feel you can get an influence with the 99 Club that you can't get through the national association.
- I don't have a lot of confidence in it because I don't have a lot of confidence in anything. But when you get a problem as we had with the Forest Service over the conditions of making a contract for building roads, the most effective way is as a group, to meet with the Forest Service people and argue it out that way. That's more effective than lobbyists. However, we have to remember that somebody's got to keep their eye on what goes on in the Congress that has to do with lumber.
- ERM: Do you remember anybody who has been the 99 Club representative over the years?
- WSJ: No. Some fellows up in Oregon started it.
- ERM: If you could have a big influence on the trade association movement, today, knowing what you know about it from all your past experience, how would you change it if you could? Is it a well designed institution to serve its industry as it is now created, as it is now functioning, or is it not?
- WSJ: There was a period when I considered the Western Pine Association

a very vital organization. For some reason, I think primarily because it costs too much money, they began to consider a merger to cut down on expenses. Some of us paid and never said a word. But others complained, objected until finally we lost out. I think Western Pine was a very helpful organization during its life, particularly under Fullaway.

ERM: Do you think it is of lesser importance today than it used to be?

WSJ: I think that the Western Pine Association during its activities, was a very vital and beneficial organization and we kind of looked to it. As an operator, you kind of look to the association for guidance and so forth. That shows that the outfit was beneficial. I don't think it's as useful today as it was. I would say that what's going on now with the association back in Washington is all right, but as far as the Portland office of the Northwest, the Western Forest Products Association, isn't as important as it's been. Bear in mind I'm not any longer active, and I really don't know. I don't keep track. In fact, I stay away from them deliberately because if you want to retire, there's only one way to do it, forget the business and remember something else.

ERM: Do you think that the industry has paid the cost of trade association and trade promotion work as generously and as well as it should? Or do you think it has been underfinanced?

WSJ: I'm sure that it was under financed because all I ever heard in all my time was that too many people were getting a free ride and getting the benefit of an organization and didn't put up any money.

ERM: Was that true in the box association?

WSJ: A little bit, not too much. But in the lumber business it was, particularly with the smaller outfits.

ERM: They took a free ride?

WSJ: Some of the big outfits didn't. You take the Fruit Grower's Supply Company. They own a couple of big mills and they didn't pay any dues. I'd say that they never really had all the finances they needed and I think other industries, including oil, have always had better revenue to work with. I think the lumber business has always been short of money. I can't remember any time when there wasn't a big holler for money. They could do more if they had more money.

ERM: It seems to me, as an observer of the history of the lumber industry, it always waits until a disaster is upon it before it acts to do anything about it and then it doesn't act with enough generosity or put enough muscle into doing the job that has to be done and it always falls upon a few people to pay the bills and then they say, "Well, he's bigger than I am, so he ought to do more than I. They get off the hook that way and they consequently never do the job the way it ought to be done.

WSJ: That's right, they leave it to a few. That's what I've observed during the time that I was in it.

ERM: What has the changing character of the industry been in more recent years with the mergers? You've seen a big change in the character of your own company just in the last few years with the merger with Bendix. Now you have a situation where the basic parent company is not wood or forest oriented at all. How is that affecting the character of the forest products industry? Recently, in the paper you've read how Time has bought out the big Temple Forest Industries. Did you know the Temple Industry people?

WSJ: I know who they are.

ERM: Over 400,000 acres of pine land down there have gone over to Time. Here's an outfit that's not wood oriented at all, that's taking over a big forest products company.

WSJ: They want that paper.

ERM: That isn't what I hear. They're really not going into it for paper to produce their own magazines. They are going into other aspects of the business.

WSJ: That's like Japanese coming over here and building apartment houses. You don't know that they may be in the machinery business making motorcycles.

ERM: I'd like to hear something of the history of the Spanish grant which included this land of yours, the Golden Eagle Ranch at Pleasanton.

WSJ: Maybe I know more of that than I do of some of these other things I was in, because they have a club over here and once in awhile have an annual meeting and they want somebody to explain where this all came from. Phoebe Hearst built this place over here next to me. Part of it is grant. Around 1770 a fellow named Francisco Bernal was a soldier in the Spanish army under the king. He was sent to the Presidio in San Francisco where he got married about 1790. In 1793 Augustine Bernal was born of that marriage. There was a brother, Juan, and two girls, one named Theresa, the other I can't remember. They lived at the Presidio. Because he was a soldier, Francisco was granted a land grant down below San Jose which he built a house on, retired to, and raised some of his family.

When Augustine Bernal was about nineteen he joined the Spanish army. Spain lost its hold on the Mexican government, and he then became a soldier in the Mexican army stationed at Mission San Jose. He set out into this area to gather up the Indians for help in building the mission. He made an application to the governor of California, who was Mexican, for a grant. He asked for 86,000 acres divided between Juan, Theresa, the other sister, and himself. Each one got 20,000 acres of land, and this is part of it. I've got the part that Augustine kept for himself and that included the town of Pleasanton and the fairgrounds. There used to be a racetrack. This land used to be nothing but cattle and wild animals and it is where Augustine built this original adobe house in 1848. I added this end of it but that part of the house he built. The walls are two feet thick. That's how it keeps cool in the summertime.

ERM: How many acres are here, altogether in your hands?

WSJ: I had 550 in this piece and I gave the city half of it on the hill for an outdoor wilderness park. It's like a jungle up there--full of deer and other animals. There are roads and trails through it. I run some cattle up on top but I gave the land to the city and there is some of it reasonably level for recreational purposes.

ERM: Are they developing it as a recreational area?

WSJ: No, they haven't any money.

REVIEW OF TARTER, WEBSTER & JOHNSON, INC.

ERM: I would like to review a little more fully your years in the forest products industries, at the possible risk of some repetition, and starting with your initial leap into the forest products industry after World War I. You had known as a boy, Bert Webster. He became a partner with Horace Tarter about 1910 and they set up the Stockton Box Company. Your brother-in-law, Charles Gruenhagen was another man.

WSJ: He didn't come in until about 1920.

ERM: Didn't he loan either Tarter or Webster some money?

WSJ: Well, way back in 1908 he lent Bert Webster \$5,000 to carry on a wholesale box distribution business. He had taken that money out of the American Trust Company at that time. The American Trust Company subsequently went broke, so that the loan to Mr. Webster proved about all Gruenhagen saved out of the wreck, since Webster paid him back and he lost what he had in the bank.

ERM: Now, Tarter and Webster had a very small operation in the beginning.

WSJ: Yes, it was very small, with no capital.

ERM: They were doing the major part of the work themselves, I take it.

WSJ: Yes. Webster kept the books and made the sales and Tarter ran the factory--the saw filing and the planer, and all the machines--and bought lumber, so between the two of them they managed to run it without much help.

ERM: By 1919 the Stockton Box Company had prospered and had established an excellent line of credit largely through the manufacture of boxes and shooks. In 1921 or 1922 that partnership underwent a change.

WSJ: They incorporated.

ERM: If they were already partners in the Stockton Box Company, what was their purpose in setting up this new arrangement?

WSJ: It was largely to make a partnership deal that handled the upper grade lumber as well as box lumber. In other words, to get involved

in more than they had been doing, and with me as a partner. Up to this time the Stockton Box Company was a separate corporation owned primarily by Webster and Tarter, and I only had a very smattering little stock in it. But they wanted to have it so there would be one-third for each man. So by incorporating, I would own a third, Bert Webster would own a third, and Horace Tarter would own a third of the company that was going to sell lumber and wholesale other people's products.

ERM: It was going to be a sales organization.

WSJ: More of a sales organization, yes.

ERM: It was going to sell not only the products of the Stockton Box Company but of other manufacturers as well.

WSJ: That's right.

ERM: At the time you moved to Stockton in 1919 you had a \$150 per month retainer to serve Webster and Tarter as their legal counsel and they assured you that they would work to provoke legal business for you in the new community of Stockton. Do you remember how that worked out in the first stages of your move to Stockton?

WSJ: Bert Webster figured that if I came down to Stockton, he could assist me to get clients and they would help me to build up a law practice in Stockton. He did the best he could but primarily the main client I had was the Stockton Box Company, and Webster was never very successful in getting me tied into any other business or any other law firm. After about six months, Mr. Tarter wanted me to come down to the plant and he proposed that I become a partner with them in the operation of not only the Stockton Box Company, but new business that we could develop.

ERM: You also did a little teaching of law at that time, in the evenings at the YMCA. Do you have any recollections of that?

WSJ: Oh, yes. I was teaching torts and contracts. Torts have to do with crime and so forth, and contracts are usually corporation business. I didn't do that for much more than a year.

ERM: Were you able to establish a fairly good living in Stockton then?

WSJ: I was getting along. There was not very much money out of teaching, but I had a little money at the time and together with what I got out of Stockton Box as a fee, I was able to rent a house for a small

amount of money. We lived very close but we made it.

ERM: You had a growing small family at that time.

WSJ: I had two daughters. My first was born in 1918. I didn't have another child until 1921 in Stockton.

ERM: Were you able to build up any savings that could be invested in further stock in the company?

WSJ: Well, I wouldn't say that I made very much headway. It took nearly all that I got. As I remember, I got a salary of about \$200 per month out of the Stockton Box Company and I had some little income from bonds that I had. I bought a home for \$3,500 that was sold for \$5,000 two or three years later. Today that same house might be worth \$25,000.

ERM: What kind of a community was Stockton, California at that time?

WSJ: There were about 50,000 people in Stockton at the time, and it was a conglomerate group of people. Lots of farm workers and Hindus and Filipinos in the business of raising asparagus and celery and various things in the area as well as fruit crops like cherries. It was a farming community.

ERM: Did the Stockton Box Company set up there with an eye to serving the agricultural producers in that immediate area?

WSJ: Yes. When you say "immediate" that means maybe as far south as Fresno and as far north as Sacramento.

ERM: Did you have in those early days right after World War I any amount of competition from other producers?

WSJ: Oh, yes! The California Pine Box Distributors were really big competitors and we were very small compared to them. They were located in San Francisco where the headquarters for sales were. The Weed Lumber Company, McCloud River Company, the Red River Company and quite a group of big outfits composed the California Pine Box Distributors.

ERM: They had a larger capital and total volume of production than you.

WSJ: I would say maybe fifteen, twenty times more.

ERM: How did that change over the years?

