

**INTERVIEWS WITH ASSOCIATES OF THE
WEYERHAEUSER COMPANY**

by
Elwood R. Maunder

**Forest History Society
in cooperation with
Weyerhaeuser Company**

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INTERVIEWS WITH ASSOCIATES OF THE
WEYERHAEUSER COMPANY

Charles H. Ingram
Edmund G. Hayes
John A. Wahl
Edwin F. Heacox
Frederick K. Weyerhaeuser
Irvin H. Luiten

Conducted by Elwood R. Maunder
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INTERVIEW I

Charles H. Ingram
Tacoma, Washington
March 19, 1967

Elwood R. Maunder: Mr. Ingram, let's first just quickly go through the chronology of your life history and try to set down what you consider to be the most important points. We can begin, of course, by finding out where you were born and something about your family.

Charles H. Ingram: I was born September 4, 1892 in Eau Claire, Wisconsin. My father was the son of Orrin Henry Ingram, a well known lumberman who came to Wisconsin I think in 1857 and gained some importance in the industry during his lifetime. My father unfortunately died in 1905.

ERM: A relatively young man.

CHI: Yes, he was a young man who had been associated with his father.

ERM: In what company?

CHI: At that time I think it was the Empire Lumber Company of Eau Claire although that was wound up a little after 1900, and then they had an office there--my grandfather had a considerable number of interests and my father was associated with him in those. Carrying on from there I went to the local school in Eau Claire and to high school there and from Eau Claire high school I went to Dartmouth College from which I graduated in 1915.

ERM: What was your major interest in college, your major field?

CHI: Well, I took a general course.

ERM: You got a Bachelor of Arts degree?

CHI: That's right. And in my final year I took Tuck School business administration. That's Tuck School, it's still carrying on at Dartmouth. After graduation I went to work for the Edward Hines Lumber Company in Ely, Minnesota and I was there approximately

a year both in the yard and in the woods. I think that winter in the woods persuaded me that that wasn't exactly what I wanted to follow and I went to Gulfport, Mississippi. That was in January 1917, and in April war broke out.

ERM: What did you do in Gulfport, Mississippi?

CHI: I worked for the Ingram-Day Lumber Company. It was located at Lyman, Mississippi just north of Gulfport.

ERM: Was this a partnership between your family and the Day family?

CHI: It was a corporation. How the Day family came in I don't know. There were several stockholders. I don't suppose you're interested in that though.

ERM: Oh that's fine. We'd be glad to have that sort of thing.

CHI: Well, that was the Ingrams, the Days, the Tearses. The manager, Al Mitchell, had quite an interest in it and State Senator Haton of Wisconsin was a large stockholder. I don't recall just offhand other stockholders besides the members of those families.

ERM: And what was your capacity down there?

CHI: I just worked generally in the shipping department.

ERM: You were in a sense learning the business then.

CHI: I was trying to, yes.

ERM: How did you happen to start out after college with Edward Hines rather than with a company in which your family had a closer association? Of course, maybe your family had an interest or stock in Edward Hines, did they?

CHI: Yes. My grandfather had an interest in it, an interest in companies in which Edward Hines was the prevailing spirit, for example the Virginia & Rainy Lake Lumber Company in Virginia. You asked me specifically why I went to Minnesota; I had naturally heard lumber talk all my life and it was sort of in my mind that I would follow the lumber business. Wisconsin was pretty well cut out and Minnesota was about the only place in that locality you could go. Hines was at least a large company.

ERM: And your family had financial interests in the Virginia & Rainy Lake Lumber Company?

CHI: Yes. Which was controlled by Edward Hines.

ERM: How much of an interest did your family have in that operation, do you remember?

CHI: No, I don't.

ERM: Who did you see about getting that job?

CHI: I think my grandfather wrote to Edward Hines, as I recall.

ERM: Did you yourself go to see Edward Hines?

CHI: No.

ERM: You went directly from Dartmouth home and then up to Ely?

CHI: There was a little interval but almost. I was directed to go and see Mr. Tom Whitton who was the manager, actually just outside of Ely, Minnesota. The lumber camp was at Ely and the mill was just north of there at Winton.

ERM: Winton, oh, yes.

CHI: On Fall Lake. Probably you have been there.

ERM: Yes, I have.

CHI: After I had been at Lyman, Mississippi and the war broke out, I enlisted in the Tenth Engineers. I left Mississippi and came back to Eau Claire and enlisted in the Tenth Engineers.

ERM: How did you know about the Tenth Engineers?

CHI: James Long and his brother George Long lived in Eau Claire and one of them was made a Colonel in that regiment and as I recall did the equipment purchasing. And somehow, I don't remember, I got in touch with Colonel Long--thinking back it might be through his son, Allen Long, who lived in Eau Claire and was my age. Anyway, that's how I think I learned about the Tenth Engineers.

ERM: And what did you enlist as? Did you go in as an officer?

CHI: No, I was not an officer. I went in, as I recall it, just as a private.

ERM: Did your friend, the Long boy, enlist with you?

CHI: No. He did not.

ERM: And what did you do in the Tenth Engineers?

CHI: I finally became a sergeant and then a sergeant first class and my principal duty was running a French sawmill in the town of Levier, France in the state or county of Duuvs, and arranging to get out lumber for the armed forces.

