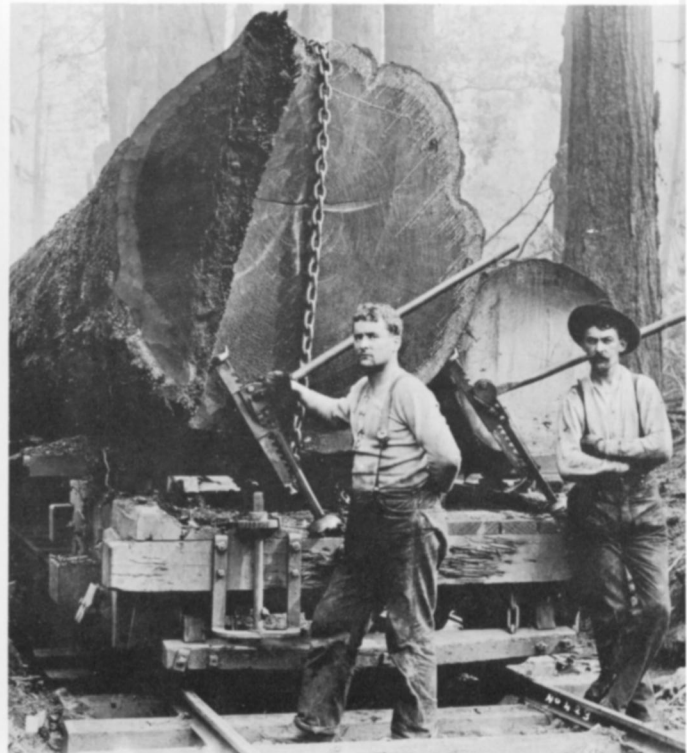
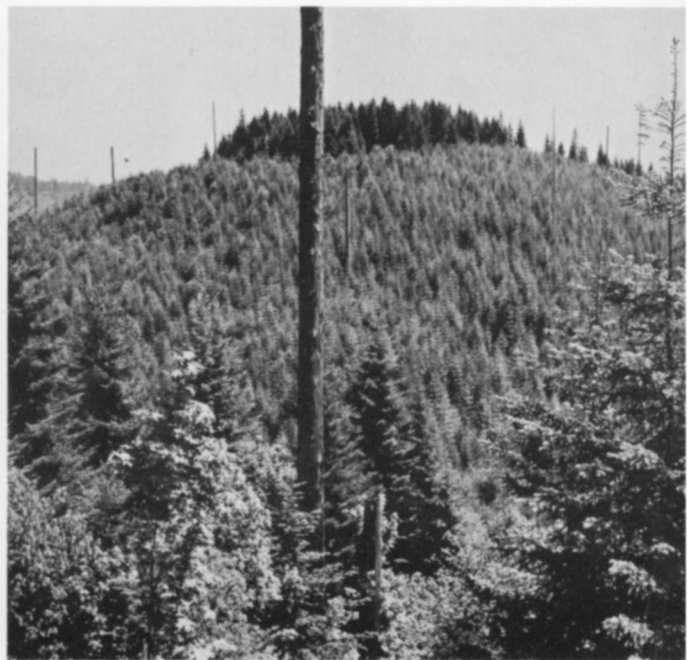


# Public Law 273 Comes to Shelton

## Implementing the Sustained-Yield Forest Management Act of 1944



**Editor's Introduction:** The brainchild of David T. Mason and Senator Charles L. McNary, Public Law 273 brought to life a unique experiment in forest management. The Sustained-Yield Forest Management Act of 1944 aimed to conserve resources in the traditional sense, but it was also intended to stabilize forest industries and dependent communities by combining federal and private lands into cooperative management units from which would flow continuous supplies of timber. In this useful case study Roy Hoover details the law's implementation through formation of the Shelton Cooperative Sustained-Yield Unit, a product of nearly three years of careful negotiation between the Forest Service and the Simpson Logging Company of Shelton, Washington. The author read a condensed version of this paper at the annual conference of the Western History Association in Portland, October 13, 1977.



by  
Roy O. Hoover

**B**Y THE EARLY 1940s many forest products companies throughout the nation faced a rapid depletion of natural resources, particularly where they were forced to rely upon timber from their own lands. Despite conservation programs of various sorts, many timber companies had the choice of either drastically changing methods of operation or going out of business. To add to the problem, the increased demands and profits resulting from wartime production had only encouraged industry to draw even more heavily upon its holdings. The situation would have been more acute had not the U. S. Forest Service made available otherwise restricted reserves.

If the timber industry were forced to modify or curtail operations, the results would have a decidedly adverse effect on communities and surrounding areas where mills were located. Many mill towns, particularly the smaller ones, depended heavily or entirely upon the local timber industry for economic sustenance, and any change or reduction of operations would jeopardize their stability. Depending upon the productive capacity of the local industry, timber-reliant communities could expect a minimum of five to a maximum of fifteen years of uninterrupted existence.<sup>1</sup>

Conservation-minded individuals from both the public and private sectors were aware of these problems, and remedial legislation was already being pushed through Congress. Although a great many persons were involved, the two principal advocates of long-range timber resource planning in the early 1940s were Senator Charles L. McNary of Oregon and forester David T. Mason. McNary, who had already sponsored several major pieces of conservation legislation, and Mason, a former employee of the U. S. Forest Service who had formed a private consulting firm in Portland, Oregon, were working on a bill, S-250, which would alleviate the problems facing the timber industry. S-250 dealt with more than the conservation of timber. A second and equally important objective of the bill was the

adoption of sustained-yield practices as a means of strengthening community stability. As early as 1936, but particularly after 1943, Mason and McNary devoted large amounts of time working with private producers and manufacturers, the Forest Service, and citizen groups to secure passage of this legislation.<sup>2</sup> Mason's diary entries from 1943 through early 1944 reveal the tremendous amount of time spent in conferences, meetings, and, as he put it, "just walking the papers through."<sup>3</sup> Congressional approval came in early 1944; on March 29 President Franklin D. Roosevelt signed S-250 into Public Law 273. Mason's feeling of satisfaction was undoubtedly restrained by the knowledge that McNary could not share in the victory. The senator had passed away on February 25, and Mason noted in his diary that his letter regarding the progress of S-250 was the last received by McNary.<sup>4</sup>

Beyond relatively few specific provisions, the details for implementing P. L. 273 were purposely left to the discretion of the secretaries of agriculture or the interior. Either cabinet officer could stabilize long-range timber production and harvest through the formation of cooperative sustained-yield units with private companies.<sup>5</sup> By combining public and private timber resources into single, long-term, cooperatively managed units, the conservation of resources could be maintained and the economic stability of related communities could be preserved. More specifically, the legislation permitted the sale of timber within units to private companies on a basis of periodically appraised value rather than the usual competitive-bid procedure. It was this section of the law that ultimately generated the most controversy and made it impossible for the state of Washington to participate in the implementation of P. L. 273. Additional sections required sustained-yield agreements to extend through a

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<sup>2</sup>David T. Mason, *Forests for the Future: The Story of Sustained Yield as Told in the Diaries and Papers of David T. Mason, 1907-1950*, ed. Rodney C. Loehr (St. Paul: Forest Products History Foundation, Minnesota Historical Society, 1952), pp. 232-48. Loehr's edition of Mason's diaries and papers is the only source currently available. When Mason deposited his diaries at Yale University in 1966, he placed a restriction on their use until 1996. There are also Mason Papers at the Oregon Historical Society in Portland.

<sup>3</sup>*Ibid.*, p. 234.

<sup>4</sup>*Ibid.*, p. 248.

<sup>5</sup>The law also allowed formation of federal sustained-yield units, similar in purpose to cooperative units but not involving private timberland. Between 1948 and 1951 five federal units were established on western national forests. See Samuel T. Dana, *Forest and Range Policy: Its Development in the United States* (New York: McGraw-Hill, 1956), pp. 284-85, and Harold K. Steen, *The U. S. Forest Service: A History* (Seattle: University of Washington Press, 1976), pp. 251-52.

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<sup>1</sup>For an analysis of the timber industry, see *Forest Lands of the United States*, Report of the Joint Committee on Forestry, 1941, S. Doc. 32, 77th Cong., 1st sess. (Serial 10574).