- WSJ: We became quite active. Through Tarter, Webster & Johnson, we were selling the products of competitors of theirs, mostly boxes, and we gradually built up quite a volume of sales and became real active competitors to the California Pine Box Distributors. I would say there were times when we did fully as much business as they did.
- ERM: Did you limit yourself purely to the distribution of pine products or did you take on the sale of lumber and other wood products from other species to the west and north?
- WSJ: Primarily it was pine business. We did sell some fir and spruce and Port Orford Cedar and different products of lumber companies.
- ERM: What about redwood?
- WSJ: We didn't do too much redwood at that time.
- ERM: I get the impression that at a very early time you began to move your partners into new ideas in development of new markets and new products. Both of these men, Webster and Tarter, were more conservative than you in that regard, is that right?
- WSJ: Yes, particularly Tarter. Tarter was a man who was thoroughly satisfied to do the business Stockton Box Company was doing and didn't care anything about enlarging the volume of business or increasing in any way. He was satisfied. He was making a good living and he was happy. But Bert Webster backed me up in most everything that I wanted to do. He was more progressive, and as long as he was alive, I was making progress. Unfortunately, Bert Webster passed away in 1939 and from then on I had to run the show myself.
- ERM: There is one story told in Ted Friend's book on which you perhaps can elaborate, and it involves your working with Webster. You were both in Klamath Falls and it was in 1935. There was some trouble provoked on this occasion with a labor union leader and you were evidently being attacked by this fellow and Webster interceded. Do you remember the circumstances surrounding that particular event? What was actually going on at that time?
- WSJ: There was an outfit called the Nine Lumber Company run by Marion Nine and his brothers. And we were buying their lumber. They became involved in financial troubles and couldn't meet their labor bills and they owed their crew money. They couldn't meet the payroll and the crew knew that we were buying their lumber so they

put the demand on us that we pay them instead of paying the Nine Company direct. We told them we had to get certain legal rights to do that, we couldn't just do it voluntarily, and that if they were a little patient, we would get that. But the labor leader was adamant and determined to do it right now. He wanted us to pay him and I refused to do that until we cleared this thing up legally. He was about ready to pitch into me and knock my head off and Bert Webster intervened, stepped in between us and persuaded the fellow to give me a little chance to work this thing out. And finally we did work it out. In a couple of weeks, we were able to pay the wages but we had to get the legal right to do it.

ERM: What kind of relationships did you have with labor union people over the years of your involvement in this business? Has it been a generally stormy relationship or has it been good?

WSJ: I would say that they were pretty good. We had an attorney working for the company named Judge Gordon. He got along so well with the labor bosses that we had no trouble. We kind of followed what was generally being done in the business and he was a good pal of the labor leaders and he stayed that way. I really would say we didn't have any troubles.

ERM: How were the contracts with unions negotiated? Were they done individually, company by company, or did you have a kind of unified industry-wide approach to bargaining?

WSJ: It was a little of both. Basically, we tried to do it on an industry-wide basis, but it wasn't always successful, so sometimes we had to make our own settlement and let them go their own way. We would have liked to work with our competitors on the question of labor and so forth but it wasn't always possible. The fir mills in the Portland-Eugene area would be the ones that made a settlement and we'd pretty much follow what they decided.

ERM: In other words the industry in Oregon set the tempo of union conditions and union rates?

WSJ: Yes.

ERM: Did this Judge Gordon represent more than just your company or did he represent the other box manufacturers in some way?

WSJ: I suppose he spoke for them too but mostly he represented our company. He would work with representatives of the other competitors in the box business of California, not Oregon.

California was the main place where boxes were being produced. He worked with these people and would try to come to an understanding but our relations as long as Gordon was on the job were pretty good. We had a little trouble later on down in Stockton with a strike but that's about the only one that I remember that amounted to anything. Basically, we followed what the industries were doing and the labor unions knew they didn't have to work on us because we'd follow.

ERM: As the legal man in the partnership, I presume that this came largely under your supervision and control, the negotiating of contracts and all that sort of thing.

WSJ: I suppose I had to be in on most of it but actually we just pretty near had to follow what the industry was doing, and my separate judgment of what should be done, I had to put in the background. I couldn't say truthfully that I exercised any real influence over the labor situation because we were pretty much following what the whole industry was doing. And the main thing was to be sure you were following; you didn't want to take a lead. Because up north people like Weyerhaeuser and the bigger outfits were doing all the negotiating and fighting, and when they came along and said, "We'll give them another nickel an hour" or something, we had to follow suit.

ERM: The center of control and power in the lumber and related wood producing industries of the West was very definitely centered in Portland and Seattle and Tacoma?

WSJ: Yes, we had to follow what they were doing.

ERM: I'd like to ask you about some of the people you were associated with in those early days. What do you remember most vividly about Bert Webster?

WSJ: Bert was a very serious, progressive type that I would say had a lot of courage and he had a rather difficult health problem all of his life. He was not strong physically. He suffered an ailment in his liver and kidneys.

ERM: How would you characterize Horace Tarter? What do you recall about him?

WSJ: He was an ultra-conservative. He was a very liberal man when it came to charities and he could always have a helping hand for anybody that needed help, but when it came to branching out or doing anything big, he didn't want to do it. It was against his

belief. He was an extremely honest and conscientious man and very charitably inclined. Nobody would go to Horace Tarter for help that wouldn't get some kind of help.

He was responsible for the factory. He was the mill manager and he stayed in that capacity. He left the books up to Bert Webster. He was very thorough and very careful as a factory man. He didn't interfere with the general business in any way.

ERM: A very important part of success in the business back in the twenties and thirties must have evolved from the efficiency with which the end products were made because many companies were being put out of business. I gather he must have been a good man in effecting those efficiencies.

WSJ: Yes, he and other people that I've known. There was a fellow named Curt Setzer, and incidentally, Curt lived in Santa Cruz when he retired. I think he wrote a book. * Now Curt Setzer and Bert Webster and Horace Tarter were pals, always very close together in business. Curt Setzer went his way in running the factory and Bert and Horace went their way. Setzer ran a plant in Sacramento. Setzer developed some things in the lumber business that are important, particularly in the matter of saw filing. Horace Tarter was right behind him and they worked these things out together. They were able to use thinner saws and smaller sledges than any of their competitors and therefore would get an extra piece for boxes--for the sides or the ends--out of thinner lumber. They had an advantage over competition because they could make what we call a standard two and a half pound cannery box and they'd make it maybe with 20 percent less lumber than the competitors and it made a lot of difference in the business. Setzer made a big success and so did Bert Webster and Horace Tarter with those improvements. But they did it through their abilities to saw file and use thinner saws.

ERM: In other words, this was a real innovation in the industry that stemmed from their work?

WSJ: Yes. Other people followed later. We had a saw filer who developed something even more important to us than that in the way of saw filing. He put some sort of a tip on the saw when they'd sharpen it so that the saw would run two or three times longer before they had to file it again. Things like that. Bert Webster, Horace Tarter, Curt Setzer, and this fellow were tops in that kind of business.

*Curt Setzer, Plane 'em Thick, Rip 'em Wide, ca. 1969.

My end of the business was primarily in the sales and legal aspects of deals and somewhat on the purchase of lumber, but I left most of that to Bert and Horace. I was promoting sales, increasing the volume, building a factory in Los Angeles and one up in the north to increase the volume so that we'd have more to sell.

ERM: This must have caused you to travel a great deal.

WSJ: Yes, I was always on the go.

ERM: Tell me something of what you remember about Charles Gruenhagen.

WSJ: He was the husband of my sister, Kenny. He was a very bashful type and he didn't know how to get himself a job. I finally got him to go up to our Dorris plant as a bookkeeper because he could keep books. Later we brought him down to Stockton as a bookkeeper and finally into San Francisco, and he became a finance man as well as a bookkeeper, a controller.

ERM: He was the watchdog of the treasury in a sense?

WSJ: Yes. He kind of overdid it too. Many times when I needed a little financial help to buy something important, he wouldn't let me get into debt. I would have had to borrow a little money and he didn't like that. He didn't want to borrow any money. We had to earn it and we overlooked some very important deals to the company because we didn't have the finances.

ERM: I want to clear up another thing and that has to do with when you actually became a partner of Tarter and Webster. There are some discrepancies on the date in the book Country Boys Make Good. On page 118 it states that "When in 1919, Johnson became a third partner in Tarter & Webster as well as the small shareholder in Stockton Box Company, the scene shifted with respect to directions, interests and activities." Now then earlier on page 112, it says "Johnson became a stockholder in what was henceforth to be known as 'Tarter, Webster and Johnson, Inc.' as well as in the 'Stockton Box Company.' This was in 1920." Then on page 114-115 it says "Fortunately, simultaneously, a stockholder who owned 6,000 shares in the company decided to sell his interests. Bert and Horace helped Johnson to acquire these shares and he thus became a large stockholder. At the time Johnson became part of the enterprise, the volume was approximately half a million dollars a year, mostly in boxes and materials. In 1924 Tarter and Webster had Johnson form a corporation including Johnson and named it Tarter, Webster & Johnson, Inc."

- WSJ: Yes, that last thing is correct, that the corporation was set up in 1924.
- ERM: What was set up in 1919 and 1920?
- WSJ: Just a partnership, an understanding.
- ERM: I see. Could you explain to me what the stock ownership of the company was? Who owned the 6,000 shares that you bought in order to become a major stockholder?
- WSJ: It was somebody that lived in Santa Rosa that was a friend of both Horace Tarter and Bert Webster, had no active part in the business and was willing to sell his interest for a cash deal. Bert helped me borrow part of the money to buy this \$6,000 worth of stock.
- ERM: Was it \$6,000 worth or 6,000 shares?
- WSJ: It was \$6,000; shares is wrong.
- ERM: How widely owned was the stock in the company? Was it closely held by the three of you?
- WSJ: I would say primarily Horace Tarter had as much as 40 percent and so did Bert Webster. They were both almost half owners. Then I came in and some other little stockholders owned the difference. I don't believe that I had as much as 20 percent; something like 10 percent.
- ERM: To what extent in the early days when you were first with the company were the fruit and vegetable growers of California and other neighboring states involved in subsidiary investment in box and shoo mills? Were there many vegetable and fruit growers who were also making their own boxes in their own plants? Or did they depend upon the industry itself for providing their materials?
- WSJ: I can't get that very accurately down but I would say that as early as 1924 I was very much interested in expanding the sales outlets like taking an interest in the Harbor Box and Lumber Company in Los Angeles. We bought out a 40 percent interest in it largely to give us an outlet in the Los Angeles area for our products. In Oakland we took in a box factory called the Pacific Box Company largely to take care of stuff in the local areas.
- ERM: These were also manufacturing outfits, or were they what you would call remanufacturing?

WSJ: They were all manufacturing outfits. They'd take raw lumber; they didn't take logs. There were no sawmills until 1931. We bought our lumber from sawmills and made it into boxes. But in 1931 it became difficult to buy box lumber so we got into the sawmill business. That was the beginning.

ERM: In these early days you owned no timberlands of your own?

WSJ: No.

ERM: You began to involve yourself primarily in sales and you sold some rather large orders for your mills to the Fruit Growers Supply Company and to American Fruit Growers, Inc., and to others. Can you tell me out of memory how you developed these sales, one of which was for more than three and a half million boxes which were sold to the California Packing Corporation and involved your plant and one or more of your sources of supply for a full year to fulfill the order? How did you go about doing that?

WSJ: All of the companies have their purchasing departments and you have to know the purchasing agent and you have to build his confidence. We had done some business with the California Packing Corporation and were very careful to see that we rendered perfect service so that they were never in want of anything. Through building up that kind of competence they were willing to talk to us about their entire shock needs for a whole year. We negotiated back and forth and tried to feel out what the competition was and tried to get it to a point where I would be reasonably safe in making a quote. Ultimately, I made a quotation and it was accepted. That was for about five hundred carloads of boxes. It was the largest sale that I'd ever had with one customer. It was something built up by building up a confidence. One of the things that made the American Forest Products grow so fast is that nobody ever wanted for anything. We always had it there before they needed it and that made a lot of difference. For instance, if you had a crop of cantalope coming along and you didn't have any boxes, you'd be out of luck. You'd lose money. If we had to run at night, deliver at night, we'd see that they got what they wanted when they needed it. We built up that kind of confidence. It was what made that business such a success.

ERM: Had the box industry in general not been that reliable in the past to these growers?

WSJ: The customers would tell us that they could depend on our service more than they could on anybody else.