ERM: And you were in a sense running that sawmill, right?

CHI: Yes, it was a night operation and I had charge of that in that little town with that portable sawmill. However, that was a small part of the regiment's work. The main plant was at a camp about five kilometers out of Levier at a little location called Duuvs; and that's where most of the lumber of the regiment was manufactured.

ERM: How much of a crew did you have working for you?

CHI: I don't think there were over twenty-five at the most.

ERM: How many of them were native Frenchmen and how many were Americans?

CHI: They were all Americans.

ERM: They were all Americans?

CHI: Yes.

ERM: You took over. Was this a portable mill of your own creation?

CHI: No. It was a French--well, in this country we'd call it a gang saw. The logs were purchased from the adjacent forests and peeled. We didn't peel them; they came in peeled and we would put them through this large saw, and as I recall, the product was mostly boards.

ERM: For use by the military?

CHI: Oh, yes. All of it including the scrap from the wood. It was saved and fed up for firewood and things of that kind.

ERM: To the front?

CHI: Yes.

ERM: What happened to you after you got through running the sawmill in France?

CHI: Well, I returned to the States in February 1919 and as I recall, I went down to Lyman, Mississippi again and talked to the manager, Mr. Mitchell. It didn't particularly appeal to me to go back there to work although he offered me a position. I thought I could do a little bit better somewhere else, so I didn't go back there. I mean I didn't return to work.

ERM: Had you made any friendships while you were in the service that might have influenced your decision?

CHI: No.

ERM: You established no contacts with say people out here in the West.

CHI: No. Not at that time. In Eau Claire probably one of the real contacts that started me west--I was courting, you might say, some girls named Lockwood whose uncle was William Carson of Allenville, Missouri. He was a director of the Weyerhaeuser Timber Company and I recall meeting him at the Lockwood home one evening.

ERM: The Lockwood home in Eau Claire?

CHI: In Eau Claire, yes. And he talked to me about what my plans were and I said I thought I'd go into the lumber business and he said, "Oh, well, you must go out West; you write to Fred Weyerhaeuser in St. Paul."

ERM: That's Fred K. Weyerhaeuser?

CHI: No, F. E. Weyerhaeuser, that's Fred K.'s uncle. I did and he replied and said I should go out and see Mr. George Long in Tacoma, which I did.

ERM: All on your own?

CHI: Yes. And when I got here I saw Mr. Long.

ERM: This would have been about 1919 still?

CHI: That's right. That's in the summer of 1919 and he said he had arranged for me to talk to Mr. Boner [William H.] at Everett. Mr. Boner was the manager of the plant at Everett.

ERM: And what did you find out from him?

CHI: After talking to me for awhile Mr. Boner told me to go see Mr. W. H. Peabody who was the superintendent at Mill D, which I did. And Mr. Peabody gave me a temporary job on what we call the chain, the lumber chain at the mill where I was for a short time, and then he transferred me into the shipping department.

ERM: What was your job in the shipping department?

CHI: It was sort of an assistant, not to the shipping clerk but to the man who worked under the shipping clerk and he was the one who got the orders and loaded the cars and took charge of the lumber in the yard and so forth.

ERM: And you were assistant to him?

CHI: I was assistant to him.

ERM: So you were moving a lot of lumber into the cars or seeing to it that it was done.

CHI: That's right. I was doing all he told me to do and I enjoyed that.

ERM: Which included a lot of muscle work too, I imagine.

CHI: No. Not so much muscle work. It was not physical labor; getting the orders, and getting the lumber to the cars to be loaded, and seeing that the orders were filled correctly, and going over the records to see that the proper stuff was put in, and getting the material in from the yard and all that kind of thing.

ERM: Do you think that Weyerhaeuser's operation at Everett was more careful in this matter of checking the orders and shipments than other companies might have been at that time in the lumber business?

- CHI: I have no basis of comparison--if you want to compare it with Lyman, Mississippi.
- ERM: That's what I'm talking about.
- CHI: Oh, yes. It was quite a different thing.
- ERM: You saw a difference, then, in what you had previously experienced in the South and what you were now experiencing in the Northwest.
- CHI: Oh yes. It was an entirely different field. Different lumber, different organization, much larger, of course, in the West. That's about the answer to it.
- ERM: All right, then what did you do?
- CHI: Later on Mr. Peabody moved me to superintendent of the night shift in the manufacturing end. That was, I guess, for about six months.
- ERM: That was quite a jump, wasn't it?
- CHI: Well, yes it was, I guess, thinking back on it. I enjoyed it immensely. It was night work which was fine and didn't bother me, and I enjoyed the manufacturing end of it. It was great pleasure.
- ERM: Were you married yet?
- CHI: No. In spring that year, in 1920, the night shift shut down. There was a slowing up in the lumber--I guess in the whole economy. So that job was eliminated and I was sent back to the shipping department and I could see--well, they just had a lot of men they didn't know what to do with. My friend Mr. Carson, whom I mentioned previously, was a friend of people in the International Harvester Company who had purchased some timber in British Columbia on Beaver Cove. That was the name of the place, Beaver Cove. It was on Vancouver Island and they had put up a sulfite pulp plant there and were trying to develop that large timber holding which they had. Well, I had a letter from one of those parties inviting me to meet with the manager of the operation, Mr. White, who came from Michigan. I met him in Vancouver and he wanted me to go up and run that operation at Beaver Cove and he offered me a lot more money than I was getting. I was young I guess, and carefree, and it appealed to me and I

thought about the job in Everett that because of the economic situation had sort of blacked out, although I was working in the shipping department again.