Forest History Society

David T. Mason, advocate of sustained-yield forestry, 1934.

definite time period; public notices and hearings were to precede the formation of all units; and responsibility for the enforcement of the terms of the agreement was given to the U. S. attorney general. With the exception of these requirements, the details of each unit's formation and management could be unique to each agreement.<sup>6</sup>

### Forest Service Preparations

The Forest Service, serving as the agent of the secretary of agriculture, immediately began work on guidelines for the implementation of P. L. 273. Christopher M. Granger, assistant chief of the Forest Service, assumed this responsibility and advised:

It will be necessary to proceed with great caution in order to make sure that long time commitments of national forest timber are made only where indisputably in the public interest, and, . . . that the government has chosen the most favorable cooperative tie-up available. . . . It must be always borne in mind that the objective is not merely good forestry on the private land, but that the project cannot qualify legally unless it results in sustained-yield management with all that term implies—continuous production on a scale to maintain the dependent industry.<sup>7</sup>

<sup>6</sup>Public Law 78-273, 78th Cong., 2d sess., 29 March 1944.

<sup>7</sup>Wellington R. Burt, "Notes Made in Conference with Granger," 8 April 1944, U. S. Forest Service Files, Portland, Oregon (hereinafter, USFS Files). Although the Federal Records Center in Seattle serves as a depository for these files, jurisdiction is maintained by the Region 6 office in Portland. I am indebted to Jack Usher of the regional office for his permission and cooperation in the use of these files.

With regard to cooperative units, Granger declared that public and private timber must be "intermingled or adjacent" in order to facilitate smoother operation. Private timber, Granger thought, must constitute a substantial part, at least 30 percent of the total timber within the unit. "An operator with a pair of duces [*sic*] can't expect the Forest Service to match with aces." With an eye to size of the unit and efficient management, Granger thought that in order for small private operators to qualify it would be necessary as well as desirable for them to consolidate with others or to acquire additional timber holdings. As for procedure, he announced that regional foresters would screen proposals. Where the possibilities looked encouraging, proposals would be forwarded to the chief for authorization to continue negotiations. Granger went on to outline the main features which he felt should be included in any agreement. Provisions covering the rate and method of cutting, fire and disease control, standards of timber species utilization, and reforestation were essential.

On the sensitive subject of stumpage appraisals, Granger maintained that timber sales should be made for a three-year period, thus avoiding continual reappraisal while at the same time allowing for changes in valuation. "Exceptional care," he declared, "will be necessary in making stumpage appraisals since the element of competition is absent. The cooperator must be assured of stumpage at a fair price, but there must also be full assurance that the public stumpage is fairly appraised in comparison with that sold in other national forest transactions." Granger reaffirmed that the Forest Service would supervise the operations of all units, and violators would be prosecuted by the attorney general.

Privately, the assistant chief predicted that sustained-yield units would be more workable in the West where there were fewer operators. Pressure exerted on the larger companies by small "fly-by-nights" in the South would delay, if not prevent, implementation of P. L. 273 in that region. He also hoped that management plans for sustained-yield units would follow the model of a recently completed contract negotiated between the Forest Service and the Ochoco Lumber Company of Prineville, Oregon, although Granger realized the necessity for individual contract flexibility. However the Forest Service proceeded, Granger noted, the shortage of personnel in the Division of Timber Management would dictate a "go slow" policy.<sup>8</sup>

Copies of Granger's tentative plans were sent to regional Forest Service offices, as well as to private

<sup>8</sup>*Ibid.*

timber companies and organizations, with invitations to comment upon the guidelines.<sup>9</sup> Replies were not long in coming, among them a response from Chris H. Kreienbaum, executive vice president of Simpson Logging Company of Shelton, Washington. After offering several suggestions regarding wording and raising some questions about definitions of terms, Kreienbaum inquired into the matter of remedy in case of default by either party to the agreement. It was clear that he favored an expeditious settlement of differences without resort to court action. "It does seem," he wrote, "that honest differences of opinion should be composed . . . through some simple method in which both parties can have complete confidence. We should think of court action only in the instance of extreme arbitrary action."<sup>10</sup>

Kreienbaum's comments, as well as replies from other timbermen, were forwarded to Lyle Watts, chief of the Forest Service in Washington, D. C. After reviewing the responses to Granger's draft, the chief concluded that only minor changes were needed and these only in emphasis rather than in substantive principles. Where the Granger draft had required a private cooperator to supply 30 percent of the total land in a unit, Watts reduced the amount to 20 percent, thus increasing the likelihood of participation by smaller timber operators. The chief also made recommendatory rather than mandatory Granger's limitation of two units to any national forest. With these changes included, Watts informed his regional foresters that the guidelines were "being reissued substantially in the form as the tentative draft."<sup>11</sup>

Leaders from industry continued to press the subject of adjudication of disputes by someone other than a party to the cooperative agreement. At a meeting held in Portland and attended by representatives from both the Forest Service and timber interests, the latter expressed their preference for a three-man arbitration board—one member appointed by the cooperator, one by the government, with the third selected jointly. The companies stressed the advantages of local decisions, the speed with which differences might be settled, and the desirability of bringing "fresh, unprejudiced minds" to bear upon the matters in dispute. It was evident that the government's dual role of partner to an agreement as well as judge of rule infractions made them uneasy. While both Watts and Granger were

"willing to continue consideration of an arbitration board," they held to the view that the secretary of agriculture and the attorney general must retain control of decisions on disputed points.<sup>12</sup>

If Watts appeared vague at the Portland meeting on questions involving underdeveloped timber, price fluctuations, and other matters, it was because he continually stressed the value and necessity of flexibility and the uniqueness of each cooperative unit. The Forest Service refused to be bound at this point by fixed rules. Watts pointed out that company earnings were made possible by efficient operations and that stumpage prices would not be adjusted to either company profits or losses. The Forest Service wanted to make sure that private companies understood and appreciated their commitment to a long-term cooperative agreement. Watts left no doubt that the Forest Service preferred cooperative units to federal units. The former, in the chief's opinion, would provide the greatest benefits to local communities, keep private forest lands on the tax rolls, and strengthen responsible forest management by private industry.<sup>13</sup>

While these discussions and others like them were being carried on, proposals for cooperative sustained-yield units began to arrive at the Region 6 office in Portland. Regional Forester Horace J. ("Hoss") Andrews reported that as of August 11, 1944, forty to fifty proposals in various stages of description and development had been received.<sup>14</sup> Among them was a proposal from Simpson Logging Company, a firm which had prepared very carefully for this opportunity.<sup>15</sup>

### Simpson Logging Company

Sustained-yield forest management was a policy of long standing with Simpson. Since the company's formation in 1895, and particularly between 1914 and 1933 when Mark E. Reed was president, Simpson had followed the practices of long-term and

<sup>9</sup>Wilson Compton to Federated Associations, National Lumber Manufacturers Association, 27 April 1944, USFS Files.

<sup>10</sup>Kreienbaum to Oliver F. Ericson, 4 May 1944, USFS Files.

<sup>11</sup>Watts to Regional Foresters and Directors, 21 July 1944, USFS Files.

<sup>12</sup>William B. Greeley to Members, Joint Committee on Conservation, West Coast Lumbermen's Association, 16 August 1944; Western Pine Association Circular No. 3751, 2 September 1944, both USFS Files. The language of P. L. 273 in this regard is explicit: "Sec. 6 . . . upon failure of any private owner of forest land which is subject to a cooperative agreement entered into pursuant to this Act to comply with the terms of such agreement . . . the Attorney General, at the request of the Secretary concerned, is authorized to institute against such . . . a proceeding in equity in the proper district court of the United States. . . ."

<sup>13</sup>*Ibid.*

<sup>14</sup>*Ibid.*

<sup>15</sup>Kreienbaum to Regional Forester, 31 March 1944, USFS Files; Kreienbaum to Regional Forester, 23 August 1944, Simpson Logging Company Files, Shelton, Washington (hereinafter, Simpson Files). I am indebted to the Simpson Timber Company for its cooperation in making these files available to me.

continuous production and harvest of forest resources. Reed emphasized sustained yield and repeatedly instructed George L. Drake, forester and logging superintendent, to maintain these practices as he planned logging operations. Under Reed's direction the company had also established a policy of holding on to its logged-off lands. Simpson adopted this policy at a time when most timber operators simply let their cutover lands revert back to the county rather than pay taxes on them. Simpson's primary reason for holding logged-off lands was fire protection. In 1902 the largest forest fire ever to occur on the Olympic Peninsula had destroyed hundreds of thousands of acres, and the effort to prevent a recurrence of fire damage prompted Simpson's actions.