- ERM: As your business grew and you developed more and more sales, this provoked you into purchasing more and more manufacturing plants, did it not?
- WSJ: Yes. All through the twenties and in the thirties too, because after 1931 we became interested in sawmills. I would say in the course of two or three years, we had two or three of them operating making lumber for us.
- ERM: This is interesting because generally speaking, economic and business conditions were not very good at that time, and you seemed to be going steadily ahead and growing in importance and volume of business and in profitability. How do you explain that?
- WSJ: A determination to grow. I would say that that was my ambition, to take care of the added volume that I could see in the future. And you must prepare for it so I would get busy and have the necessary lumber in production to take care of the customers and I would say that is part of service. To me, the most important asset we had was the service we performed. Everybody could deal with us in great confidence. I understand that that still goes on even after I'm gone. The service is the vital thing.
- ERM: How many companies did you sell for in this wholesale end of your operation? How many other companies besides your own were involved?
- WSJ: As many as ten.
- ERM: And selling for them you became, of course, intimately acquainted with their management, their plant, their quality, and everything else. In some instances some of those companies fell by the way-side because of economic troubles, and you bought some of them, I believe, in the course of that time.
- WSJ: Yes, that's true. We bought some, but most of those that were in financial trouble we bought and didn't hang onto them too long. We liquidated them. We didn't keep money in them.
- ERM: What were the factors which you see now as most stimulating your company's growth in that period of time in the twenties and thirties? What I am thinking of is not just only your own imaginative leadership in the thing but what factors outside of the company in the society itself were working favorably in your behalf?
- WSJ: Well, I was building an organization up until the time that Bert

Webster died; I had his cooperation and we were building up goodwill.

- ERM: What I am grappling for here is what were some of the things that were happening in the state of California at that time which were favorable to your growth? Was there at that time some rapid increase in agriculture production that made for a greater demand for your product? Was production of fruits and vegetables staying at pretty much the same level year after year or was it increasing?
- WSJ: There was a period when prohibition was on when the shipment of grapes back East in boxes became tremendous because people back there would buy the grapes and make their own wine. That period went on until prohibition was knocked out, but so long as that was on, we were selling tremendous quantities of grape lugs.
- ERM: Were there any dramatic improvements taking place at that time in transportation of fruits and vegetables from the California cornucopia to other markets back East and in other parts of the world that would have provoked a larger demand for your product?
- WSJ: Yes. There was a little effort on the part of the railroads to put these refrigerator cars across the country three or four days faster, and they did. And they did help the volume of California stuff because you could figure that they would ice a car of lettuce or peaches and have that car on the road fast freight to New York City in six days, and that's pretty fast. It used to be ten days, you know. That made a lot of difference.
- ERM: What about the growth of the state itself? Wasn't California then beginning to have its first great surge of population growth?
- WSJ: California was constantly growing, even in the early days, first in agriculture, and in the last ten or fifteen years that growth has been largely in industry rather than farming.
- ERM: Wasn't there a considerable growth in the agricultural production of California in the twenties and thirties?
- WSJ: The Imperial Valley in those years was producing tremendous amounts of lettuce and cantalope. Phoenix, Arizona was not too far behind. Then along about that time Salinas became a developing area for primarily lettuce, celery, and some other vegetables, and Salinas became sort of a summer source for these products that down south were produced in the winter. So that you had almost a year round volume of head lettuce. You would finish up in the Imperial

Valley maybe by Christmas, and then the Phoenix crop would come on and go along to about April, and then Salinas would come in and go clear on again until about September. The biggest increase was in the vegetables, lettuce, cantalope. In the area of fruit, I would say that there was some increase but it wasn't big.

ERM: What was the general climate of economic conditions in your view during the late twenties and early thirties as we moved into the depression? How did the depression affect you and your business?

WSJ: We just kept on doing the things we'd been doing and we knew that things were tough. In 1929 and 1930 we didn't make any money for one year. We paid our dividends but we didn't make any money that year. But we didn't lose any money. We just did it on the basis that we were in such a line of business that people had to eat and if we just kept up our end of it, we were going to be all right. And we did.

ERM: In other words, the box and shoo industry suffered less in the depression than the lumber industry. Building fell off very badly but the need for your product did not diminish.

WSJ: Yes. People had to eat and we kept right on doing about the same volume but we had to sell pretty close, and we couldn't make any money. As a matter of fact, my memory is that we cut everybody's salary in the outfit about 10 percent to help get through.

ERM: What were the principal sources of your raw materials that you used at Stockton Box, the Bray Lumber and Box Company, Associated Lumber and Boxes at Dorris, and Harbor Box and Lumber Company at Los Angeles?

WSJ: In Siskiyou County, which is up near Klamath Falls at Dorris, we would buy from two or three little circular sawmills a total of maybe fifteen or twenty million feet. There were some outfits with band saws along about 1940 and then we bought from them. For Klamath Falls some of the operators had more box lumber than they needed. Then for Stockton they would buy from places up in Calaveras County and Amador County, from little sawmills, and sometimes from bigger sawmills that might have a surplus of box lumber, but basically they were buying from those little sawmills and would buy the entire cut including the uppers and that's where the company of Tarter, Webster & Johnson came in, to sell those uppers.

ERM: Box lumber generally speaking is lower grade isn't it?

- WSJ: It's the lowest grade. Now, in Los Angeles they were buying spruce and some of it was shipped all the way down from Portland, Eugene, and different places. Sometimes it was shipped by water and sometimes by rail. They bought some pine but mostly spruce. That took care of the supply of box lumber. There are not too many factories cutting box lumber anymore. Stockton still operates and so does a Sacramento outfit but mostly they are making other things out of this lumber such as laminated footings and plywood. So the box lumber which used to be very plentiful has had to find another outlet for use, and some of the lower grades now are ground up and made into particle board. Our mill at Martell would take anything in like a four common cull and grind it up and make it into particle board so that the problem of what to do with the lower grades is taken care of by the different products that come in today.
- ERM: What happened to the demand for boxes?
- WSJ: Goes into corrugated boxes.
- ERM: Now produce is not being packed so much in wooden boxes as in corrugated boxes?
- WSJ: Just certain boxes are used today. Some pear boxes, some asparagus boxes and some cantalope and lettuce are still used. But basically it's all gone to corrugated boxes.
- ERM: When do you date that change as having started?
- WSJ: About twenty years ago.
- ERM: That leads me to ask you a question about research and development. What provisions did you make in your company for research and development that would help you to anticipate future needs or create future products that would be saleable by your company?
- WSJ: I would say that we did have more or less a research division of our business where we would figure out different things. For instance, one of the things that we developed is what we call TKV. It's a plywood core, like a veneer, with paper on each side glued down tight. It makes something very strong because it becomes a three-ply setup with the wood in the middle. Today that is used in the manufacture of many grape and peach boxes. We do that mostly at Fresno and I'd say that the amount of grapes shipped in TKV is as many as thirty million boxes. It's tremendous.

ERM: Did you ever get involved in cooperage of any kind, barrels?

WSJ: No, we never did.

ERM: That's quite a different art in manufacturing, isn't it?

WSJ: Yes. We at one time were going to make some of these things that are used for telephone cables.

ERM: When did the idea of the dependence on forest land ownership as an important necessity of your business first impose itself on your mind?

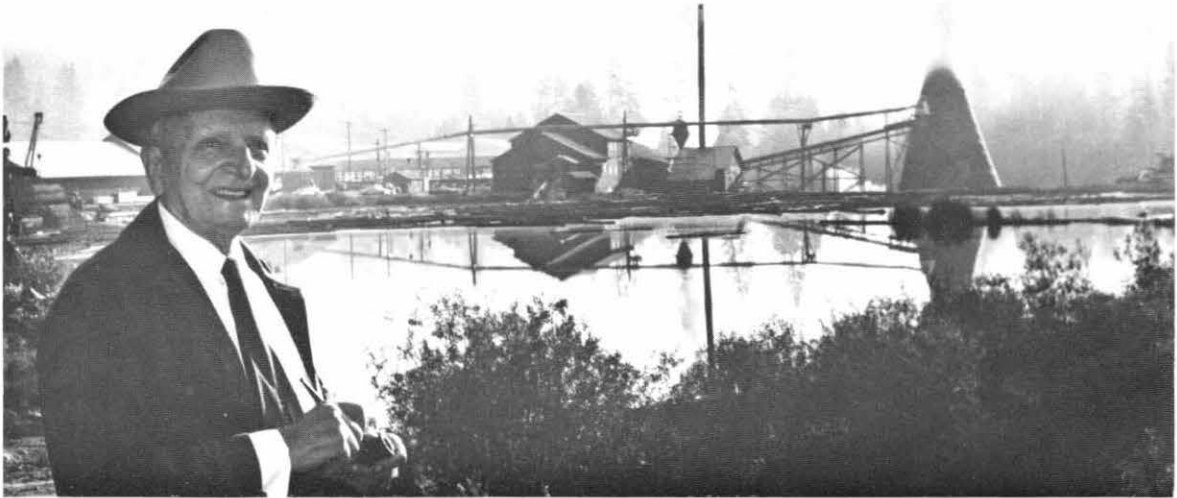
WSJ: The first time I ever thought about timberlands was about 1929 and 1930 when you could still buy ponderosa pine timber for two and a half, three dollars a thousand stumpage. But we didn't have any money at the time to buy it and we didn't really get into that until we got into the sawmill business after 1931 and from then on we were on the lookout for timberlands. We bought some timberland as early as 1934 and 1935 as cheap as five dollars a thousand for ponderosa pine and a dollar for white fir. In Siskiyou County we bought twenty thousand acres of that. Then in the forties we bought timberlands down in Calaveras County as well as Amador County. So altogether in the course of time, we bought pretty close to a little over two hundred thousand acres of growing timberlands. Today they have all proved to be a very profitable investment because it's all gone up tremendously. Some of that ponderosa pine that we paid five dollars for is worth fifty dollars a tree standing.

ERM: Did you put your timberlands under forestry management from the beginning or later?

WSJ: Later. Not before 1940, 1945. We started out with Howard Blagen in charge of timberland management and then we hired Sam Bryan and somebody named Cobalt. Today we have Bryan heading it all. There are three or four foresters, Hank Abraham is one of them down at Johnsondale. I haven't followed that carefully enough to give you any accurate names of any more than I'm telling you.

ERM: Did you start cutting from your own lands soon after you bought them in order to supply your mill?

WSJ: I would say that at Dorris in Siskiyou County, yes. But the rest of them we held back and we're still holding back a certain amount of our private timberlands. Down at Johnsondale, we immediately



In November 1966 Mr. Johnson paid a visit to Mt. Whitney Lumber Company at Johnsondale, California. The community dates back to 1935 when eastern owners of large Sequoia forest land holdings indicated they wanted to sell. The economy still was suffering badly from the depression and it was government policy to help create jobs. Johnson, together with W.E. and George Arblaster, Bert Webster, and C.T. Gruenhagen, formed the lumber company. Selection of a mill site was no easy task in an area traversible only by foot or horseback. Late in May 1935, the party, traveling on horseback, stopped for lunch on the site destined to become the site of their future mill. Soon machinery was enroute from a dismantled Florida sawmill. A dozen railroad cars were unloaded at Ducor and equipment was laboriously trucked up over the Western Divide and then down a specially constructed road to the mill site. A highway to the outside was pushed through in 1936. By 1937 the mill was in production, and a community of more than 100 homes and related structures began to grow. *

* Adapted from comments by W.S. Johnson and printed in the Porterville, California Recorder, January 15, 1966.

concentrated on cutting our own timber that we had purchased. In Tulare County we bought maybe a hundred fifty million feet of timber and then immediately cut it. It think it's about all gone now.