ERM: But it didn't look very promising?

CHI: No, it didn't. Another factor that didn't look promising that I was aware of at the time was, with the general economic situation, that new plant up at Beaver Cove might well run into difficulty. But, everything together, I was willing to take a chance so I went up there. I was only there about, I guess, six months before they got into trouble. There just was no market and so that plant shut down and I came back to Everett. Mr. Titcomb who was the son-in-law of Mr. J. P. Weyerhaeuser had been sent to Snoqualmie Falls as assistant to Mr. W. W. Warren in running that plant and he'd only been there a comparatively short time when Mr. Warren was stricken and died. The week after he died Mr. Titcomb invited me to come to Snoqualmie Falls as his assistant. That was in 1921.

ERM: And what do you remember about your first days in Snoqualmie? What were the conditions that you found when you first came to the job there?

CHI: Well, it was a sawmill town and a delightful place. Of course, I was entirely unknown to any of the employees and my first duty was to become acquainted and to try to get on friendly terms with them.

ERM: How did you do that?

CHI: Well, I would visit the different foremen in the different departments during the day and converse with them about their operation until I became familiar with the general operation of the company. I showed no indications of authority of any kind. They had a superintendent of the sawmill and they had a superintendent of the shipping department which was quite sufficient and so I was really becoming acquainted with the work, the personnel, and the operation.

And you asked me when I was married. I was married in September 1921.

ERM: To whom?

CHI: Aida Hulvert of Everett, whose father was a logger there in Everett, William Hulvert.

I was at Snoqualmie eight years, 1921-29. Three years after I was there, Mr. Titcomb was moved to Tacoma as assistant to Mr. Long and I was put in charge of the plant.

ERM: While you were at Snoqualmie was all of your work in the mill or did you get out into the field, into the woods at any point?

CHI: Well, yes. Of course, later as manager of the plant I covered all the departments. I tried to make myself pretty well acquainted with all of them and I spent a great deal of time outside as against office work. Outside of my cost statements and things of that nature, we had no financial problems. I wasn't involved in that. I was involved in the sales and the manufacturing.

ERM: All of this was during a time of increasing trouble for the lumber market--wasn't it in the early twenties? The depression came early, didn't it?

CHI: Yes, it came in 1920 and it was getting over in '21; 1923, you know, was the Japanese earthquake and I would say the lumber business returned to normal, and '23 was a very active year. Prices advanced considerably and I'd say that period as long as I was at Snoqualmie was a normal market as we knew it at that time.

ERM: That was up to the Depression itself, wasn't it? Were you there right up to 1929?

CHI: I was there until June '29, yes.

ERM: And there was, generally speaking, a depression in the lumber business starting in the middle twenties and right up to the crash itself, but you give me the impression that you were doing a pretty good volume of business while you were there.

CHI: I think that's correct insofar as the volume is concerned. We were cutting over 100 to 125 million a year. It was moving and of course lumbermen are normal and may never get enough for their product. We got enough so that I think that one could say that the results were satisfactory.

ERM: In other words all through the twenties in which you were manager of the Snoqualmie Falls operation, you were showing a profit in your operation.

CHI: Well during that period. I would say Snoqualmie showed a profit from 1921 on; '20 was a very disastrous year all over the country and I don't recall what the results were but Snoqualmie was a prosperous operation.

ERM: To what extent were you involved in expanding the Snoqualmie operations by purchase of additional timberland?

CHI: None.

ERM: You didn't do any of that?

CHI: No. There wasn't any of that.

ERM: The original purchase was the whole thing. They never changed very much.

CHI: There was one exception. The original timber, of course, was a consolidation of the White-Grandin-Fisher interests plus the Weyerhaeuser timber, and I think it was in 1928 that there was some timber purchased on the Cherry Valley Logging Company land which was contiguous to Snoqualmie and in which the Weyerhaeuser Company had a majority interest, and that deal was negotiated between George Long and Horace Irvine in St. Paul. So far as I'm concerned, I had nothing to do with the timber purchases.

ERM: What was the relationship of Mr. O. D. Fisher to this Snoqualmie operation in the beginning?

CHI: Well, Mr. Fisher had purchased the timber for the group which was known as the White-Grandin outfit. He had cruised it; he was familiar with it. It was purchased from the Rockefeller interests and then he and Mr. Long agreed on the terms of merger and the erection of the sawmill which started operation in 1917. Mr. Fisher, all during the life of Snoqualmie Falls Lumber Company, was vice president.

ERM: How much influence would you say he had on the day-to-day life of the company, the policy making part and so on? Was he a very important part of management?

CHI: No. Mr. Fisher took no active interest in the operation. None at all. I only recall Mr. Fisher coming to annual meetings and, of course, he got reports and things of that kind, but I don't recall he took any active interest.

ERM: The reason I ply you with these questions is that I had occasion a couple of times to sit down with O. D. in the last years of his life.

CHI: A most interesting gentleman.

ERM: Yes. Of course, I think at ninety-one, he was spinning a few fanciful tales in his own mind.