In 1933 Mark Reed and other representatives of industry were invited by officials of the National Recovery Administration to participate in drafting the Lumber Code. Among other things, the industry obligated itself to undertake practical measures to accomplish the purposes of sustained-yield forest management. The delegates who drafted the NRA Lumber Code recommended that the secretary of agriculture call a joint conference of representatives from government and industry to draft a program of action. The resulting conference, called by Secretary of Agriculture Henry A. Wallace, was held in October 1933. Simpson's logging superintendent, George Drake, represented the West Coast Lumbermen's Association. A preliminary conservation program resulted, and a second conference composed of the same personnel met early in 1934 to draft the final legislation. Both conferences gave a strong impetus to thought about sustained-yield forest management. Simpson was well represented at both conferences. Although Drake attended as a WCLA delegate, he was advocating the policies and long-range objectives of his own company.

Following the 1934 conference Simpson asked the Forest Service to undertake a study of the company's operations. The purpose was to examine possibilities for development of a unit which would stabilize both the company and the communities that relied upon Simpson for major economic support. On June 30, 1936, the Forest Service presented a preliminary report, prepared under the direction of Frank Heintzleman and Ed Hanzlik. Although not definitive in detail and analysis, the report stated that for Simpson to maintain its level of employment and production, it would be necessary to diversify, broaden the use of local timber, and, in the process, acquire additional cutover land.

While Ed Hanzlik continued to revise and add to the report, Simpson responded with a detailed inventory of its own logged-off lands, a project which was completed in 1941. Acting upon the findings

of the inventory and the recommendations of the Forest Service study, Simpson officials made application to Mason County for approximately 24,000 acres of tax-delinquent land. The county commissioners held a public hearing at Shelton, and Simpson personnel described their plans for putting company operations on a sustained-yield basis. The argument was persuasive, and the consensus of those attending the meeting, including the commissioners, resulted in the sale of these lands to Simpson for reforestation purposes. In addition, Simpson began to acquire other logged-off lands.<sup>16</sup>

### The Pagter Report

In November 1942 Lawrence B. Pagter, forester from the Timber Management Division of the Region 6 office, drafted a report on the feasibility of creating a sustained-yield unit within the Shelton Working Circle, that area of the Olympic Peninsula from which forest products industries at Shelton and McCleary acquired their timber. Using the information which had been collected by Simpson, supplemented by materials from his own research, Pagter's report presented a detailed description and analysis of conditions within the working circle.

Within the circle, Pagter identified Simpson, Weyerhaeuser, and the Port Blakely Mill Company as the principal private owners of timberland. Simpson, the largest, held 32 percent of all timber and twice as much acreage as the other two combined. In Pagter's opinion, Simpson was "the only established operator within this circle able to offer sufficient privately owned lands and timber for a program of sustained yield." The state of Washington owned only 6 percent of the land within the working circle, and the national government held 23 percent.

Pagter left no doubt that the towns of Shelton and McCleary were dependent upon Simpson for

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<sup>16</sup>Drake, "Memo to Mr. Kreienbaum re HISTORY OF SUSTAINED YIELD DEVELOPMENT," undated, USFS Files. On Simpson's history see Robert E. Ficken, "Mark E. Reed: Portrait of a Businessman in Politics," *Journal of Forest History* 20 (January 1976): 5-19, and Stewart H. Holbrook, *Green Commonwealth: A Narrative of the Past and a Look at the Future of One Forest Products Community, 1895-1945* (Seattle: Simpson Logging Company, 1945). Additional sources include a series of interviews by Elwood R. Maunder with Simpson executives: C. H. Kreienbaum, *The Development of a Sustained Yield Industry: The Simpson-Reed Lumber Interests in the Pacific Northwest, 1920s to 1960s* (1972), George L. Drake, *A Forester's Log: Fifty Years in the Pacific Northwest* (1975), and William G. Reed, *Four Generations of Management: The Simpson-Reed Story* (1977), all published by the Forest History Society.



economic support. McCleary had faced economic ruin in 1941 when the Henry McCleary Timber Company cut the last of its timber. Both the town and industry were salvaged and restored through Simpson's purchase of the company.

Counting the workers at the Simpson mills at Shelton and McCleary, the Rainier Pulp and Paper Company in Shelton, and the Olympic Plywood Company at Olympia, Pagter calculated that approximately 1,900 men were directly employed by wood-using industries within the circle. About 1,300 of these wage earners derived income directly from the Simpson plants, and about half of the total payroll within the circle came from Simpson. The economic effects of the circle were not limited by its perimeter, however, and Pagter estimated that service industries within and around the circle employed approximately 11,000 persons who were directly linked to the economic welfare of the area.

Mason County tax revenues came principally from timberlands and wood-using industries. Pagter reported that 55 percent of the county monies came from industry and the remainder from employees' properties and service industries dependent upon forest industries for their existence. The real and personal tax base between 1936 and 1941 had increased slightly, as had tax revenues, but tax revenues would begin to decrease as private timber resources were exhausted.

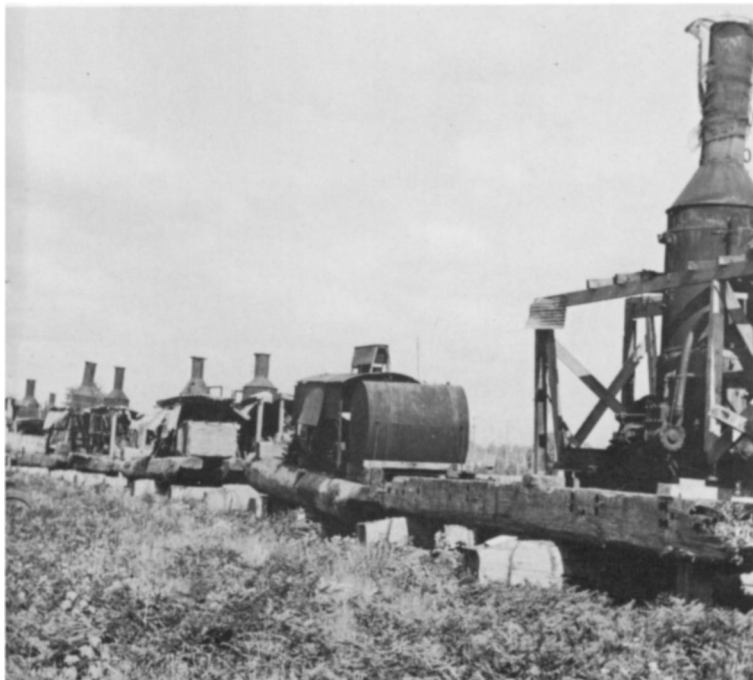
The total cutting depletion for all wood-using industries within the working circle averaged close to 250 million board feet annually between 1932

and 1942, during which time Simpson cut 160 million board feet or about 64 percent. If Simpson were to rely entirely upon its own lands and maintain this level of cutting, the timber would last only six to seven years. Even if the company were to acquire an additional 40 million board feet of timber annually from national forest or other sources, its own timber could be extended by only a few years. Pagter estimated that the depletion of merchantable timber within the working circle, from all except government lands, would be complete within a decade. National forest lands, on the other hand, relieved from the demands of war production and operated on a sustained-yield basis, could provide steady production from ninety to one hundred years.

To alleviate the conditions which clearly pointed to an early demise of Simpson and other private timber operators within the working circle, Pagter offered two proposals for coordinated timber management. The first of these would place currently held national, state, and Simpson lands on a hundred-year cutting basis with a sliding annual harvest rate. The second plan combined the same timber owners but required Simpson to acquire an additional 25,000 acres of timberland from other private owners. Like the first, the second plan operated on a rotation period of a century but with a larger volume of merchantable timber harvested each year. Pagter included state lands in both proposals, citing correspondence from the Washington commissioner of public lands which stated his willingness to participate in such an arrangement.

The composition of the timber involved in the first proposal required a rather sharp reduction in cutting at the end of the first decade, and Pagter acknowledged that it would be difficult for a private company to make this adjustment. Therefore, while the second plan initially placed greater demands upon Simpson, the advantages of even and steady production were possible, and both Pagter and Simpson officials recommended the adoption of "something approaching Proposal No. 2." Pagter concluded his report by noting that a coordinated sustained-yield management of timberlands in the working circle was urgently needed and that Simpson, the state, and the Forest Service were amenable to the development of a cooperative unit. In 1943 only enabling legislation was lacking.<sup>17</sup>

While Pagter indicated that Simpson officials concurred with his recommendations, a more detailed response was prepared several months later



U. S. Forest Service

**This junkyard of donkey engines, photographed in 1939 near Montesano, Washington, symbolized the plight faced by Simpson as its timber was gradually depleted.**

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<sup>17</sup>Lawrence B. Pagter, "Report on Sustained Yield Management for the Shelton Working Circle, Olympic National Forest, North Pacific Region," 14 May 1943, USFS Files.

by Albert O. Petzold, a forester for Simpson. His analysis of the possibilities for a cooperative sustained-yield unit within the working circle was drawn from the same data used by the Forest Service. While there was no basic departure from Pagter's conclusions, Petzold commented that the Forest Service report was "ultraconservative" in its approach to timber cutting. More importantly, however, Petzold concluded optimistically that "the basis for a cooperative contract agreement is now in existence."<sup>18</sup>

### Simpson Proposes Cooperative Unit

Two days after President Roosevelt signed S-250 into law—on March 31, 1944—C. H. Kreienbaum of Simpson filed two applications for the creation of one jointly managed cooperative sustained-yield unit. The first was sent to Jack Taylor, Washington commissioner of public lands, and the second was dispatched to the Region 6 office of the Forest Service. Each application requested formation of a cooperative unit consisting of state, national, and Simpson lands, and Kreienbaum suggested a conference to discuss the matter.<sup>19</sup> The land commissioner's office did not respond, but the Forest Service began immediately to put together a file on Simpson's application.