ERM: Have you continued to hold the land?

WSJ: In most cases, yes. But in some cases we made a trade with the government and got some timber and gave them back the land.

ERM: To what extent did you depend on government timber?

WSJ: We tried to cut at least half of our annual needs from government timber.

ERM: What would you have to say about the relationship you've had with the Forest Service over the years?

WSJ: In some areas it's been very congenial. Others it's been a little tough. We've had quite a lot of arguments with them about the necessity for standardized roads that cost us too much money to put in. Roads more durable than you would require for logging, but still we've gone along with the Forest Service pretty much and we still do. They are rather exacting and sometimes we think they are unreasonable. At the present time we seem to be getting along pretty well.

ERM: Did you have any particular dealings with individual members of the Forest Service that you remember clearly?

WSJ: Yes. Some of them were nice fellows to get along with and some were a little bit tough. There was a fellow named John Berry who was tough and I can't ever forget him because he really was. He went overboard to be unreasonable and tough. But he's long since gone.

ERM: Was he a forest supervisor?

WSJ: He was in land management, under the forest supervisor. He supervised the cutting and the contracts and the sales.

ERM: Did you ever have any dealings with the regional office in San Francisco or with the Washington Office of the Forest Service?

WSJ: Yes, I did, in San Francisco. We had a trade to make and we just couldn't get together with the government, but they finally agreed to put it in the hands of one fellow--I wish I could think of his

name--they had me work with him. The two of us worked out a deal that went through. Millard Barnum, that's his name. I worked out a deal with him for a lot of timber down in Tulare County that was to the benefit of the government and to us.

ERM: Do you remember the benefits to each side?

WSJ: They got the very valuable old Sequoia gigantea trees. There were a lot of trees on the land. I'd say thirty million feet of Sequoia gigantea. You can't consider them something to cut but they are something the government should preserve. So the government got those and we got in return some fir and ponderosa pine timber in other areas that we could log.

ERM: Sequoia giganteas shatter and fall apart when they are cut, don't they?

WSJ: They do, yes. You could get something out of them but that depends on how you fell them. If you fall them right you can preserve them.

ERM: Going back again to the twenties. In 1924 Tarter sold his shares in the company to you, and a year later Webster did the same. They continued, however, to hold and own exclusively Stockton Box Company, and you had no interest in Stockton Box then, is that right?

WSJ: Yes.

ERM: But then three years later, in 1927, both Tarter and Webster came to you and formed again a consolidation of the two companies into what became now known as the American Box Company. What were the arrangements of the stock ownership of this new company? And how were the responsibilities of its management divided among you three men?

WSJ: I was to be the president of it and Bert Webster was to be the vice-president and I think Gruenhagen was to be the treasurer. They had left me about 50 percent owner in the new organization.

ERM: What had provoked your splitting up in 1924?

WSJ: Because Tarter was a sick man and he didn't like the idea of me expanding. He wanted to sit tight and he didn't want to expand and he wanted to get out.

ERM: So he sold his Tarter, Webster & Johnson stock to you, not his stock in the Stockton Box Company.

WSJ: That's right.

ERM: Did you sell out your stock to him then in Stockton Box?

WSJ: Chances are I traded it in.

ERM: Traded back and forth so that you got control of the selling company and they got control of the manufacturing company.

WSJ: That's right.

ERM: Did you maintain any interest in any other mills?

WSJ: We had an interest in the Harbor Box and Lumber Company in Los Angeles, Tarter and Johnson had that, and Tarter, Webster & Johnson had an interest in the Associated Lumber and Box Company up at Dorris.

ERM: So you became then the principal owner of those properties under the Tarter, Webster & Johnson name. What provoked Webster to sell out his stock to you a year later?

WSJ: He came to me and said, "You know, I've been in business with Horace Tarter since 1910 and it don't feel right to have an interest in something that he's not interested in. He started out to be a partner of mine and I think I ought to sell out." So I arranged to buy him out and then later, after I had proved my companies were making a good deal more money than they were, they wanted to merge.

ERM: You came back together in 1927 when you formed the American Box Company. The ownership of that new corporation, was it a public corporation or was it strictly again a partnership?

WSJ: It was a corporation. We sold stock to different members of the company.

ERM: I see. But you owned about 50 percent of the stock?

WSJ: Yes.

ERM: All of that became eventually American Forest Products Corporation when it began to develop into a national kind of organization.

Can you tell me a little bit about the transition between the American Box Company and the creation of American Forest Products Corporation?

- WSJ: American Box Corporation started out and incorporated under that name and the American Forest Products Corporation was simply a change in name of a corporation already in existence. By that time we had begun to sell some stock to different employees and different people and it became more of a publicly owned corporation. So we called it the American Forest Products Corporation which is still its name.
- ERM: Do you remember when that change of name took place?
- WSJ: It must have been about 1940.
- ERM: You also branched out into other parts of the country a great deal more after that too, didn't you?
- WSJ: Right. We opened up down in Texas and we ultimately took over a place in Vermont and we had quite an extensive operation in Phoenix.
- ERM: Were these landowning extensions or were they manufacturing extensions?
- WSJ: In Phoenix we had a factory and a lumberyard. We didn't make the lumber there, we sold it. We did make a certain amount of boxes in Phoenix. It was a box factory finally. In Vermont there was a lumber distribution organization and a little sawmill.
- ERM: What brought you into Vermont?
- WSJ: The man back there solicited us. He's been doing business with us and asked about merging. So he took some stock in our company and we took over his plant.
- ERM: Did it prove to be a profitable venture?
- WSJ: Nothing big, but it was all right. We finally sold the sawmill out. We still have some of the property and still have a wholesale business. Sawmills there are mostly hardwoods; they don't have any soft woods.
- ERM: The real estate must be worth a good deal more now.
- WSJ: I know that it is more valuable than when we made the deal.

ERM: In the history of your company's growth, do you see any clear benchmarks that you could recount to me in some chronological order?

WSJ: After I got to be seventy-five years old, I figured that somebody else had better take over the management and the operations. Somewhere in there we put in Charles Gray as president and I became chairman of the board until we made a merger with Bendix, after which I retired. The only reason that we didn't keep on going along is that I got too old to carry on and Charlie Gray did do a little expanding. We took over the Larsen Ladder Company down in Santa Clara, making wooden and aluminum ladders and there are a few things that went on after I was inactive. But nothing big until the Bendix merger came along. One of the reasons for the merger was that Charlie Gray was going to be sixty-five years of age pretty soon and there wasn't anybody very well trained to carry on the business, so we looked around for somebody that might be interested in a merger and we found Bendix. Bendix was interested because they didn't want so much government business, they wanted to diversify and they seemed to be pleased that they made a good deal, so everybody was happy.

ERM: Why did you merge? You gave up your own control.

WSJ: Because we had nobody to carry on after Gray would retire. They made him a director for a year or two and then he retired.

ERM: What about Joseph A. DeMaria?

WSJ: He's the controller. He would have been able to carry on the business fairly well but he never had that kind of training to manage sawmills or anything, whereas Charlie Gray had. We didn't feel that Joe was experienced enough to carry the load.

ERM: In other words, your decision to merge was based on the proposition that you did not really have a line of succeeding management people ready to put into leadership roles.

WSJ: That's right.

ERM: Couldn't you have recruited such people from outside your own company?

WSJ: Well, we could have gone outside and taken a chance but my observation is that you can make a mistake there too and if you can get in with a very successful well-managed organization, you

would be better off, safer.

ERM: So this was an act based upon your judgment that this was the safest way to go. Do you think that explains the great spate of mergers that have been going on for the last fifteen or twenty years, that ownership is beginning to be more and more suspicious of its own capabilities of continuing effective management or finding new management to take over in its place and therefore they turn it over to a mammoth corporation to direct?

WSJ: There's a little of both. For instance, a company might be tremendously large but feel that they are too centralized in what they are making, they ought to diversify a little and so they put out a feeler, approach somebody, and end up making a pretty good offer. The other fellow may be in the condition our company was and want to play it safe. The Ingersoll-Rand Company is a big outfit. They are around the world doing things. The other day they approached the Schlage Lock Company in San Francisco and offered them approximately twice as much as the market value for their stock if they would take Ingersoll-Rand stock which was at a high price, eighty something dollars. They made a deal.

Schlage Lock Company was held pretty close by a big family. In the deal, the president stays on until he's retired, three or four more years. But he doesn't have to worry about who's going to follow him because Ingersoll-Rand will appoint somebody to come out and run the place. In the meantime, he's getting twice the value, and so is his family, for the stocks they are giving up as compared to what they are getting. So Ingersoll-Rand will expand the lock business not just in California or the West Coast, but maybe even into Europe because they've got the money and the talent and the chances are that they will be making Schlage locks over in France or in Germany or someplace, whereas the present management didn't want to take that kind of a risk.

ERM: I guess maybe it was true in the case of American Forest Products Corporation. Did you ever build a plant in a foreign country?

WSJ: No.

INVOLVEMENT IN FRIDEN BUSINESS MACHINES

ERM: In your association with Friden you built a plant in a foreign country. When did you first become involved with Friden?

WSJ: In the fall of 1933 we made a deal with Carl Friden and his wife.

ERM: From that time onwards, what part of your time became involved with the affairs of Friden?

WSJ: Until 1945 Carl Friden ran the plant. Then he got sick and he passed away in 1945 and I had to take over the management. From then on I spent about half of my time there and half of my time in American Forest Products. Up to that time I simply attended some directors' meetings and left it up to Carl to run the business.

ERM: In your management of Friden you really moved very energetically to develop a foreign-based operation. What provoked you to move that way in that company and not in your American Forest Products Corporation?

WSJ: According to the arithmetic, there are almost two hundred million people in the United States. Over in Europe in Portugal, Spain, England, Norway, Sweden, Germany, France, and Italy, you have at least a third more people that are Caucasian than we have in the United States. We were having tremendous success over here with our sales of calculators and so forth and we were beginning to meet with a lot of success over there, but we'd have to ship the damn stuff from San Leandro across the water, pay duties on the other end and so forth, to make the sales. We were doing pretty big business and I went over there at different times and thought, "My God, if we had a factory over here where we could make these machines we could sell many more." So I made an investigation as to what we could do in the different countries labor-wise, and Holland seemed to be the most inviting. We could go to France but it would take three or four months to get the permits. You've got to go through certain acts and so forth. Holland made it so easy, they just welcomed you. So we went there and built a plant. The plant started out with a couple hundred people and first thing you know, we had it up to damned near a thousand people. Then we needed another location so we went down to

Brussels, Belgium and built a factory and had about six or seven hundred people working down there. That gave us two factories, each one making something different. We were just booming over in Europe.



This photograph was taken of Mr. Johnson in 1955 while on a trip to Germany. An agent of Friden, Inc. presented the hat to him and Mr. Johnson bought the rest of the outfit to go with the hat.