CHI: Probably. It could have been.

ERM: And he seemed to take a great deal of delight in saying every so often: "Well, George Long and I started the Weyerhaeuser Timber Company," and, of course, I realize that this was an exaggeration.

CHI: Yes. He had nothing to do with that. But, during his day, I'll tell you, there were very few more active and smart, intelligent businessmen than O. D. Fisher.

ERM: He was a great company-maker, wasn't he? He seemed to know how to use capital imaginatively and start something.

CHI: I think that's correct. Of course, he didn't start the General American Insurance Company but when Mr. Long persuaded him to represent the Weyerhaeuser Company on that board, he stepped in and he was a powerful interest in that. Oh, yes, he was very active and very helpful, and following your thoughts as a company-maker, he foresaw the value of radio and television and he formed his own company which is still operating in Seattle.

ERM: He's had a big influence in the flour mills over there in Seattle, too.

CHI: Oh, yes.

ERM: There he did, I believe, have a leading role.

CHI: No question about it. He was it and no ifs or ands about it. He was a wonderful man. I enjoyed him and I miss him a lot.

ERM: Can you tell us any stories about O. D. Fisher? When you think of O. D. Fisher what do you remember about him?

CHI: There was one incident--you know, it's customary to have the directors of a company sign an oath of allegiance and so on and so forth. Well, O. D. was at the meeting and this particular oath

was concocted and it was passed to O. D. He was talking and signing right along, you know, and he didn't read it. I'll give you that oath that he signed and didn't read.

ERM: "The undersigned each being sworn on oath deposes and says that he is a citizen of the United States and of the State of Washington. And that he was elected a director of Snoqualmie Falls Lumber Company, a corporation of the State of Washington, at the regular annual meeting the shareholders of said corporation held at its offices at Snoqualmie Falls, Washington on Friday March 6, 1936. That he will faithfully comply with, support and observe all of the constitutions, laws, rules and regulations of all labor unions in the State of Washington and elsewhere within the jurisdiction of the United States of America, that he will vote the Democratic ticket, that he will cause all earnings of the corporation to be distributed to its employees and to be personally liable for all obligations of the said corporation so help me God."

CHI: And we showed that to him and never did get over getting O. D. about that.

ERM: And he signed it.

CHI: He signed it, talking all the time you know.

ERM: And evidently J. P. had signed it first so that. . .

CHI: No.

ERM: There's a little note here at the bottom which says, "Signed first by J. P. W., Jr. pied piper."

CHI: Well, of course, that was all rigged up by Philip and Bill McCormick. They rigged that up to catch O. D. and they caught him and he enjoyed it; he got a big kick out of it.

ERM: I see that this was something that was circulated by Fred Weyerhaeuser to the directors and senior counselors of the Weyerhaeuser Company back in June 24, 1964 with this covering letter: "Gentlemen: Some of you may not have realized what has happened to the affairs of the Snoqualmie Falls Lumber Company before it was merged into WTCO some years back. Am attaching copy of an oath taken by the directors on March 6, 1936 at the time they were elected. Yours very truly, F. J. Weyerhaeuser." You know this brings up, and very properly here I think, the matter of the good fun that is had within the ranks of top management from time to time and the injection of a little humor. This I'm sure must be a very saving grace for

businessmen. If you can get a little of this in once in a while, you can keep your sense of humor alive.

CHI: Oh, yes. There was lots of humor at different occasions.

ERM: And O. D. Fisher seemed to be very often involved in this humor either in one way or the other, did he not?

CHI: Well, of course, Mr. Fisher was only connected at that time with the affairs of Snoqualmie Falls Lumber Company. He became a director of the Weyerhaeuser Company and when it was merged with the Weyerhaeuser Timber Company (that was, as I recall, in the early forties) he became director of the Timber Company.

ERM: What do you remember about your association with O. D. Fisher beyond that? What events stand out in your memory or little stories that you might tell about O. D.?

CHI: I don't recall any specific instance at the moment. I would say that Mr. Fisher was always very alert. On visits to the plant he wanted to see everything. He obviously read the reports that came to him. He did his homework in other words. He expressed himself on occasions that called for it and I would say that he was a most valuable director during his active career.

ERM: Was he always a strong participant in the discussions within the board?

CHI: I would say at Snoqualmie Falls, yes; not so much so when he became a director of the Timber Company, because he was older.

I don't know whether this is pertinent but it's somewhat illustrative of the situation. There was a directors meeting in Los Angeles, and a dinner that night to which the members of the company, the salesmen and so on, in that locality were invited. It was Mr. Fisher's birthday or something of that nature, and he was called upon to make a speech. When the speech became too extended for the crowd and they began to get uneasy, somebody came in by prearrangement and told Mr. Fisher that he was wanted on the phone. So Mr. Fisher abruptly ended his speech and hustled out, and the meeting went on, and Mr. Fisher came back and took his seat without apparently being offended in any way.

ERM: Well, it takes a big man not to be offended by that.