On June 30, 1944, Simpson submitted a preliminary proposal to the Forest Service. The document opened with a review of previous company relations with the Forest Service and the state, noting that each party was favorably inclined toward adoption of coordinated forest management. The proposal emphasized Simpson's long-standing policy of retaining cutover lands and described what this had meant in terms of fire protection and tax benefits. The acquisition of the McCleary Timber Company properties and subsequent rebuilding of both the mill and town at McCleary, as well as Simpson's gifts of a hospital, a library, and a high school to the city of Shelton, were cited as evidence of its interest in community stability. The proposal also described Simpson's formation of the South Olympic Tree Farm Company, a subsidiary whose main purpose was to own and operate fire protection equipment. Reviewing the uncoordinated and highly competitive nature of the timber industry, the proposal argued in favor of carefully planned and jointly managed public and private timber resources.

The plan advanced by Simpson was relatively simple. The company proposed combining its own timberlands with those of the state and the Olympic National Forest to be managed on a hundred-year cycle with an average annual cut of 90 million board feet. The proposed unit would combine a total of 296,000 acres consisting of 11.5 percent state lands, 37.5 percent federal lands, and 51 percent Simpson properties.<sup>20</sup>

Simpson's preliminary proposal was reviewed at a joint meeting of Forest Service and company personnel. Andrews and Charles L. Tebbe, assistant regional forester, met with Kreienbaum, Drake, and Petzold and discussed the proposal, not only as it met the stipulations of P. L. 273, but also as such a cooperative venture might be viewed by the public. At no time were there any substantive differences between Simpson and the Forest Service. In fact, as Tebbe later noted, "From one standpoint it might be desirable for the Company to make a proposal that is at variance with Forest Service thinking. It would serve to demonstrate the independence of the two parties and help to avoid possible criticism that the Forest Service was contriving to be unduly helpful or solicitous of one large operator. On the other hand," he commented, "there will undoubtedly be issues enough raised at the hearings without a dispute between the Company and the Forest Service, and we may wish to see the first case proceed as smoothly as possible."<sup>21</sup> Considering the preliminary nature of the proposal, Andrews requested that the regional office of the Division of Timber Management continue to examine the document, that a copy be sent to Supervisor Carl B. Neal of the Olympic National Forest, that the Forest Service verify the Simpson timber inventory with a field check of its own, and that a second conference be scheduled to continue the discussions.<sup>22</sup>

Simpson and Forest Service officials continued to meet between July and October 1944. Simpson revised its proposal according to Forest Service suggestions, although the modifications were only minor, and the basic consensus remained. Although the proposal continued to refer to the state of Washington as a partner to the agreement, there was no exchange of correspondence and no representative of the land commissioner's office was present at these meetings.

<sup>18</sup>A. O. Petzold, "Review of Sustained Yield Possibilities on the Shelton Working Circle," 1 January 1944, Simpson Files.

<sup>19</sup>Kreienbaum to Regional Forester, 23 August 1944; Kreienbaum to Taylor, 23 August 1944, both Simpson Files.

<sup>20</sup>"Proposal for Cooperative Sustained Yield Agreement between Simpson Logging Company and State of Washington and Forest Service, U. S. Department of Agriculture," 30 June 1944, USFS Files.

<sup>21</sup>Tebbe to Ericson, 20 July 1944, USFS Files.

<sup>22</sup>*Ibid.*



Dahl J. Kirkpatrick, Forest Service liaison with Simpson.

During mid-September 1944 the Forest Service field checked the data provided by Simpson, and reported, "A conscientious effort has been made by the Company foresters to ascertain and present the facts as they found them." Statistical variances between the data in the proposal and the field check were minimal, and the Forest Service concluded that the inventory of immature timber fully warranted steps to establish a cooperative sustained-yield unit.<sup>23</sup>

As early as the date of passage of P. L. 273, Chris Granger had noted that progress on the law's implementation would go slowly, due in part to the shortage of personnel in the Division of Timber Management. This was true not only in the Washington Office but was beginning to be felt in the regional office in Portland as well. Up to this time, L. B. Pagter had served as liaison officer between the Forest Service and Simpson, but the work was just beginning. The need for additional staff was evident, and Andrews requested the transfer of Dahl J. Kirkpatrick to the regional office.

A 1929 graduate of the University of Washington's College of Forestry, Kirkpatrick had begun his professional career working on the Forest Survey. From there he had moved up the ladder of Forest Service administration while serving on the Siuslaw, Wenatchee, and Deschutes national forests; when negotiations began with Simpson, he was serving as supervisor on the Mount Baker National Forest. Although he was not specially

trained in the type of cooperative planning required by P. L. 273, Kirkpatrick had been exposed to timber management programs in each of his assignments. His relations with private industry had been excellent, and he had been with the Forest Service long enough to "know what made the wheels turn." On October 31, 1944, Kirkpatrick began his work in the Portland office with the responsibility of heading up negotiations with Simpson.<sup>24</sup>

### The State Balks

Despite the fact that the Washington commissioner of public lands had not participated in negotiations, both the Forest Service and Simpson continued to assume that the state would eventually join as a third partner in the cooperative unit. An election, however, had replaced Jack Taylor with Otto M. Case as commissioner of public lands. The new commissioner, in Andrews opinion, had "only displayed a mild interest in the proposition of cooperative management of state forest lands."<sup>25</sup> Furthermore, the requirement that state timber be sold by competitive bid, a rule obstructive to the development of cooperative sustained-yield management, had not been changed by the recent session of Washington's state legislature. That body, in fact, only complicated matters by divesting the state land commissioner of his authority to manage state lands and turning this responsibility over to the state forester. Groups opposing this action were attempting to invalidate the legislation by submitting the entire matter as a referendum to the voters at the next election. "Suffice it to say," wrote Andrews, "that confusion prevails. . . . It seems now that our decision to 'write in the state' may have been unfortunate."<sup>26</sup>

The turnover in the office of Washington land commissioner marked a reversal of policy with regard to state lands. Case not only seemed less interested in state participation in a cooperative sustained-yield unit, but he also announced his intention to dispose of lands previously intended for inclusion within state sustained-yield units. Kreienbaum requested a clarification of Case's views and declared that, if the state's policy had been reversed, it would be a "deplorable situation and a distinct departure from the spirit of the [state] cooperative sustained law." Furthermore, Kreienbaum declared, "We must keep faith with the people of our communities and endeavor to make our program a success. . . ."<sup>27</sup>

<sup>23</sup>"An Analysis of Field Checks of the Inventory of Immature Timberlands of the Simpson Logging Company," 26 October 1944; Dahl J. Kirkpatrick to Files, 17 January 1945, both USFS Files.

<sup>24</sup>Kirkpatrick to author, 19 January 1976, author's files.

<sup>25</sup>Andrews to Chief, 17 April 1945, USFS Files.

<sup>26</sup>*Ibid.*

<sup>27</sup>Kreienbaum to Case, 12 April 1945, Simpson Files.