FOREIGN TIMBER AVAILABILITY

- ERM: Did the Friden expansion in Europe ever tempt you to think that you might do something of a similar nature in the wood products industry?
- WSJ: No, because they don't have the timber. We kind of dreamed about it a little bit but I never could find the timber over there.
- ERM: Some companies in the forest industry have done that in the last twenty years.
- WSJ: If I had gone into this thing further I would have gone into northern Italy or southern Austria and have found a lot of timber and made a deal. In most of those countries the timber is owned by the government and it is difficult to get ahold of. We did go into Yugoslavia but we found that you had to deal with the Communist government to buy any timber and there's too many handicaps, not enough encouragement. We thought of Yugoslavia because there are some very fine timberlands in Yugoslavia.
- ERM: You've never looked in the direction of Latin America, I take it?
- WSJ: No. One time we looked at ponderosa pine in Baja, California, but try to work out a deal with the Mexican government and you never know. Some friends of mine did go down there and put up a sawmill and never could get the thing running because the government was right there on top of them the minute they got it ready to run, looking for revenues. They weren't even going to let them ship out anything until they got their money. So they had to give up. I don't want anything to do with the Mexican government.
- ERM: Do you feel the same about other Latin American governments?
- WSJ: Yes. Well, there isn't any other big timber except in Brazil and some in Peru. U.S. Plywood went down into Peru and put up a plant. I don't know just how well they are doing but they've got to ship by water clear across Brazil to get it out to the Atlantic Ocean. I don't think they are making any money. Too difficult. Now there are some opportunities down in the Congo area of Africa where you can ship out some fine hardwood logs and I think that U.S. Plywood has an outfit in there as well as other outfits from the United States.

We looked into that a little bit but you have to be younger to carry on. It takes a lot of traveling too. I didn't have the energy to travel and the fact of the matter is, I was doing about all I could handle.

EFFECTS OF CORPORATION MERGERS

ERM: Did you find that your imagination was more fired by the potentialities in the new products that Friden was turning out than it was in the old line of lumber and boxes that had been a big part of your life before that? It seems to me that as I read your story in Country Boys Make Good, that along in the late thirties or the forties particularly, you began to really catch on fire with the idea of the potentiality of some of these electronic machines.

WSJ: In the wood business we were developing at the same time what we call the TKV. That has become a tremendous thing too. We were also into the electronic in Friden, so that I would say I was probably a little fired up over the possibilities of the electronics in Friden more than I was the lumber business.

ERM: Didn't you see perhaps some greater growth potential there than might be possible in the lumber business?

WSJ: Yes. You have a gauge to go by. Take IBM, there is no reason why you couldn't be a competitor to IBM. Well, we followed through. We were making some progress but when we merged with Singer, they didn't carry through what we were working on. They tried to develop other things rather than the things we were working on and I think that for awhile they were really losing money. I think now they are back to making some money but they tried to run it out of New York City and you can't do that. You must be on the job where the work is.

ERM: With the great corporations like Singer, they can buy out one company or another and run it at a loss and then just take that as a tax write-off. And perhaps they don't have quite the same feeling about that company that the original creators of it had.

WSJ: That's true.

ERM: Would you say that's a valid judgment out of your experience?

WSJ: No, I would say that it's a mistake. If you are taking over a business, you have a reason to take it over because it looks to

you like it will prosper. And if you go to switching it around, you may lose that incentive that has built it up and you end up with a wreck just like they did. Friden finally gave up the place that we had in Rochester, New York, sold it and got out of business, and they made a big mistake because they tried to make something else and gave up the thing that was profitable.

ERM: Isn't that often the way? People who have been involved in a company built it up from scratch to something really of value and then they sell out. They trade their stock to conglomerate. The conglomerate then becomes the dominant factor in the management of that subsidiary that it bought out and it doesn't have the personal feeling about that subsidiary that the old management had. It hasn't got its feet on the ground or the feeling of the pulse of that particular kind of industry. It's just kind of run by professional managers up in New York or someplace who are doing it by computer.

WSJ: That's true. Bendix doesn't handle it that way. The Singer people moved the management, mostly, back into New York, but Bendix has spent about six months finding somebody to take Charlie Gray's place as president and they finally picked an assistant manager in the plywood business, hell of a good man. He came from U.S. Plywood. He's been carrying through pretty much what we were doing. He hasn't changed it too much but he's added an awful lot of people to his staff, far more than we would ever have had. He's got twice as many people in the office. John Guyol is his name.

ERM: How is the morale holding up among the rest of the employees?

WSJ: Fellows like Joe DeMaria and Charlie Gray and Howard Blagen, and fellows that have been there for many years with me, quit. They don't like to take orders and do things that Detroit wants them to do; estimating the volume of business that they are going to do and making prognostications and all that sort of thing. They do an awful lot of what you'd call research on what the future is going to be and the boys get kind of disgusted with that because we didn't work it that way. We didn't ask anybody to tell us how much money they were going to make us in 1974. We said, "Get out and see what you can do."

ERM: The criteria of success have changed. How would you describe the difference between the criteria of success that obtain today in top management of these giant corporations and those that you used to apply in your operation?

WSJ: I think they both have their advantages. Now, for instance, you and I know that the biggest cannery in the world, Del Monte, started in San Francisco. We called it California Packing Corporation. The biggest bank in the world started in San Francisco, the Bank of America. They tell me that the Southern Pacific is one of the greatest railroads in the United States. I'd say that Standard Oil of California has made tremendous strides considering that it started long after the Esso-New Jersey Company made a tremendous success.

Now why did those men make these successes and growth? It had to be the initiative and the imagination of these western managers, they didn't do it through computers. They did it through building up morale in the organization, the esprit de corps. I don't say that Bendix is wrong because they do hold these conferences about production and how they are going to do it. That's part of the way they are constructed and I think that a lot of companies besides Bendix do the same thing. But that wasn't the way I was brought up. I was brought up to build an esprit de corps to make growth and give these fellows that were helping me a reasonable break financially in the field, the ownership. Nearly all of these people like Charlie Gray, Joe De Maria, Charlie Gruenhagen, and people like that that came up and helped our business are all rich. They did it because I gave them the opportunity.

ERM: I get the feeling that you are perhaps cognizant of certain inherent weaknesses in bigness. If an organization gets too big, it may lose that personal touch, that personal esprit de corps. Is that a thought that occurs to you?

WSJ: That is true. When you get so big that you can't know all of the managers up and down the place, you suffer because somebody has to inspire these people. And you've got to have enough energy for that. You can't get around the whole damned country and do it. It exhausts you.

ERM: Do you think the free enterprise system might be healthier if there were a greater number of vital, vibrant smaller corporations in the picture rather than a steadily diminishing number of these and a constantly increasing number of super colossal organizations?

WSJ: I would prefer to see it that way but I don't know that it would be more successful than the way they are doing it. I would prefer to see fewer of these giant companies and more competition. In other words, I am a strong believer in competition. I'm not afraid of competition and never have been and believe the healthiest thing

a company can have is competition. And as little a company you have, the more competition you should have. I go for that.

ERM: Isn't there a danger then inherent in this?

WSJ: There could be a danger but I think that with a republic such as we have, congressmen can regulate those companies to a point where they can't do any harm, but in my opinion it's better to have competition rather than to have the congressmen try to regulate them.

ERM: I gather you think that bigness and its continued trend toward bigger and bigger organizations, business and political, and otherwise, is inevitably bringing down upon all of us a greater measure of control and regulation.

WSJ: Well, of course, it's bound to have more and more controls. For instance, right now there is an energy shortage, they say, the gas shortage and oil shortage. Now, little companies couldn't do very much to develop new wells like Standard Oil and Shell Oil and so forth because they don't have the money. It used to be that you could dig a well for \$100,000 or \$150,000. Today, the same cost would be more nearly a million dollars apiece and not many outfits could do that. It just takes outfits that are big and powerful that can borrow money and sink wells because they've got the organizations. We have to look to those kinds of people to take care of the future of our oil supply and some of our energy.

ERM: What you are saying essentially is that we are now more dependent upon accumulated capital than we are upon individual initiative?

WSJ: You are independent in certain lines but that doesn't mean everything. In banking I wouldn't say that's true. The more little banks you have, the less you'd be at the mercy of the bankers. Now, with oil companies and maybe the coal companies which are going to have to take some of the burden off the oil demands, you're into big money again.

ERM: Would you say that this condition is just as applicable in the forest products field?

WSJ: That's a little hard to say because I don't think that's so important. The little outfits, circular sawmills, don't amount to much. The medium size outfit I'd encourage, rather than encourage the bigger

outfits because the bigger outfits like Georgia-Pacific are grabbing everything they can in the way of production and redwood and so forth. I don't think that is going to be too healthy.

ERM: What chance does the medium-sized outfit have against that kind of competition?

WSJ: If properly managed, they are in shape.

ERM: Why are so many of them going out of business? Why are so many of them merging with the Georgia-Pacifics and the U.S. Plywoods, the Champions, and the St. Regises?

WSJ: You take an outfit like Union Lumber Company. What happened with Union Lumber Company? The management got old. Otis Johnson died and Russell tried to run it but he wasn't making much success. He didn't do too well and he had a chance to sell out at what he thought was a good price and he had a lot of people, directors, that were insisting that he ought to make a deal and they made a rotten deal. Made it with an outfit that was a conglomerate that was running into the sky, Boise-Cascade.

Finally, what did they get out of it? They got a lot of stock worth about \$15 a share and they traded on the basis of \$60. Now, he made a mistake but it wasn't just him. It was a bunch of directors that wouldn't go along with him.

ERM: Wasn't that company closely held by a relatively small number of people?

WSJ: I don't know what you call small.

ERM: Well, this Johnson family held a good percentage of it, didn't they?

WSJ: Yes. The chances are that they had maybe seventy or eighty stockholders, different people of different opinions, and somebody had sold them the idea that Boise-Cascade was a great success.

ERM: Compare what's happened in that instance with what's happened in The Pacific Lumber Company which was in a sense a larger company than Union, but which was also in the same business; it had just a fantastic profit in the years of recent date.

WSJ: You had Murphy running the Pacific. He got killed or died, didn't he?

ERM: Stan Murphy, Sr. died and his son, Stanwood Murphy, took over and he also died. It's under other management now but it's doing very well, I understand.

WSJ: They have refused many good mergers. They just stayed with themselves and it was a good philosophy because they've had plenty of prosperity although they might have made a deal.

Georgia-Pacific has taken advantage of many an opportunity. When the Johnson Lumber Company up north had both its owners and operators killed in a wreck, Georgia-Pacific stepped in and bought all of that. And they were smart. Then they sold off enough so that they could finance themselves and they still have some very valuable property. Georgia-Pacific has done a very fine job of merging and consolidating. Still, I don't believe in that kind of progress, because it gets it too much into the hands of one outfit.

ERM: Aren't money managers now in the saddle? It used to be that individuals or individual families were the principal free entrepreneurs of our society, especially in its growing and expanding period of history. Today those people are fading off the scene and a whole new different crowd is taking over control and they are primarily financially oriented, aren't they? They work from vast accumulations of capital rather than personal ground level hands-in-the-dirt kind of relationship to the business.

WSJ: Yes, even the banks want to have a division of their business so they can get into the business. That's wrong; they shouldn't do it.

ERM: How do you mean banks want to get into their business?

WSJ: For instance, Union Bank can get into a brick company or get into some other thing as a side issue and they call it the Union Investment Company and they own the bank. There's also Crocker Bank, and I think Bank of America has something like that going. Different banks do this today.

ERM: Yes, through their trust and investment divisions.

WSJ: That's right. Before, they might own one thing outside but the law was against them. Now, they've got the laws so that they can organize as many separate companies and do whatever they want. And one of the things they own would be a bank. I don't like it.