- CHI: Oh, he was a big man. He was a lovable man. He was a man you admired so much for his ability and what he'd done and could do. Of course, in his later years he was not quite his old self as I knew him at Snoqualmie.
- ERM: He used to enjoy entertaining you men of management at his home too, didn't he?
- CHI: I have been to several dinner parties at Mr. Fisher's summer home in Des Moines, Washington at which he was a most wonderful host. I recall being there with some of the older directors at that time: Mr. Fred Weyerhaeuser, Mr. Denkmann and other directors of that era. That was in the thirties. Mr. Fisher would get them all interested in either a poker game or in throwing dice or some sort of entertainment of that kind. I recall some of them very well, sitting on the floor throwing dice which I wouldn't quite expect from some of them after seeing them in a meeting, but they did unlimber and Mr. Fisher could do it.
- ERM: In other words they really unbent and really played and had a good time.
- CHI: That's right. I remember one of his parties starting in the afternoon. He had a bowling green and a croquet field--well, it was very entertaining and he was a wonderful host.
- ERM: He seemed to always have a very close friendship with George Long, too.
- CHI: Oh, yes. Yes, he was a great admirer and one of the many admirers of George Long. As I told you before, Mr. Long got him to represent the Weyerhaeusers in the General American Insurance Company when it was formed and also to be their contact at Snoqualmie Falls Lumber Company.
- ERM: That brings us around to your recollections of George Long. Here, of course, is a man of great importance to the history of this company and a man I'm sure you must have known quite well and about whom you could probably speak with more authority than many other men in the company. What do you recall most vividly about George Long?
- CHI: Well, you immediately think of the gentleman with the high standup collar, very thin, always smoking a cigar, who could become most serious and who at the same time had a great sense of humor; he could tell appropriate stories some of which had sparks in them at

the very proper time. And when George Long spoke his decision nobody seemed to have a quarrel with it. They had a lot of respect for his judgment. On top of it he was a man, a very human man who had been through the mill and you could talk to him in a very intimate way. He was a lovable character as far as I was concerned.

ERM: When you said he was a man who had been through the mill and you could talk to in any way, what do you mean by that?

CHI: Well, the first experience that I know in his early life, he was a sales manager for several mills in Eau Claire, Wisconsin where I was brought up, so George Long was well known around that sawmill town. I knew his daughters; he had two daughters and they were a little older than I was at the time but, nevertheless, I knew of them as a boy there in Eau Claire. When those companies were liquidated--cut out all the timber--George Long started out to run a chain of retail yards and he had not yet taken over the job when he was offered the position as general manager of the Weyerhaeuser Company. And he went to his people who owned the yards and explained the situation and they released him from his promise. That was in 1900 and he came out here. Now, you asked me how he had been through the mill, I don't know any of his life previous to that other than I understand that he had been a lumberman--in what capacity I don't know, but he was an excellent judge of lumber. You might call him a lumber grader. He helped to write the rules for the White Pine Lumber Association and so he could speak with a good deal of authority on lumber problems.

ERM: He was a real student of his field.

CHI: That's correct. And then of course, when he came out here his principal duty was becoming familiar with the timber and taking over from the Northern Pacific those sections that had been cruised and were acceptable under the deal, so he became very knowledgeable as to West Coast timber. At that time, he of course had a lot of cruisers out reporting to him, and the Weyerhaeuser Company had no sawmills, so his attention was completely on the timber acquisition. That lasted for a number of years. I suppose that was for the first fifteen or twenty years that the early company was getting the titles perfected and accepted from the Northern Pacific.

ERM: Would you say that this was the real and the long-term basis of most of Weyerhaeuser's. . . ?

- CHI: Oh, of course, that was the essence of the whole thing. That was the crux right there. It was the timber that was purchased under contract of acceptance by the Weyerhaeuser Company. And of course then that started the growth of the company. My contacts with Mr. Long were in Snoqualmie, of course, in the early days and as such it was not only a pleasure but an inspiration to work for the company. I have some letters from Mr. Long, who wrote me on my acceptance of the job at Snoqualmie and then when I departed that I treasure very much. That sort of indicates the type of man he was. He was a man that put great responsibility and trust in you and left you on your own but you were conscious all the time that George Long knew what was going on and he had no hesitation to tell you some things that he wanted changed in a most acceptable way, reasons why, and that's what made him such a wonderful man to work for.
- ERM: How did he impose these suggestions on you? Was it man-to-man in discussion?
- CHI: Practically always.
- ERM: What would he do? Would he come up to Snoqualmie or would he call you down here?
- CHI: He would come up to Snoqualmie on occasions but not too often. I do recall his telephone conversations. Once in awhile he'd call up and say, "What are you going to do with all that money you've got up there?" And my response always was, "I'm going to do whatever you tell me to do with it." "Well," he would say, "you'd better declare such and such a dividend," and so he would spell it out. That was in the course of events, but when he came to Snoqualmie he would spend time in the sawmill, in the shipping department and he always had worthwhile suggestions.
- ERM: Do you ever remember at any time finding yourself at odds with the man on anything? Did you strongly disagree with him on something that he wanted to see done?
- CHI: No, I don't recall anything of that nature. I do recall that he wrote me a very sharp letter once about some land that had been sold. The substance of the letter was that insofar as selling land, he wanted to be acquainted with any sale and that if there was a sale, it was up to him as president to sign the deed. Well, getting a letter like that from George Long, you'd stop and take a look, and I

was only too happy to reply to Mr. Long that that particular transaction had taken place prior to my being manager of the company. So, I only tell you that to illustrate that he was aware of things that went on, and certain things were in his bailiwick only.