The admonition apparently irritated Case, and a week later Kreienbaum and George Drake exchanged harsh words with the land commissioner in his office at Olympia. Case declared that the arrangements pending between Simpson and the Forest Service might be illegal and at best "shady." Kreienbaum wrote Case a letter of apology for whatever actions of his might have contributed to the situation, but he made it clear that, with or without the state, the sustained-yield unit with the Forest Service would be developed with all deliberate speed.<sup>28</sup> The exchange between Case and Kreienbaum was only the outward manifestation of a new direction set by the land commissioner; in effect, the election of Otto Case marked the termination of the state's interest in participation in a cooperative sustained-yield unit.<sup>29</sup>

### Drafts and Meetings

By April 1945 discussions between Simpson and the Forest Service had progressed to the point where the latter felt that a tentative draft of an agreement for a cooperative unit could be submitted to Chief Lyle Watts. The forwarding letter by Andrews noted continued good relations with Simpson and cited the company's proposal as an excellent presentation of factual data. If anything, Andrews remarked, company foresters had been consistently conservative in their calculation of available timber.<sup>30</sup>

The draft proposal underwent careful scrutiny by Watts, Granger, and the Washington Office staff. Each of the reviewers commented on several key issues. The first of these involved the question of cutting twelve-inch or sixteen-inch diameter (breast high) timber at the time of conversion from old growth to second growth in the rotation cycle. Pagter's report recommended the change be made between the seventieth and seventy-fifth year. Simpson's proposal prescribed the change at the sixty-fifth year. Watts thought the real issue was

how long the old growth could be sustained within the cutting cycle. The chief favored a conservative approach, essentially the Pagter recommendation, and concluded, "It does not make much difference at this time whether 12" or 16" d.b.h. merchantability is assumed for the second growth timber after this key year for the first rotation has been determined."<sup>31</sup>

The Washington staff gave special attention to the second subject, procedure in settling disputes between the company and the Forest Service. In his reply to the Portland office, Watts made certain that his stand on the matter was clearly understood. The final decision in all disputes would be left to the secretary of agriculture. The secretary might not become involved in minor disagreements, but his final adjudication on all "vital matters" was a nonnegotiable item, Watts insisted, in any agreement between Simpson and the Forest Service.

The Washington Office took an ambivalent viewpoint on the third topic. Several staff members commented that other timberland owners, both state and private, should be invited and encouraged to join the unit. Noting, however, the attitude of the Washington land commissioner and the complications posed by the state requirement of competitive bidding on land sales, Watts advised that unnecessary delay should in no way jeopardize continuing negotiations with Simpson, even though additional participation might be desirable.<sup>32</sup>

Andrews incorporated the changes into a revised proposal, forwarded the document to Kreienbaum, and indicated that Kirkpatrick would meet with company officials after they had an opportunity to examine its contents. Kirkpatrick met with Drake and Kreienbaum at Shelton in late July. Both Simpson officials suggested minor changes in wording, largely for the purpose of clarification. No substantive changes were offered, and Kirkpatrick concluded, "In general these men appeared to believe that the agreement was quite satisfactory." The changes in wording could be incorporated into the agreement "without materially weakening the document from the public standpoint."<sup>33</sup>

At a subsequent meeting in Portland, Andrews accepted the addition of two minor clauses in the agreement. The first permitted the sale of government timber from the unit to operators other than Simpson, in the event the company could not utilize all available timber. Kreienbaum had raised this

<sup>28</sup>Kreienbaum to Case, 17 April 1945; Kreienbaum to Andrews, 25 April 1945, both Simpson Files; Andrews to Kreienbaum, 8 May 1945, USFS Files.

<sup>29</sup>Kreienbaum continued to work with the state of Washington, arranging a meeting with Andrews and Case, but the results were very discouraging. Case apparently showed no interest or made any effort to join the cooperative sustained-yield unit. See Andrews to Kreienbaum, 8 September 1945; Kreienbaum to Case, 11 September 1945; Kreienbaum to Andrews, 11 September 1945; Frank O. Sether to Kreienbaum, 13 September 1945; Mert Francis to Kreienbaum, 14 September 1945; Kreienbaum to Andrews, 15 September 1945; and Andrews to Kreienbaum, 3 October 1945, all Simpson Files. Unfortunately, Case's official papers are not deposited at the Washington State Archives or the Washington Department of Natural Resources.

<sup>30</sup>Andrews to Chief, 17 April 1945, USFS Files.

<sup>31</sup>E. E. Carter to Files, 25 April 1945; Ira J. Mason to Files, 22 May 1945; R. E. Marsh to Files, 15 June 1945; H. Hopkins to R. E. McArdle, 27 May 1945; Watts to Regional Forester, 15 June 1945, all USFS Files.

<sup>32</sup>Watts to Regional Forester, 15 June 1945, USFS Files.

<sup>33</sup>Kirkpatrick to Files, 30 July 1945, USFS Files.



Secretary of Agriculture Clinton P. Anderson (left) visited the Shelton Cooperative Sustained-Yield Unit in 1947. With him are C. H. Kreienbaum, president of the Simpson Logging Company, and Horace J. Andrews, regional forester from the Portland office. At the rear stands Colonel William B. Greeley of the West Coast Lumbermen's Association.

subject at a previous meeting, and while Andrews considered the matter "impractical," he nevertheless permitted its inclusion. The second addition requested by Kreienbaum allowed adjustments for "extraordinary costs" to become part of the appraisal, and Andrews raised no objection.<sup>34</sup>

When the third revised draft was ready for review by the Washington Office, Andrews pointed out that all changes reflected the desires of both Simpson and the Forest Service. Within this draft the role of the secretary of agriculture as final adjudicator of disputes was clearly stated, the provision for future admission of additional cooperators

to the particular unit was eliminated, the issue of the size of timber to be cut at the time of conversion was resolved, and, finally, the state of Washington was no longer considered a viable partner. Andrews informed the chief that, pending approval of the proposal, the regional office would begin work on the next two steps in the development of an agreement with Simpson—drafting a unit management plan and preparing for a public hearing.<sup>35</sup> There was, however, an intermediate step suggested and arranged by the Washington Office. The entire proposal needed to be reviewed by the solicitor's office. Granger recommended that Kirkpatrick handle this matter, and the latter left Portland for Washington, D. C., on November 24, 1945.<sup>36</sup>

Chief Watts suggested only one substantive change to the third draft. It was a clause stating that the Forest Service would continue to provide timber in accordance with the cutting schedule and amounts agreed upon as long as the company complied with the terms of the agreement. A representative from the solicitor's office agreed to the insertion of this conditional statement. The wording was "desirable but not essential," he noted, since adequate safeguards were provided elsewhere in the agreement.<sup>37</sup> The fourth and fifth revised versions were prepared in Washington, and shortly before the Christmas holidays Kirkpatrick returned to Portland with the completed agreement.<sup>38</sup> Kreienbaum recommended still more minor changes in this fifth and "final field" revision, but to the surprise of the Washington Office, the Simpson official raised no objection to the conditional clause regarding timber sales.<sup>39</sup> As far as agreement between the Forest Service and Simpson was concerned, the negotiations were concluded.

The next task was to construct a unit management plan, a companion piece which would flesh out the agreement in terms of a detailed schedule of operations. Kirkpatrick again served as liaison officer for the Forest Service. His proposal called for a management plan organized into four parts: a cutting schedule, fire protection program, transportation design, and reforestation plan. In addition to these major components, he suggested that the document contain the resource statistics, maps, and records of operations.<sup>40</sup> Kreienbaum hoped that the unit management plan would be as relatively free of

<sup>35</sup> Andrews to Chief, 8 October 1945; Carter to Regional Forester, 19 October 1945, both USFS Files.

<sup>36</sup> Granger to Regional Forester, 13 November 1945, USFS Files.

<sup>37</sup> Mason to Regional Forester, 5 January 1946, USFS Files.

<sup>38</sup> *Ibid.*

<sup>39</sup> Andrews to Chief, 4 February 1946, USFS Files.

<sup>40</sup> "Proposed Form and Contents of the Unit Management Plan for the Shelton Cooperative Sustained Yield Unit," 7 February 1946, USFS Files.

<sup>34</sup> Andrews to Kreienbaum, 22 August 1945; Andrews to Kreienbaum, 7 September 1945; Kreienbaum to Andrews, 15 September 1945; Andrews to Kreienbaum, 24 September 1945; all USFS Files.

complicating legalisms as the basic agreement between Simpson and the Forest Service, and he assigned Al Petzold to develop the plan jointly with Kirkpatrick.<sup>41</sup>

The technicalities of the unit management plan required only minor changes in the agreement, these involving an adjustment of boundaries to exclude concentrations of small landowners within the unit. By late May 1946 the draft was ready to send to Washington for comment and approval.<sup>42</sup> The regional office was anxious to proceed as rapidly as possible with the development of the unit management plan, and a delay by the Washington Office prompted Andrews to prod the chief with a terse memo, "TIME'S A WASTIN'."<sup>43</sup> Several days later comments from the Washington Office arrived in Portland. Though extensive, none of the criticisms were of a substantive nature, and they were easily incorporated into the final draft with the approval of Simpson.<sup>44</sup>

### Going Public

So far, the creation of the Shelton Unit had involved only the two parties to the agreement—the Forest Service and Simpson. With the completion of the agreement and the unit management plan well under way, the next step was to set a date for a public hearing. Both the Forest Service and Simpson had expressed concern about public opinion and reaction over key items in the agreement. Regard for public opinion, however, had been secondary to the major effort to produce a workable document on which both parties could agree. Their concurrence and their enthusiasm for the agreement and plan must now be transmitted to the public.