ERM: Is there any hope in your mind for turning that trend or is it inevitable it's going to continue that way?

WSJ: I think that you are going to find that good managers are going to have to have a little more training than just financing and if they don't they won't hold a job because just financing isn't enough. I know a lot of outfits that are being run primarily by financiers and that's wrong. I'd rather see smaller companies and less of these big outfits.

ERM: What do you feel is the public's feeling about these trends? Do you sense that the public is getting any deep-seated alarm over this condition?

WSJ: I don't really think that the rank and file public is going to oppose these mergers. They may question them but they'll kind of look to their congressmen and so forth to regulate them. But the rank and file don't look at it as you and I do.

THE CORRUGATED FIBERBOARD INDUSTRY

- ERM: Going back to your own experience in the forest products industry again, Mr. Johnson, you entered into the corrugated fiber field and paper manufacture at some point along the line and you also began to develop plywood and millwork, furniture and molding products. They became an important percentage of your total capacities in sales. When did you first become involved in the corrugated fiber field?
- WSJ: When we began to see the big canneries turn to fiber I began to worry about getting into the fiber business and for awhile we sort of held off and figured that we could hold our own in the box business. But we could see that even dried fruit began to go into corrugated boxes and then I decided I'd get into it.
- ERM: Who provided you with the competition in the corrugated fiber field that forced you into the area? Who was making these products?
- WSJ: The Fiberboard Products in San Francisco, Key Paper, and Longview Fiber up in Tacoma country. These fellows were stealing our customers pretty fast so we had to get into not only making the corrugated boxes but making the paper that went into them.
- ERM: Did that mean retooling the old factories that you had or building new ones?
- WSJ: Everything in the paper business we had to build from scratch. We had nothing that was suitable for converting. It was cheaper to build than it was to convert.
- ERM: You abandoned, I presume, a lot of the plants that you had or sold them or scrapped them.
- WSJ: We abandoned them or made them into molding plants. or something different. We abandoned one up at Dorris and we utilized the others in one way or another for some other purpose.

OPPORTUNITIES IN BUSINESS TODAY

ERM: Do you believe that it would be possible for you, if you were starting all over again, as a young man today, to do what you did in your career?

WSJ: You might not do the same things but I would say the opportunities for growth and expansion are even greater today than when I was first in it. I wouldn't hesitate at all if I was in my prime of life to undertake to do the same things all over again.

ERM: You'd have to go into totally different kinds of lines wouldn't you? You wouldn't be able to do it in wood or in metals or oil or anything like that because the need for initial capital is too great. You could get started with a rather small amount of capital when you were a young man and build a business. It's very difficult to do that now in those areas. Isn't that true?

WSJ: I wouldn't say yes or no to that. I would say that if I had to do it on very little money, I'd start.

ERM: What kind of a business would you start today?

WSJ: I might start making sausages. I don't know. Or potato chips or something that I figured I could sell. The big thing is the sales.

ERM: You've got to have a market.

WSJ: If you don't sell, there's no use getting into it, and a little outfit can sell against the big outfits if he can make it right, cheap enough. I would say that I wouldn't be scared to start today on something and I would say that I would ultimately keep on growing just the same. Now when Bert Webster and Horace Tarter went into the box business in 1910, the California Pine Box Distributors practically controlled the whole box business. Yet they started and before we got through, we were bigger than the Pine Box. Now you and I know that when some of these banks started out, like Giannini, he was small against the American Trust and the Bank of California; he was just nothing. And look what he did. The same opportunities come today if you handle it right. But the big thing you have to remember all the time is, can you sell it? If you can build the right kind of a thing that you can sell readily, then you've got something.

ERM: Okay, if you do that and you build something that you can sell that's quite unique and different, how long is it before you get yourself all tangled up in lawsuits over whether your patents or whether your rights to that thing are good?

WSJ: In my case I started out to be a lawyer and the first thing I think about is if I don't violate some right somebody has, I'm safe, and I just have to steer the damn thing legally to avoid any possibility of entanglement with the law.

ERM: Isn't that one of the hazards today?

WSJ: Yes.

ERM: If a guy comes along with a brand new idea and he sets it up, right away the well-healed competitor says, "Aha, that's a hot thing." Then they set their people to work to try and break the control on that by making something else that's just a little bit different.

WSJ: That's been going on all my life.

ERM: But how can the little guy stay in the fight and fight for a long period of time to defend himself if he uses up all his capital to defend him?

WSJ: It's up to him to see that what he does is properly protected. You take a TKV process. There are a lot of people that would like to get into that. We are protected and not only that but we have the knowledge of how to do it and it's damn hard for somebody else to compete against because they don't know how to do it, plus the fact that we are protected by law. Now one or two people have undertaken to compete with us and we encourage them because we don't want to be a monopoly. The thing is that you must be where you can outsell them. You dominate the market and don't be scared of competition.

ERM: And don't be afraid of taking risks,

WSJ: That's right. I think the opportunities today are greater than they ever were.



Walter Sr. and Jr. in San Francisco's Aquatic Park adjacent to American Forest Products Corporation offices, 1970.

PALACE OF FINE ARTS RESTORATION

ERM: I want to talk further about your interests in other realms. I've been fascinated for a long time with the restoration of the Palace of Fine Arts in San Francisco. I knew about you and about your good work on that project probably even before I knew about your work in the forest products field. I'd like to ask you a few questions about your involvement in that restoration project. First of all, can you tell me what was the basis of your concern for preserving this remnant of the great Panama-Pacific Exposition of 1915?

WSJ: In the first place, I knew the building and I admired the architect. I had done some traveling around the world and I had never seen any building quite as beautiful. Then when I found that there was an organized effort to save it, I called in the president of the organization, a fellow named John Clark, and I told him I would be glad to help him. He had a bond issue that he was submitting to the people of San Francisco to raise three million six hundred thousand dollars to complete it, together with the state which put up two million dollars and I put up ten thousand dollars and went through the campaign and we lost.

Well, I was living with this little sister of mine at the time, about 1967 or 1968. She knew I was working on this thing and she said, "Well, the only way that you can save that thing is for you to put up the money." And she said, "Why don't you offer a million dollars to add to the campaign and that will cut down what is required because the state's bill required that the city match it, and then the city will only have to put up a million." I gave that a lot of thought and finally it occurred to me that if I went down to the board of supervisors of the city and said, "I'll put up a million if you fellows will agree to a million," there wasn't much of a chance that I'd get the board of supervisors to go along with us. George Christopher was mayor at that time. I resolved that the thing for me to do was to offer two million dollars instead of one million and that's what I did.

ERM: Didn't the electorate support the bond issue referendum in November 1959 by a 70.4 percent majority vote?

- WSJ: Yes, for two million eight hundred thousand instead of three million six hundred thousand dollars, and after I had put up two million. That was the second time it was up.
- ERM: Okay, you were willing to put up two million dollars and the state was committed to giving two million dollars, that totalled four million dollars. How much more was required beyond that ?
- WSJ: The price of reconstruction kept jumping up. I think it was two million eight hundred thousand dollars that the state would have to put up. We put it to a bond issue a second time and it carried-- the reason I figured, and the people said the same thing, was that because I had put up so much money they felt they ought to do something. Now having put all that up, you'd think you had enough money. By the time we got the bids we didn't have enough, so we had to keep on trying to get more money. Old John Cahill put up a hundred thousand dollars and a couple of other people put up fifty thousand and finally I put up another three hundred thousand of my own. We finally got enough money to do the job. But still we had to cut down on the original plan and John Cahill was one who figured that if we left off the end column at both ends, we could do it with the money we had and that's what we did. It still is not the same building that was there before. After I got a little further along I realized that if we were ever going to do this job, we had to finish it off and I got some figures that for about one million four hundred thousand dollars more, we could get these column ends. Well, to go through another drive to try to get the money was too much, so I decided to put that amount up and then I put up two hundred fifty thousand dollars for the little theatre there and then ninety thousand dollars for a better entrance to the theatre. All together, I've got four million dollars in that job. And it's all because I admire the building and I wanted to save it.
- ERM: Let me ask you a couple of questions in regard to that. What is there in the American character that seems to be hard to sell on a project of cultural value like this? It was like pulling teeth for you to get the other money that you needed to do the essentials, basics, original restoration. And then you had to go ahead and put up most of the rest of the money to add the refinements that you saw as being desirable. Why, in a city that has the so-called reputation for being a cultural center that San Francisco has and the great wealth that there is in its families, was it so difficult to get that money out of these people?
- WSJ: Personally, I think it was because they thought if somebody was willing to do the job, let him do it. They didn't want to put up

anything themselves. They may have their own pet ideas supporting the opera, the symphony, and different things, and maybe they had their own foundations and their own charities and they thought, "Well, here is Walter Johnson and he's putting up the dough, let him put it up."

ERM: That'll be his monument.

WSJ: Yes. Don't interfere with him, he's doing all right. So I found that I just had to do the damned job myself and I've done it.

ERM: I think that's what happened to a great many cultural ventures in this country. Their success depends pretty largely upon the dedication and the generosity of one man or one family and when that man or that family turns to other people of wealth in the community or to the government agencies of the community and says, "Come on now, let's all get into this thing and get it done," there seems to be a reluctance to go along and do it on that basis. I wonder why. Is it a matter of social pride or social jealousy that is involved?

WSJ: Yes. Take Harold Zellerbach, he put up one million dollars for a little theatre over at the University of California but he wouldn't put up any money for the Palace of Fine Arts. He did all he could to make it difficult for me. He was head of the Art Commission and the Art Commission wouldn't back me up.

ERM: What did they criticize you for? Didn't they like your plan?

WSJ: You don't know what they have in mind. Zellerbach would take a vote and, if he wanted to do certain things, they would support him. We wanted to get some statues like the "End of the Trail." Do you suppose I could get the support of Zellerbach's organization, his art commission? I could have gotten it but I couldn't get any help and I spent all the money I could. I can still get it but it would now cost me a hundred thousand dollars to get that statue. That's too much money. But there is a copy of it down in Visalia supplied by the Cowboy Hall of Fame back in Oklahoma City. A fellow named James Fraser designed it. Visalia had bought it from San Francisco for four hundred dollars way back in the early twenties and put it in their park. The Cowboy Hall of Fame knew that it was there and they finally dug up enough money to go down to Visalia and say to the people, "We'll give you this thing in bronze if you let us take the original." And they took the original back to Oklahoma, worked on a copy and had it cast in Italy, and it's down in Visalia now. It's beautiful. But to get a copy, costs a hundred thousand dollars. So I had to abandon that.

There are things like that that they could do. But hell, old Harold Zellerbach was kidding me about how much money I was throwing away. "If I had the money that you have, I'd do this and that and so forth." I said, "The hell with it, Harold, I bet you if I were to match you for what you've got and what I've got, you'd have more than I have right now. I never could get any help from him but yet he'd go over here to Berkeley and another place back in Philadelphia and put up big money. And Ben Swig of the hotel put up tremendous sums of money for universities, hospitals, and different things. I finally got five thousand dollars from Ben. I had to match it in his campaign with Alioto. I said, "I won't give you any unless you give me something for the Palace," and he says, "Well, I'll give you five if you match it." So I gave him five for Alioto and he gave me five for the Palace. And that's about the only way I could get any money out of fellows like that. And they are people who could do tremendous things. They've given tremendous amounts of money for different things.

ERM: And you were willing to do that so that it could be publicly made known that Swig was making a contribution and that might encourage other people to follow suit, I suppose.