ERM: When he came to Snoqualmie periodically, what was it he came to do?

CHI: As far as I know just to have a discussion about things, and then we would go out to the mill and we would wander around, and he would have something to say about many parts of the operation or a good many questions to ask, and he was particularly interested in the grades of lumber. He would look at those and he was a hard grader. I think that the only particular disagreement that I would have with Mr. Long was that he was a much harder grader than I was and in my opinion he went far beyond the rules of the West Coast Lumbermen's Association.

ERM: He wanted to have a superior product?

CHI: Oh no, he didn't want to give away anything. He was a high grader. He was tough. When it came to a piece where it was a number one or number two, it was always number one in Mr. Long's mind. That's what I mean. In other words, he wasn't giving away anything.

SESSION 2, AUGUST 9, 1967

Elwood R. Maunder: Now, Mr. Ingram, this interview with you is one of real importance to the series that we're doing with key leaders of the Weyerhaeuser Company because the role that you played in the history of the company is a very important one. I wish you'd just briefly recount what you saw as your role in the Weyerhaeuser Company. You left Snoqualmie in 1929, didn't you, and came here to Tacoma?

Charles H. Ingram: Yes.

ERM: And what was your assignment when you came here then?

CHI: It was assistant to Mr. Titcomb who had become the general manager.

ERM: Was that any different at all from the role you played after Mr. Titcomb went out and Phil came in as president, or was the job the same?

CHI: Oh, no. Mr. Titcomb was the manager to whom I reported. Mr. Titcomb at that time reported to Mr. Long who was head of the executive committee and when Mr. Titcomb left, Philip came over, and I was made general manager under Philip.

ERM: I see. You had not been general manager under Titcomb then?

CHI: Oh, no. He was general manager. I was just assistant.

ERM: Was Mr. Long the president of the company then when Titcomb was general manager?

CHI: No, I don't think so. I think Mr. Long was chairman of the board and my recollection is that Mr. Bell. . .

ERM: Laird Bell?

CHI: No, not Laird, his father, was the president. That would have to be checked but that is my recollection at the moment.

ERM: Then, when Mr. Titcomb left, Phil came over in what capacity, president of the company?

CHI: No, executive vice-president.

ERM: And then you were made general manager under Phil. Tell me what the difference was between your work and Phil's. Where was the emphasis on each job? What were you responsible for doing?

CHI: Well, I was responsible for all the manufacturing, both lumber and pulp, and the whole series of what goes with it. Of course that took in quite a broad category of logs and so on and so forth, the woods operation.

ERM: How was Phil's work delineated. What was his main emphasis-- policy making?

CHI: That's correct. He was a policy man, he was the contact with the directors. Under the Timber Company bylaws at that time, the general manager had very broad powers and it was my assignment to carry on the general operations. Philip and I worked in harness. I would say the relations were always not only friendly but based on confidential mutual trust. And although I was under him, many of the decisions were made with the operators and I would report to Philip what had been done afterwards. I don't recall any case where he overrode me.

ERM: In other words he was content to leave the running of the mill and the woods operations to you?

CHI: I would say so, yes. It appeared that way because that's the way it was run.

ERM: When Phil came to this executive vice-presidency of the company, was there any major revision in the policy of the company? In shifting over from Titcomb to Weyerhaeuser was there a decided and clear-cut change in company policy.

CHI: I would say that there was not immediately a change other than that Philip's contact with the executive committee of the directors was increased, which was a very natural thing. He was a Weyerhaeuser, his uncle was very important in the company and he, you could say, kept them more informed than they had been through Mr. Titcomb. This was no reflection on Mr. Titcomb but this was sort of a natural thing; he was more part of the family. From his experience at Clearwater, Philip had a deep conviction and desire to put the Timber Company on a sustained-yield forestry basis and that was emphasized.

ERM: From the very start of his administration?

CHI: Not quite; not the day he came here or anything like that but he had it in mind and it was worked in.

ERM: You were very often, both you and Phil, in very close touch with David T. Mason of Portland and his partner, Carl Stevens.

CHI: No, not quite that much. Phil had more contact with them. Shortly after he came, they were given the assignment of making a sustained-yield study of the Longview area and then, after that, an attempt was made to merge many of the plants on the West Coast and Carl Stevens was very active in this. So I would say that my contacts, although they might have been many, were not of the caliber of Philip's. Philip was carrying that ball.

ERM: What would you say was the purpose of the efforts that were being made at that time to merge more of the plants on the West Coast?

CHI: Industry had been operating from the red to a very marginal return and that was a period, as you will recall, along in 1935, when the building industry was really in pretty serious financial shape.

ERM: As you saw it how was the merger process going to help rectify this?

CHI: I don't know the answer exactly, this is just conjecture on my part, but the object was to close some of the marginal parts and consolidate sales and operations and make operating economies. That would really be the only justification for merger.

ERM: Wasn't there some feeling during the late twenties and thirties that a good part of the problem of the industry was overproduction? The market was flooded.

CHI: That's correct. There was always an effort being made to reduce production in the different plants. Each one had reasons of his own why he couldn't do it and they were not entirely selfish reasons, they were financial reasons. He had obligations to meet; he had to liquidate some of the timber.

ERM: You will recall, of course, some of the efforts being made in the deep part of the Depression in the early thirties when the Lumber Code Authority of the NRA came into being and Dave Mason was the executive officer.