Kirkpatrick's next job was to prepare an informational pamphlet for general distribution. In a rather detailed and lengthy "Prospectus" (as it was titled), complete with illustrative graphs, maps, and a copy of the full text of the agreement, Kirkpatrick

reviewed the background and history of the negotiations, explained the alternatives open to the Forest Service and Simpson, and listed the arguments—both statistical and judgmental—from which the parties to the agreement had arrived at their conclusions. Most importantly, the pamphlet left the decision to the reader.<sup>45</sup> Kirkpatrick felt that the reader, when informed of the conditions and confronted with the evidence and alternatives (or lack of alternatives), would logically opt for creation of the unit.

Assistant Regional Forester Charles Tebbe disagreed with Kirkpatrick's approach. Reason, he thought, would not carry the day. The Forest Service must abandon its neutral position and become a more vigorous proponent of the agreement. The impartiality of the pamphlet, he thought, only created an atmosphere of uncertainty. Tebbe also criticized the use of technical language. The description as well as the rationale for the unit, he maintained, should be in straightforward, elementary terms. He also felt that the length of the document, particularly the charts and graphs, detracted from its effectiveness.<sup>46</sup>

Both approaches merited consideration, so Andrews elected to send Tebbe's formal comments as well as Kirkpatrick's draft to Washington. The chief's office decided to adopt a brief outline style using factual rather than analytical material. Arguments pro and con were eliminated, as was the term *prospectus* in the title of the pamphlet. Only those basic statistics which would assist the reader in understanding the narrative would be included. The Portland office incorporated the changes into the pamphlet and prepared copies for mailing.<sup>47</sup>

Andrews, anxious to bring the entire matter to an early conclusion, proposed that a public hearing in Shelton be scheduled for July 15, 1946. The Washington Office, however, believed that more work was needed on the unit management plan and also noted that steps must be taken to establish a legal basis for the hearing. An outline for the hearing must be drawn up, and landholders in the Shelton area deserved ample advance notice. Granger suggested September 18 as the hearing date.

Kirkpatrick had prepared a tentative outline for procedure at the hearing, and Granger agreed that this would serve as a basis for planning. The assis-

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<sup>41</sup>Kreienbaum to U. S. Forest Service: attn. D. J. Kirkpatrick, 16 March 1946, USFS Files; Kirkpatrick to author, 19 January 1976, author's files; author's interview with Petzold, 1 August 1975.

<sup>42</sup>Andrews to Chief, 24 May 1946, USFS Files.

<sup>43</sup>Andrews to Chief, 16 July 1946, USFS Files.

<sup>44</sup>Mason to Regional Forester, 22 July 1946, USFS Files. Late changes originated in the Portland office, too. For example, all calculations contained in the agreement and unit management plan were based on resource data dated January 1, 1941. Andrews noted in June 1946 that this date had lost its significance during the course of the negotiations, and he suggested that the unit's rotation date be changed from 2042 to 2046, a century after the agreement would become effective. This and other such changes were accepted without dispute. Andrews to Chief, 27 June 1946, USFS Files.

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<sup>45</sup>"Shelton Cooperative Sustained Yield Unit, Prospectus, Tentative Draft, Portland, Oregon," 26 June 1946; Kirkpatrick to author, 6 September 1976, author's files.

<sup>46</sup>Tebbe to Files, 26 June 1946, USFS Files.

<sup>47</sup>Andrews to Chief, 27 June 1946; Mason to Regional Forester, 22 July 1946, both USFS Files.



tant chief made it clear, however, that the hearing should be limited as far as practicable to a discussion of the advantages and disadvantages to the affected communities. "We are not," he stated, "seeking advice or comments on technical matters in connection with the management of the unit."<sup>48</sup> Granger also indicated that in view of the Forest Service's advocacy of the agreement, the presiding officer at the hearing should be a member of the solicitor's staff, presumably the regional attorney in Portland, Jesse Farr.

P. L. 273 required that notification of the hearing be published in regional newspapers thirty days in advance. Although Kirkpatrick recommended extensive coverage, Granger felt that publication of the notice in the *Shelton-Mason County Journal* and one Olympia newspaper was sufficient.<sup>49</sup> Ira Mason, chief of the Division of Timber Management in the Washington Office, cautioned that the published notice should make clear that the hearing would cover the establishment of the unit as well as the text of the cooperative agreement.<sup>50</sup> Oliver F. Ericson, assistant regional forester in charge of the Division of Timber Management in Portland, issued precise instructions regarding publication of the notices. Announcements of the public hearing, he ordered, were to appear on exactly the same date with identical wording and maps. Ericson wisely chose to include the *Aberdeen Daily World*, perhaps anticipating criticism should the notice not be published in the Grays Harbor area.<sup>51</sup>

In accordance with the provisions of P. L. 273, the regional office also prepared a notice of the hearing which was mailed to all property owners within the boundaries of the unit.<sup>52</sup> The solicitor's office did not believe that the Forest Service was legally required to furnish these people with thirty days notice, but Granger hoped they could be notified simultaneously with the newspaper announcement.<sup>53</sup>

The Forest Service gave considerable attention to the composition of its contingent attending the Shelton meeting. Some thought that as many foresters and staff personnel as possible should be permitted to attend, but Andrews wanted to send only those who had been directly involved in the establishment of the unit and those who would

be subsequently involved in its administration.<sup>54</sup> Chief Watts informed Andrews that he would not be able to attend but would send Granger in his place. The assistant chief, with two staff officers from the Washington Office, would accompany Andrews, Walter Lund, Kirkpatrick, and Ericson from Portland to Shelton. Jesse Farr was appointed hearing officer.<sup>55</sup> In the meantime, George Drake arranged for the meeting to be held in the new gymnasium at Shelton High School.<sup>56</sup>

### Public Hearing and Report

Attorney Jesse Farr called the public hearing to order at 10:00 A.M. on September 18, 1946. Approximately 450 persons attended, but only a few planned to present statements. Farr explained his role as authorized presiding officer and informed the audience that the purpose of the hearing was to obtain information regarding the advantages and disadvantages of the proposed cooperative sustained-yield unit to the communities involved, not to discuss the merits of sustained-yield management. Farr said that what testimony was presented would be forwarded to the secretary of agriculture and to the chief of the Forest Service for their consideration before arrangements for the unit became final. He encouraged all persons and organizations to file written statements; such testimony would be included in the record if received by October 18, or thirty days following the hearing.<sup>57</sup>

Following Farr's opening statements, Andrews summarized the agreement. Kreienbaum presented the background leading to Simpson's negotiations with the Forest Service, and he stressed the economic stability in the community which would result from the creation of the unit.<sup>58</sup> The meeting continued with testimony from lumbermen who spoke either for themselves or for several mills, members of the International Woodworkers of America (CIO), and members of the Western Association of Lumbermen and Loggers, an organization

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<sup>54</sup>Supervisor, Olympic National Forest, to Regional Forester, 12 September 1946; Andrews to Supervisor, Olympic National Forest, 13 September 1946, both USFS Files.

<sup>55</sup>Watts to Solicitor, 15 August 1946; R. G. Florance to Jesse Farr, 20 August 1946; Solicitor to Watts, 29 August 1946; Ericson to Forest Supervisor, Olympic National Forest, 7 August 1946, all USFS Files.

<sup>56</sup>Drake to Ericson, 6 August 1946, Simpson Files.

<sup>57</sup>"Text of Opening Statement Made by Hearing Officer Farr on September 18, 1946 at Shelton"; see also "Presiding Officer's Report (First Draft)," 28 October 1946, both USFS Files.

<sup>58</sup>Granger to Files, 24 September 1946; "Mr. Andrews Presentation of the Shelton Cooperative Sustained Yield Unit Case," 17 September 1946; "Preliminary draft of statement made by C. H. Kreienbaum," 13 September 1946, all USFS Files.

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<sup>48</sup>Granger to Regional Forester, 10 June 1946; Granger to Regional Forester, 25 July 1946, both USFS Files.