WSJ: Yes, that's right. The fact that I put it up has never been much of an incentive for anybody to put up anything.

ERM: What about the permanency and the maintenance of the Palace?

WSJ: We have what we call the Palace of Fine Arts League and it's composed of different people including the mayor's sister, Mrs. Stephanie Wilhelm, and a fellow named Richard Harcourt and different fellows that have been helping me. They don't put up any money but they put up their time which is important and they made a deal with the park and recreation department to lease that thing for seven years and run it. We have what they call the Exploratorium, which is a scientific exhibit. They are tenants of the building but they have to answer to the Palace of Fine Arts League which has this lease. I think they have a seven-year extension when the time is up. We run the little theatre and we are making improvements in it. It looks like it's going to come along although we can't get a nickel out of the city, or the supervisors, or out of hotel tax money, or anything. We can't get any help, but different organizations will come in there and rent the theatre and do Shakespearian plays, little operettas and ballets. There are a thousand seats in that beautiful little theatre.

ERM: Are there facilities in this building that would accommodate cultural

organizations if they wanted to establish their headquarters there? Could a museum be accommodated in the building, or a library?

WSJ: Yes, but then you've already got all that in the Exploratorium. They occupy the bulk of the building.

ERM: Is this a private enterprise?

WSJ: I guess you might call it a private organization. It is run by a fellow named Oppenheimer. It's open, free to the public. You can contribute if you want.

ERM: They must have memberships.

WSJ: There must be ten or fifteen thousand people that go in there every week. School buses drive in four or five at a time loaded with forty people each, and the kids play with all the different machines and see what they are doing in science. That happens practically every day in the week except Saturdays. It's a big success and it's doing a lot of good.

ERM: How do you feel about it all now, after it has reached this point? How do you feel about what you did?

WSJ: I've had to work like hell to get it done. It wasn't just the money. The thing is to get it done. Right now we still have to hammer away at the contractors to get the thing done. I'd do it all over again. It's a satisfaction inside. I don't give a damn about whether they give me any honor or not but look at the satisfaction I have of doing something that warrants my existence.

ERM: It will stand and serve the good of the community and the nation for a long time to come.

WSJ: Yes. It'll be there quite awhile because it's all solid cement and steel. They say that cement will outlast marble. Pigment mixed into the cement gives it the color. So if you sandblast it, it would look brand new. It's a well-built setup and we've had good city architects working on it.

ERM: If you had the time over again, would you do certain things differently?

- WSJ: I might have insisted that the city make certain rules about its occupancy by a league instead of having to wait several years to get this right. It had to be approved by the supervisors and all that and we finally got it, but it took a lot of work.
- ERM: In the meantime you lost revenue?
- WSJ: You're losing time. I think that now she's going to move along pretty good. Mrs. Stephanie Wilhelm is the president of the league and she's a very capable woman. She's also been the head of an art school, so she's got good ideas.
- ERM: Did you know any of the people who were intimately involved in the construction of the Panama-Pacific Exposition? After all, you were a resident of the area. You went through the earthquake and the great fire that destroyed so much of the city in 1906. You must have been around and might have been aware of some of the plans for this exposition. What do you remember about that?
- WSJ: Not too much because I was studying law at the time and I was trying to get through the University of California. I got through in 1914 but the construction was going on while I was going to law school. I didn't get in on any of that.
- ERM: Did you attend the exposition?
- WSJ: After it was built in 1915, yes, many times.
- ERM: Did you have any awareness of or friendship with Bernard R. Maybeck, the architect?
- WSJ: No, I only knew of him.
- ERM: Or any of the sculptors or artists that made contributions?
- WSJ: No, they were of an earlier age than I. I was just a young fellow trying to get along.
- ERM: What has been the role of the various mayors over this period of time? You've known a number of them like George Christopher and Jack Shelley.
- WSJ: Jack Shelley was quite a help. George gave me plenty of encouragement but Shelley really did help me. Alioto has helped me not at all. All you get out of him is promises about lighting the building and getting benefits from the city authorities. We got nothing.

- ERM: Why do you suppose his promises fell flat?
- WSJ: Because that's the nature of the man, to promise anything and just forget it. I haven't any faith in the man.
- ERM: What role did Caspar Weinberger play in all this?
- WSJ: He was the representative from San Francisco in the Assembly up at Sacramento who originally got this bill through for the two million dollars. He got the bill through and then it had to be signed by the governor and I think it was signed by Goodwin Knight. Pat Brown delivered the two million dollars to the city but that was already passed by Knight. Anyway, I would say that Shelley and Christopher were the only mayors that really were of any help to me. And I wouldn't go on anymore promises from Alioto whether he's governor or mayor or in whatever capacity. He's full of promises. Anything to win your favor and then forget you. But he has a very bright sister and she's doing a good job as president of the league. I have some faith that if anybody is going to get anything out of the city, she will.
- ERM: What about Richard Lloyd Harcourt? How important is his responsibility?
- WSJ: He has been the president for a long time. He's done a good and a very sincere job and he's a hard worker. Not any money, but time. It helps. He's with the San Francisco Chamber of Commerce and does this on the side.
- ERM: Your own late wife, Margherita, had a lot to do with helping you on this too didn't she?
- WSJ: She gave me encouragement though she didn't really do much work.
- ERM: Didn't you have a corps of ladies active at one time?
- WSJ: Yes. There was Ellen Campodonico and others, but they were full of mostly promises, too. Some of them did good work, not too much.
- ERM: Do you think San Francisco has learned anything in the process of this whole experience in regard to preserving the cultural heritage of the city?
- WSJ: Well, the California Historical Society up on Jackson Street makes an attempt to do something about it, but so far as the city administration, they show no signs. There is no organization of women that does much.

Take the museum in Oakland, it's run by women. But San Francisco doesn't have any such organization. They won't work together like they do in Oakland; little jealousies and so forth.

- ERM: Is San Francisco's social milieu a rather highly competitive thing, with people competing for social recognition and countering each other in one way or another?
- WSJ: I would say that there is more of that than there is in most places. The women down in Los Angeles have gotten together and formed what they call the Music Center and they have three theatres. They keep them going all the time. The San Francisco women don't get in on that. In Oakland they do far better. I think it's a competitive situation among the women in San Francisco. They are also seeking social recognition through the Opera Association, or something.
- ERM: What part have the newspapers and the mass media played in all of this?
- WSJ: Not very much help.
- ERM: Did Hearst give you any help at all?
- WSJ: Charlie Gould was a member of our group for awhile but he never really gave any help. No, I would say you get practically nothing out of them. Old Charlie Gould would say, "If you got any money left, Walter, I've got a place for it." And he wanted me to do something that William Randolph Hearst started. He had a lot of parts of a monastery out near Golden Gate Park and he wanted to build a building with them and wanted me to put up the money for it. Well, hell, I wasn't interested in trying to restore something that he brought over here from Spain. Here we had something that was beautiful and we could restore it.
- ERM: What are your other principal interests to which you have given your support in time, energy, and money?
- WSJ: There are some hospitals that I've helped, but not in any big way; Mary's Help Hospital and the Pacific Medical Center. Those are the principal public things that I've been interested in.

CONCLUSION

ERM: I recently came back from Washington, D. C. where I did an interview like this with Lieutenant General Milton A. Reckord, who was head of the National Rifle Association. You might have known him.

WSJ: I knew of him. Are you a good rifle man yourself?

ERM: No, I wouldn't say I'm a good one. I like to shoot but I'm not a crack shot.

WSJ: I've done a lot of hunting in my day but I don't do too much except a little target practice now and then.

ERM: You've done big game hunting, too, haven't you? Where have you been?

WSJ: Canada. I got moose, elk, goat, sheep, deer, all that stuff.

ERM: Have you ever become a member of the Boone and Crockett Club?

WSJ: I didn't get in on that. I just did it for my own pleasure. I've hunted a lot up in California, Siskiyou and Modoc counties mostly. We have deer around here. But I don't get any kick out of hunting on my own ranch. I've got about seventy head of cattle, all Herefords. They are not registered, but the bulls are registered and they are all dehorned, and they are old. They're beautiful and I get a lot of kick out of them.

ERM: Can we go and take a look at them?

WSJ: Yes, they may be out there yet.

ERM: I think we can turn this off now, but before I do, I want to thank you, Mr. Johnson, for the time you have given me for recording some of your memoirs.

INDEX

- Abraham, Hank, forester, 89
- Adams, President John, 19
- Africa
Boer War, 14
shipping boxes to, 57
timber supply, 68, 98
- Agnew, Vice President Spiro, 19
- Alaska
oil pipeline, 67
- Alioto, Mayor Joseph, 40, 113, 115
- America and Americans, 40
- American Box Company, 91-3
see also Tarter, Webster & Johnson; Stockton Box Company; American Forest Products Corporation
- American Forest Products Corporation, 17, 50, 53, 71
competition, 56
corrugated container production, 57, 107
expansion of, 85
foreign timber access, 98-9
forest land ownership, 89-90
history of, 92-5
merger with Bendix, 58-9, 61, 73, 94-5
relations with Forest Service, 90-1
research, 88
stockholders, 59, 93
wooden box production, 56-7, 84
see also Tarter, Webster & Johnson, Inc; Stockton Box Company; American Box Company; Bendix Corporation
- American Fruit Growers, 84
- American Revolution, 39
- American Trust Company, 75
- Apache Indians, 13
- Arizona, 3, 12-4, 24, 56, 86-7, 93
- Arizona National Guard, 13
- Army, U.S., 24-6
Spruce Production Division, WWI, 33-9, 45
- Associated Lumber and Box Company, 59, 87, 92
see also American Forest Products Corporation
- Atlantic Ocean, 98
- Austria, 98
- Aviation Corps, U.S. Army, 31
- Bank of America, 102, 105

- Barnum, Millard, Forest Service, 91
- Bendix Corporation, 53, 58-9, 61, 73
101-2
see also Tarter, Webster & Johnson;
American Forest Products Corpora-
tion
- Bernal, Augustine, 74
- Bernal, Francisco, 74
- Berry, John, Forest Service, 90
- Blagen, Howard, 89, 101
- Boise-Cascade, 104
- Boone and Crockett Club, 118
- Bray Lumber and Box Company, 87
see also Tarter, Webster &
Johnson
- Brazil, 68, 98
- Brooks-Scanlon, 8
- Brown, Governor Pat, 116
- Bryan, Sam, forester, 89
- Bull, Colonel Harry
Spruce Production Division, 34, 36
- Bulletin, San Francisco, 21, 26
1906 newsboys strike, 21-3
- Burbank, Luther, 5
- Cahill, John, 111
- California, 2, 4, 8, 10-2, 50, 56-7, 70,
82-3, 86, 95
Imperial Valley, 55, 86-7
San Francisco, 14, 21-5, 30-1, 53-5
Stockton, 76-7, 79-80
see also San Francisco
- California Historical Society, 116
- California Packing Corporation,
54, 58, 84, 102
- California Pine Box Distributors,
55-6, 77-8
- California Redwood Association, 70
- Calkins, John, 21
- Campononico, Ellen, 116
- Canada, 68
- Carruthers, Jack, San Francisco
Bulletin, 21
- Castro, Fidel, 20
- Chicago, 24-5, 45
- Chile, 20
- Christopher, Mayor George, 110,
115-6
- Chronicle, San Francisco, 28
- Colorado River, 10
- communism, 20, 37, 98
- Connally, John, 20
- conservation
of natural resources, 67-9
- corrugated containers
replace wooden box, 57-8, 60,
88, 107