CHI: That's right.

ERM: There were efforts made then to control production and wages and price. You were managing the mill and the operations of the Weyerhaeuser Company then. How did you react to these NIRA Lumber Code Authority rules and regulations? What was your attitude as a manager towards it?

CHI: Well, that situation came about because of the very chaotic situation in the whole economic structure not only of the lumber industry, but of the country, and when wage controls and price controls and so forth were started, I think as I recall, the industry and myself took to it rather hopefully. But as time went on the restraint became a little itchy, you know. An American doesn't like to be told this and told that.

ERM: There were violations of the Code in other words?

CHI: There were violations. I heard about them. And there were many rumors, I can't say specifically how many or how bad or if any. I think the industry was reasonably honest; tried to be at least. But, it became irritating, and when it was finally over and the Authority was declared unconstitutional I think most people were happy. At that time the industry had new vigor and all the tired blood was probably somewhat strengthened. They were ready to go and they were in much better financial situation than they had been, I would say.

ERM: In 1931 when things were really black, there was an appeal made by the industry to the government to do something. The Code was in a way a response to that and the industry had a lot to do with writing that Code. There were meetings, for example, of your western trade association and of the national associations in which you took part. Do you remember those discussions and how this was going to be set up?

CHI: No. That was not correct that I took part in those discussions. I did not.

ERM: You never went to any of your trade association meetings?

CHI: I wasn't in that. For the company, Gus Clapp of St. Paul was quite an active member and I think in the higher echelons in Washington and so forth.

ERM: Laird Bell was also very influential in this at that time. He was on the Timber Conservation Board in Washington and then later he was on the National Recovery Administration Code Committee and had a great deal to say about these matters.

CHI: I wouldn't be surprised. He was active in those things at that time.

ERM: And this would probably also have been an area in which Phil Weyerhaeuser had the maximum responsibility as a policy maker.

CHI: That's correct.

ERM: And in other words this was a little bit out of your purview. You were more on the firing line with the mills and with the operations in the woods.

CHI: Yes, operating under the rules of the Code. That is correct. And those people which you mentioned set the rules.

ERM: What did you say to Phil when you got together to talk about this thing--he as the policy man in the company and you as the operating man? Do you remember any exchange of ideas that you had at that time?

CHI: No, we got those rules under different categories from labor to sales and distribution and all this stuff. Some of them were pretty restrictive and we discussed how we could operate under them, but I don't recall any--well, no feeling that the rules were harmful to the company at that time because I think industry was just reaching for something. I don't recall that the lumber industry itself had asked the federal government to make a specific setup for them. My recollection anyway is that the Code Authority came in as a general rule or law, whatever you call it, for the whole country. Then the particular industries made their own rules of operation under that formula which was given and under that authority. And it is that part in which Dave Mason was very important and I think Colonel Greeley of the West Coast Lumbermen's Association. As I said, Laird Bell and Gus Clapp were of the higher echelon and they dealt with people in Washington and so forth about it.

ERM: You mentioned the part Greeley played out here. How well did you know Greeley back in the thirties?

CHI: In the thirties not well. No, I forget when Colonel Greeley came out here.

ERM: In 1928, as head of the West Coast Lumbermen's Association.

CHI: No, I didn't know him well. I became a member of the West Coast board I think when Micky Titcomb died and I had some contact with Mr. Greeley.

ERM: Were you ever head of the Association?

CHI: No.

ERM: Never served as an officer?

CHI: No. No, I didn't. I had enough to do.

ERM: Did you stay out of Association affairs pretty much or were you at all active in it?

CHI: I think my activity whatever it was, was attending the meetings when I could. Mr. Greeley was a very strong man and everybody had great confidence in him and he called the shots, and properly so.

ERM: Who was responsible for bringing Greeley out here to the position?

CHI: I think it was a combination of George Long and John Tennant from the Long-Bell Lumber Company. That would be my guess. And it is a guess. I know they were both active in the Association at the time and that was a period in which they were anxious to get some limitation on production and things of that kind.

ERM: But you say that you played a relatively quiet role in the West Coast Lumbermen's Association.

CHI: That's right. I was on the board in the Western Pine for a year or more when it was first formed and then Ralph Macartney took over.

ERM: It was first formed in 1931, wasn't it? It took over the old Western Pine Lumber Association and the California Sugar Pine Association. The two of them came together, didn't they?

CHI: I think so.

ERM: And Dave Mason was made their manager.

CHI: That's correct.

ERM: And you were on that first board of directors of Western Pine.

CHI: Yes.

ERM: What do you remember about that organization of the new association?

CHI: Very little. I took a very, very inactive part. I went to a few meetings. I don't recall much of anything about that, other than that I didn't run for reelection and Ralph Macartney came in and Ralph was quite active in it.

ERM: Ralph's position in the company was what at that time?

CHI: He was manager of the Klamath Falls operation.

ERM: I see; right down there in the pine region.

CHI: That's right.

ERM: What would you say was the beginning point of the Weyerhaeuser Timber Company's very serious interest in forestry? Whom do you associate with the origins of the forestry practices of this company?