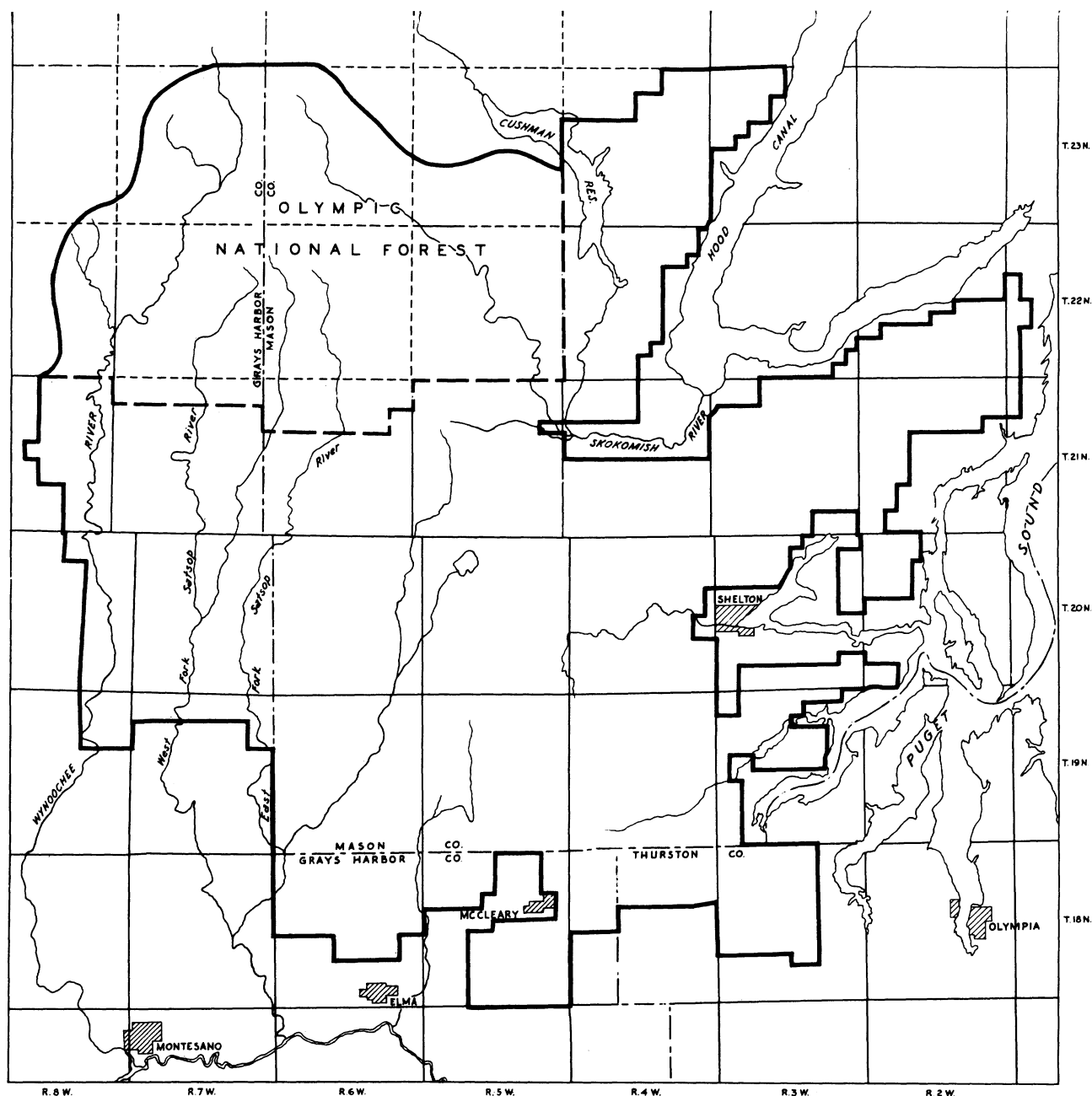
<sup>49</sup>Granger to Regional Forester, 25 July 1946, USFS Files.

<sup>50</sup>Mason to Regional Forester, 22 July 1946, USFS Files.

<sup>51</sup>Ericson to Forest Supervisor, Olympic National Forest, 9 August 1946, USFS Files.

<sup>52</sup>Andrews to All Land Owners in Counties Contained in Unit, 15 August 1946, USFS Files.

<sup>53</sup>Granger to Regional Forester, 10 June 1946, USFS Files.



The cover page of the Shelton Cooperative Sustained-Yield Agreement depicts the boundaries of the 270,000-acre Shelton Unit, which includes lands of the Simpson Logging Company and part of the Olympic National Forest.

composed primarily of small operators. Other speakers included a representative of the Washington State Grange, spokesmen for city officials, labor unions, and chambers of commerce from Aberdeen, Hoquiam, and Cosmopolis, and similar representatives of civic organizations and labor unions from Shelton and McCleary.<sup>59</sup>

Granger reported that the meeting "went off in good snappy fashion." After a lunch break at noon, the meeting resumed at 1:30 P.M. and was concluded

ed shortly before 4:30 P.M. The "only real sour note of the day" was voiced by the representative of the Washington State Grange whose testimony, Granger thought, was almost entirely destructive. H. W. Stubbs, purporting to represent the Grange, objected on several grounds to the formation of the unit. "Unconscionable profits" resulting from monopolistic control by Simpson, plus removal of lands from possible agricultural development, constituted his major arguments. Stubbs maintained that natural resources should be open to the public on a competitive-bid basis, and he resented the fact that financial information regarding operation of the unit would be closed to public scrutiny. The small landowners within the unit were present, but they did not express opinions. Granger noted that Farr

<sup>59</sup>"Presiding Officer's Report," 28 October 1946, USFS Files.

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and Andrews visited with some of them during the lunch break and after the meeting.<sup>60</sup>

As a result of the hearing, two changes were made in the agreement. The first committed Simpson to keep pace with regional developments in the installation of facilities for remanufacturing and processing of by-products. The second required the company to maintain the present level of employment at *both* Shelton and McCleary.<sup>61</sup>

Twenty-nine statements were filed within the allotted thirty days following the hearing. Some of these were from persons or groups who attended the September 18 hearing, while other written testimony came from new sources. Identified by interest groups, the sources of testimony may be divided into the following categories: (1) farm organizations, (2) civic organizations, (3) lodges and fraternal orders, (4) individuals, (5) industry groups, including sawmillers, loggers, and wood processors, (6) representatives of municipalities, (7) labor unions, and (8) the two principal cooperators in the Shelton Unit—the Forest Service and Simpson Logging Company.<sup>62</sup>

The arguments, both for and against the unit, are lengthy and comprise several hundred pages of material. In general, those persons or organizations most directly affected by the creation of the unit favored the agreement, but this attitude was not shared by all. Persons and organizations removed from the immediate effect of the unit generally opposed its formation, although again there were exceptions. For example, some individuals and organizations within the city of Shelton expressed opposition, just as did those who were geographically removed from the unit. In the main, however, geographical proximity influenced the attitudes of those who offered testimony.

Proponents stressed that the unit would stabilize the economic life of the communities by providing job security. It would sustain the production of forest products, and while it might provide certain advantages to Simpson (e.g., noncompetitive timber sales), the agreement would restrict neither private landowners nor timber operators outside the unit. Opponents of the unit, although independent of each other, concentrated arguments on several issues. The following charges were most common: the unit would create a Simpson monopoly; all financial arrangements between Simpson and the Forest Service were confidential and unavailable to the public; small operators in the Shelton-McCleary

area would be eliminated; boundaries of the unit extended too far west, thus establishing an “unnatural” division between timber which ordinarily would go to Grays Harbor and that which would go to Shelton and McCleary; at least some of the land within the unit should be devoted to agriculture; and reduction of allowable cut to a sustained-yield basis would adversely effect the economy.<sup>63</sup>

Among those filing statements were the two parties to the unit, the Forest Service and Simpson. Representing the former, Andrews simply summarized official reasons for creation of the unit. The Simpson statement was more extensive, an itemized and direct rebuttal to those persons who had opposed the agreement.<sup>64</sup>

Having conducted a fair and impartial hearing, Jesse Farr summarized the oral and written testimony and wrote a lengthy, analytical report. He weighed the arguments, concluded that testimony in favor of the agreement was the more persuasive, and urged that the unit be established.<sup>65</sup> The chief's office reviewed Farr's report with some misgivings. Lyle Watts and Ira Mason criticized the report because Farr had permitted testimony which was “irrelevant, inconsequential, [and] repetitious.” A more concise summary would be, in their opinion, more appropriate. The Washington Office also cautioned Farr not to argue the merits of the testimony, at least in his official report, and to omit his recommendation for establishment of the unit.<sup>66</sup>

### The Grange and Politics

One of the most vociferous critics of the Shelton Unit at the public hearing had been H. W. Stubbs, who identified himself as a representative of the Washington State Grange. Chris Granger had been annoyed with the temper of Stubbs's testimony and had said as much in his report. Following the Shelton hearing several local granges, whose animosity Stubbs had apparently aroused, submitted statements protesting the establishment of the unit. The objections contained therein were substantially the same as those Stubbs had made during the hearing. Ed Wright, legal counselor for the Washington State Grange, called George Drake on October 30 and reported that Stubbs did not represent the Grange; in fact, the state office knew very little about him. Wright explained that the Grange was

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<sup>60</sup>Granger to Files, 24 September 1946, USFS Files.