- Country Boys Make Good, 1, 38-9, 82, 100
- Cowboy Hall of Fame, 112
- Crocker National Bank, 105
- Cuba, 20
- Cutler, Harry, stationary store partner, 23, 27
- DeMaria, Joseph A., American Forest Products Corporation, 59, 94, 101-2
- Del Monte Cannery, 102
- Democrat party, 41, 46
Watergate break-in, 18-9, 40
- depression, the (1930s), 44, 87
- Diamond Match Company, 53
- Disque, Colonel Brice P.,
Head, Spruce Production Division, WWI, 33, 36
- Douglas-fir
purchase by Japanese, 61
- Ellery Arms Company, 28
- England, 14, 17-8, 34
- Fibreboard Products, 107
- Forest History Society
Oral History Program, 42
- Forest Service, U.S.
regulation of timber sales, 62-4, 71
relations with Tarter, Webster & Johnson, 90-1
timber sales, 42, 60, 62
tree farm movement, 64-5
- Forestry, California State Board of, 64
- France, 34, 68, 95
- Friden Business Machines, 17, 96-8, 100-1
- Friend, T.E.D., author, Country Boys Make Good, 1, 78
- Fruit Growers Supply Co., 53-4, 72, 84
- Fullaway, S.V., Western Pine Association, 48, 72
- General Boxes Services of Fresno, 59
see also American Forest Products Corporation
- Georgia-Pacific, 104-5
- Germany, 18, 95
- Gorham Rubber Co., 53
- Gould, Charlie, 117
- Gray, Charles, president, American Forest Products Corporation, 59, 66, 94, 101-2
- Great Lakes
hauling iron ore on, 1
- Greeley, William B.
tree farm movement, 65
- Gruenhagen, Charles T., Tarter, Webster & Johnson, 75, 82, 91, 102
- Guyol, John, American Forest Products Corporation, 101

- Harbor Box and Lumber Company,
59, 83, 87, 92
see also American Forest Products
Corporation
- Harcourt, Richard, 113, 116
- Hastings Law School, 27-8
- Hearst, Phoebe, 74
- Hearst, William Randolph, 117
- Hightower, A.J., Spruce Production
Division, WWI, 34
- Hiss, Alger, 18
- Hitler, Adolph, 19
- Hoover, President Herbert, 41
- Humphrey, Senator Hubert, 46
- IBM Corporation, 100
- IWW, see Industrial Workers of
the World
- Industrial Workers of the World,
activities in lumber industry
during WWI, 33-6, 38-9
- Ingersoll-Rand Company, 95
- Italy, 17-8, 68, 98
- Jacks, David
Spanish land grants, 29-30
- Japan, 73
purchase of American timber, 61
- Johnson, Walter S.
family background, 1-2
early education, 6, 12
homesteading in Oregon, 4, 6
early employment, 6
California living, 6-8
desert travel, 10-1
live in Arizona, 10, 11-6
hunting interests, 8-9, 118
employment in San Francisco,
21, 23, 25, 27
San Francisco earthquake, 25-6
stationery store business, 23, 25, 27
law school, 27-8
law practice, 28-32, 53, 76-7
WWI: Spruce Production Division,
31, 33-9
partner, Tarter, Webster &
Johnson, 31, 53, 76-9, 82, 91-2
president, Pacific Coast Wooden
Box Association, 49
president, American Forest
Products Corporation, 17
president, Friden Business
machines, 17, 96-7
Golden Eagle Ranch, 73-4, 118
Palace of Fine Arts, 110-7
Opinions on
big business, 101-6
conservation, 67-8
Indians, 6-7, 10, 13
politics and politicians, 18-20,
40-1, 46
relations with employees, 18
trade associations, 69-71
welfare, 16-7
- Johnsondale, 89-90
- Johnson Lumber Company, 105
- Johnson, Alexander, grandfather, 1-2
- Johnson Alfred Alexander, father,
1-6, 9, 11-2

- Johnson, General Hugh
National Recovery Act, 47
- Johnson, Henry, 1
- Johnson, Margherita, wife, 116
- Johnson, Mary Calkins, mother,
1-2, 5-6, 12-4
- Johnson, Otis, Union Lumber
Company, 104
- Johnson, Sarah E. Childs, 1
- Kennedy, President John F., 19-20,
46
- Kennedy, Senator Edward M., 20
- Key Paper Company, 107
- Knight, Governor Goodwin, 116
- Kirby, John Henry, Western
Pine Association, 65
- Land Management, Bureau of, 62
- Larsen Ladder Company, 94
- Latter Day Saints Academy, 12
- Longview Fiber Company, 107
- Loyal Legion of Loggers and
Lumbermen, 33, 35, 37
- Lumber
by-products, 58-1, 88
grades, 43, 60, 87-8
prices, 43-5
production, 43-5
- Lumber Code Authority, 42
see also National Recovery
Administration
- logging
equipment improvements, 53,
60-2, 81
transport of logs to mill, 68
- logging camps, 35-6
IWW activities during WWI, 35-8
- lumber industry,
and National Recovery Adminis-
tration, 42-5
outside influences, 66-7
relations with government, 62-5
- McCloud River Lumber Company,
8, 56, 77
- Madison, President James, 19, 46
- Mason, David T., forester, 42,
44
- Maunder, Elwood R., executive
director, Forest History Society,
iv-vii
- Maybeck, Bernard R., architect,
115
- Metropolitan Railway Company, 22
- Mexico
as a timber resource, 98
- Michigan, 1-2
- Mitchell, Attorney General John, 19
- Monroe, President James, 9, 46
- Mormons, 12, 15-6
- Murphy, Stan, Pacific Lumber
Company, 105
- Mussolini, Benito, 19
- NRA see National Recovery
Administration

- National Lumber Manufacturers Association, 40, 45
- National Park Service, 62
- National Recovery Administration, 42
Lumber Code Authority, 42, 47
- National Rifle Association, 118
- Navaho Indians, 24
- New Deal, 41
National Recovery Administration, 42
Lumber Code Authority, 42
- New York, 100-1
- Nine Lumber Company, 78-9
- Nixon, President Richard M., 18-9, 40-1
- Northern California Lumber Company, 53
- Ohio, 2
- oil industry, 68
Alaska pipeline, 67
- Oklahoma, 112
- Older, Fremont, editor, San Francisco Bulletin, corruption in city government, 21-3
- Oregon, 3-4, 8, 42, 48, 59, 71-2, 79-80, 88
Klamath Falls, 6-8, 31
Spruce Production Division activities, WWI, 33, 36
- Osborn, Jenny, 31
- Pacific Box Company, 83
- Pacific Box Manufacturers Association, 69-70
- Pacific Coast Box Association, 49
- Pacific Lumber Company, 104
- Panama-Pacific Exposition, 1915, 110, 115
- Peru, 98
- Philippine Islands, 11, 14
- ponderosa pine, 8, 89, 91, 98
- Powell, Louis, 47
- preservation
of documents, 48-52
- Reckord, Lt. Gen. Milton A., 118
- Red Cross, 34, 38
- Red River Lumber Company, 56, 77
- Republican party, 19, 40-1, 46
- Reuf, Abe, attorney, 21-3
- Rockefeller, John D., 50
- Rockefeller, Nelson, 19
- Roosevelt, President Franklin, 19, 40-1, 46
see also New Deal

- Russia, 20, 68
 U.S. wheat sale, 45-6
- Sacramento Box Company, 56
- St. Regis Lumber Company, 104
- San Francisco, 30, 48, 53, 55, 90, 95, 102
 1906 earthquake, 23-6, 115
 corruption in politics, 21-2
 Palace of Fine Arts, 40, 110-7
 Presidio, 25, 31, 33-4, 74
- Santa Fe Railroad, 10-1
- Schlage Lock Company, 95
- Schmidt, Mayor Eugene, 21-3
- Sequoia gigantea, 91
- Setzer, Curt, 81
- Shelley, Mayor Jack, 115
- Sierra Club, 67-8
- Signal Corps, U.S. Army, 33-4
- Singer, 100
- Smith, Al, 41
- Socialist, 37
- Southeast Arizona College, 12
- Southern Pacific Railroad, 31, 102
- Spanish
 land grants in California 29-30, 73-4
- Spanish-American War, 11, 14
- spruce
 for airplanes, 33-4, 36-7
 for boxes, 88
- Spruce Production Division, U.S. Army, WWI, 33-9, 45
- Standard Oil Company, 50, 102
- Steinbeck, John, author, 40
- Stockton Box Company, 53, 59, 77, 82, 87, 91-2
 formation of, 75
 expansion, 75-6, 78
 competition, 77
see also American Forest Products Corporation
- Swig, Ben, 113
- Switzerland, 40
- Tarter, Webster & Johnson, Inc.
 formation of, 53-4, 76, 82
 wooden box production, 54-6
 competition, 55-6, 77-9
 effects of depression years, 55, 87
 expansion, 78, 83-6, 91
 forest land ownership, 89-90
 merge to American Forest Products Corporation, 59, 92-3
 raw materials source, 54, 56, 87-8
see also American Forest Products Corporation; Bendix
- Tarter, Horace, 53, 75-6, 78, 80-3, 91-2
- Taylor, Edward R., 27-8
- Teamsters Union, 36
- Temple Forest Industries, 73

- Texas, 20, 56, 93
- timber purchases
 from government, 42, 60, 62-4
 competition in, 62-3
 regulation of, 62
 foreign sources, 98
- Time magazine, 73
- trade associations, 48
 importance, 66-7, 69-72
see also names of individual
 trade associations
- tree farm movement, 64-5
- tree regeneration, 69
- Truxell, Tom, 24-5
- unions, 36, 38, 78-80
- Union Bank, 105
- Union Lumber Company, 104
- U.S. Congress, 46, 71
- U.S. Constitution, 39
- U.S. Plywood, 98, 101, 104
- U.S. Supreme Court, 46-7
- United States, 18-9, 34, 61, 68, 98,
 102
- University of California, 112
 law schools, 27-8, 115
- Utah, 10
- Vermont, 93
- Washington, state of, 31, 80
 Spruce Production Division
 activities, WWI, 33-5, 39
- Washington, D.C., 48-9, 70-2
- Washington, President George, 19
- Watergate break-in, 40, 46
- Webster, Bert, 53-4, 75-6, 78,
 80-3, 85-6, 91-2
- Weed Lumber Company, 31, 56, 77
- Weinberger, Caspar, 116
- West Coast Lumbermen's Associa-
 tion, 42
- Western Electric Company, 21, 23,
 24-5, 27
- Western Forest Products Associa-
 tion, 72
- Western Pine Association, 42-4,
 60, 65, 71-2
- Western Union, 21
- Weyerhaeuser Company, 80
- Wilhelm Stephanie, Palace of
 Fine Arts League, 113, 115
- Wooden Package Association,
 48-9
- wooden package industry, 47-9,
 53-6, 75-7
 competition from corrugated
 containers, 57, 60

- wooden package industry (contd.)
 - grade of lumber used, 60, 87-8
 - progress in, 57, 59-60, 78, 81
 - shipping rates, 57-8
 - supply and demand, 86, 88
- World War I, 28, 31, 75, 77
 - Spruce Production Division, 33-9, 45
- Wythe and Vecki, law firm, 28-9
- Yugoslavia, 98
- Zellerbach, Harold, 112-3