<sup>61</sup>*Ibid.*

<sup>62</sup>“Presiding Officer's Report,” 28 October 1946, USFS Files.

<sup>63</sup>*Ibid.*

<sup>64</sup>Andrews to Farr, 20 September 1946; “Supplemental Statement of the Simpson Logging Company,” 16 October 1946, USFS Files.

<sup>65</sup>“Presiding Officer's Report,” 28 October 1946, USFS Files.

<sup>66</sup>Mason to Files, 7 November 1946; Mynatt to Farr, 6 November 1946, both USFS Files.



about to hold its national conference in Portland and suggested that Forest Service and Simpson representatives meet with officers of the Executive Committee. Drake immediately called Andrews, and both men concurred that such a meeting would be highly desirable. Kreienbaum was in the East, and Drake wired him that his return for the meeting was imperative.<sup>67</sup> Drake also wrote to Henry P. Carstensen, grand master of the Washington State Grange, indicating that both Simpson and Forest Service officials would be pleased and willing to meet with the Grange Executive Committee in Portland.<sup>68</sup>

On November 3 Ed Wright wrote again to Drake informing him that the Executive Committee had already passed and published in the *Grange News* a resolution denouncing formation of the unit.<sup>69</sup> Drake replied with some dismay that such action, taken before the Grange had had the opportunity to hear all sides of the story, was unfortunate.<sup>70</sup> The next day, however, in a letter to Andrews that began, "I trust this is the letter to end all letters!" Drake explained that Carstensen had not authorized publication of the Executive Committee's negative resolution. Ed Wright's comments had given the grand master some doubts, and he had decided to hold the resolution for further consideration. Shortly thereafter, a "bright young editor" of the *Grange News* picked up the resolution from Carstensen's desk and published it!<sup>71</sup>

The meeting in Portland was arranged on November 13, and Andrews and his staff, along with Kreienbaum and Drake, met with Carstensen and the Executive Committee. A prolonged discussion ended with a complete reversal by the Grange. The Executive Committee approved a positive resolution which rescinded the first and wholeheartedly endorsed formation of the unit. Carstensen promised to meet with local Grange units to rectify their stand.<sup>72</sup>

Meanwhile, opponents of the unit also applied pressure on public officials prior to the November 5 elections. For example, Representative Charles R. Savage from the Third District, a resident of Shel-

ton, was up for reelection. Aroused by letters and telegrams from constituents, Savage and Senator Warren G. Magnuson sent identical telegrams to Secretary of Agriculture Clinton P. Anderson requesting that the Forest Service refrain from making any decision until a meeting could be arranged with Andrews and his staff for discussion and review of the entire matter.<sup>73</sup> Anderson agreed to the delay, and Andrews arranged a meeting. Senator Magnuson, as it turned out, had previously discussed formation of the Shelton Unit with a close friend, lumberman Harry J. O'Donnell, who assured him that the program at Shelton was sound. Magnuson confided to Secretary Anderson that his telegram requesting the delay was sent only to satisfy his constituents. When Andrews met with the senator, he had little difficulty in persuading Magnuson to support the unit.<sup>74</sup>

Congressman Savage also needed some reassurance and requested that Andrews meet with him and some of the landowners in the Shelton area. The regional forester and Kirkpatrick went to Shelton where they met with Savage, a representative of the local IWA, and six dealers in huckleberry brush floral greenery. During three hours of discussion, Andrews "defused" the hostility toward the unit and set the group straight on some of the wild rumors that had developed since the hearing. The group's antagonism was "measurably relieved," and those in attendance agreed to convert other persons in the area. Congressman Savage, Kirkpatrick noted, seemed "eminently satisfied."<sup>75</sup>

### Signing the Agreement

Events now moved rapidly toward the final act in the implementation of P. L. 273. The Simpson Board of Trustees authorized Kreienbaum to act for the company, and on December 5 he formally committed Simpson to the terms of the agreement. Meanwhile, the Washington Office, exercising great care in the selection of language, prepared a statement of determination for Watts's signature. On December 12, 1946, Lyle Watts, with Chris Granger and Larry Gross, Division of Timber Management, looking on, signed the Shelton Cooperative

<sup>67</sup>Drake to Andrews, 31 October 1946; Drake to Wright, 1 November 1946, both USFS Files.

<sup>68</sup>Drake to Carstensen, 4 November 1946, USFS Files.

<sup>69</sup>Wright to Drake, 3 November 1946 (copy of Grange resolution attached); Drake to Andrews, 5 November 1946, both USFS Files.

<sup>70</sup>Drake to Wright, 6 November 1946, USFS Files.

<sup>71</sup>Drake to Andrews, 7 November 1946, USFS Files.

<sup>72</sup>Kirkpatrick to Files, 18 November 1946; Drake to Andrews, 5 December 1946 (copy of Grange resolution attached), both USFS Files.

<sup>73</sup>Granger to Regional Forester, 30 October 1946 (attached copies of telegrams from Magnuson to Anderson and from Acting Secretary of Agriculture N. E. Dodd to Watts), USFS Files. The *Shelton-Mason County Journal* reported that Senator Hugh B. Mitchell also sent a telegram to Secretary Anderson, but there is no mention of his wire in the files. See also Watts to Magnuson, 17 December 1946, USFS Files.

<sup>74</sup>Andrews to Files, 16 November 1946, USFS Files.

<sup>75</sup>Kirkpatrick to Files, 18 November 1946, USFS Files.



Chief Lyle F. Watts of the Forest Service signed the agreement establishing the Shelton Unit on December 12, 1946. Witnesses were Assistant Chief Christopher M. Granger (left) and Lawrence S. Gross of the Division of Timber Management.

Sustained-Yield Agreement. P. L. 273 was finally operative.<sup>76</sup>

Commenting upon the work just completed and with an eye to the future, Watts noted: "Shelton is the first Forest Service case to be consummated in the nearly three years that the sustained yield act has been in effect . . . [and] experience with the Shelton Unit will be a valuable guide in processing future cooperative units and agreements. . . . Now that the ice is broken . . . we hope that each Region will make real progress in evaluating possibilities for sustained yield units and acting upon each pending case."<sup>77</sup> Although five federal units were established under P.L. 273, the law was never again successfully used to develop a cooperative unit. Two abortive efforts were made (at Quincy, California, and Missoula, Montana), but both attempts encountered stiff opposition from small operators and labor groups and did not progress beyond the preliminary stages. A similar effort to establish a cooperative unit near Eugene, Oregon (under the Oregon and California Lands Act of 1937 rather

than P. L. 273) also failed because of strong local opposition.

The Shelton Cooperative Sustained-Yield Unit remains today as the only one of its kind, an implementation of a cooperative agreement between public and private timber interests as prescribed by P. L. 273. Its successful operation is testimony to the ability of men of different backgrounds and interests to combine their efforts to resolve a mutual problems.<sup>78</sup> □

<sup>76</sup>Kirkpatrick to author, 19 September 1974, author's files; Watts to Regional Foresters, 23 December 1946, USFS Files; *Federal Register*, 19 December 1946.

<sup>77</sup>Watts to Regional Forester, All Regions, 23 December 1946, USFS Files.

<sup>78</sup>For periodic reports and evaluations of the Shelton Unit, see Dahl J. Kirkpatrick, "New Security for Forest Communities," in U. S. Department of Agriculture, *Trees: The Yearbook of Agriculture, 1949* (Washington: GPO, 1949), pp. 334-39; William B. Greeley, "Cooperative Forest Management in the Olympics," *Journal of Forestry* 49 (September 1951): 627-29; James F. Stevens, "The Simpson Lookout," *American Forests* 60 (February 1954): 19-24; David T. Mason and Karl D. Henze, "The Shelton Cooperative Sustained Yield Unit," *Journal of Forestry* 57 (March 1959): 163-68; Chapin Collins, "25 Years Later: The Circle That Works," *American Forests* 77 (October 1971): 15-19, 58-60; David T. Mason, Karl D. Henze, and Philip A. Briegleb, "The Shelton Cooperative Sustained Yield Unit—The First 25 Years," *Journal of Forestry* 70 (August 1972): 462-67. For an impressionistic view of the subject, see James F. Stevens, *Green Power: The Story of Public Law 273* (Seattle: Superior Publishing Company, 1958).