CHI: Well, I think from what I have read, that the original Frederick Weyerhaeuser had a great deal of interest in forestry and he had contact with government officials about certain relations with the forest industry. I do know that his son, Frederick E. Weyerhaeuser, was very much interested in forestry; specifically, they had the sustained-yield program in effect in their white pine operations at Lewiston, Idaho.

ERM: You say those were among the first.

CHI: In my recollection, the first sustained-yield program that I know of was at Lewiston, and Philip Weyerhaeuser was manager at that time. So it was natural, with Mr. Fred Weyerhaeuser's interest also in forestry, that when Philip came it was started over here. At least there was talk of it and there was an increase in the number of foresters. Well, there was general talk of the importance of forestry and the continuation of the yield, and from

that time on studies were made and outlines; the wood capacity for each plant was decided upon and the cut was kept within the limitations of those studies. I can't recall specific dates.

ERM: What was the general attitude of men like yourself who had been primarily in the mill end of things towards this imposition of restrictions brought about by the foresters?

CHI: Well, as a matter of fact it's true that I had not given a great deal of thought or attention to the forestry problem as such other than the operations. Then it probably came about in discussions between Philip and myself, and his desire to create this sustained-yield study, that it was my duty as the operator to put this into effect, and that was not an easy thing either. There was a bit of reluctance of woods superintendents to listen to foresters and so on and so forth, and that was a matter of education; it was part of my job to carry it on as that was what we were expected to do.

ERM: It would be interesting to know how you actually got the educational job done. How did you get your men in the woods to listen to the foresters and do what they were recommending?

CHI: It was not a matter of a specific time--tomorrow we'll do this and that. It was educational and I spent considerable time talking to the plant managers who had charge of their own woods operations and also to the logging superintendents. It was a matter of education, and backing up the foresters, too, in many of their suggestions.

ERM: What did the men in the woods have the hardest time accepting?

CHI: The authority of the forester, I think. As a matter of fact we never did take away the woods superintendent's authority to control the forester. The forester was working for the woods superintendent but the woods superintendent was definitely informed of the wishes of top management.

ERM: Did you encounter many instances where woods superintendents just would not go along and you would have to fire them as a result?

CHI: No. I didn't. No conflict of that nature at all. Well, we didn't let things get to that impasse. It was very well understood.

ERM: How did your directions go down the line to the superintendent-- by personal word, or written word most of the time?

CHI: It was personal contact mostly.

ERM: You were actually going there?

CHI: No, first to the plant manager who had charge of his area in the woods, in the logging in his area. He well understood what the wishes of Tacoma were and there were meetings in which the plant managers were up there with their superintendents and the foresters, and broad discussions were carried on as to how to implement this program. And of course each locality had something different; it wasn't just one universal plan for everything. Each one carried on the one that suited his locality best.

ERM: Have meetings of this kind always been part of the Weyerhaeuser organizational situation or did they develop under one particular man in the company's leadership?

CHI: Well, I don't recall meetings, for example, when I was in Snoqualmie or in Tacoma. When I was in Snoqualmie the only plants were Everett and Snoqualmie. Of course, from 1929 on Longview came in, and then it wasn't long before we started developing Oregon timber and I think about the time we started branching out, we called these meetings for general discussion of policy matters. And the more we spread out the more important it became to have a general understanding of the policy. The best way to get that was to call the group in here.

ERM: Were these meetings then generally down here in Tacoma?

CHI: Generally, yes.

ERM: And the mill managers and the woods superintendents would be brought in here?

CHI: That would depend upon what the discussion was to be. If it was to be forestry, of course it would be the plant managers and the woods superintendents and the foresters, or the chief forester, I think. We had a chief forester in Tacoma. Not only individual foresters from the plant came to those meetings, but, for example, if there was an operating problem of some kind, it would be the operation man. If it was a matter of wage discussions, why the plant managers would come in, and things of that kind. It would depend upon the subject you were going to discuss who would come.

ERM: One of the traditional problems of the lumber industry has been that of getting the men in the woods to harvest the crop in such a fashion as to serve the interests of the market. The mill man was in the middle. He had to provide the product in his milling operations to meet the market demands. And there wasn't always a perfect coordination of this. I think perhaps the Weyerhaeuser Company dealt with this problem in as efficient a way as any company did in the early days, probably more so than any other. I wonder how this happened to develop in this company. How did you get this coordination between what the market was calling for and what the mills were producing and what was being supplied to the mills from the woods? That must have been right down your alley.

CHI: Frankly to begin with, I don't think it was ever done and I'll tell you why. Your woods program is usually about six months ahead of time when the logs come in. Now, the market is a changing situation. It can change from week to week and so on and so forth so a perfect coordination was never made. I mean if the woods could supply structural lumber, roads had to be opened up into a certain kind of timber that there was a market demand for. Clears called for another. Western timber does not grow where it's all clear or all structural or anything of that kind. You've got to take it pretty much as it comes. Of course you can avoid areas which are predominantly structural or hemlock or cedar or something like that but speaking for the Timber Company, we never had enough roads opened up so that we could within a week go in and meet the change in the market conditions.

ERM: So in a sense this is just an ideal that is always held up.

CHI: That's my opinion. Now, of course, that was a little easier for the log-buying mill because he could go out and shop around and look over all the logs for sale and buy those which best suited the market at the moment. It was the logger, the market logger who was holding the inventory.

ERM: Well, when you're operating on the scale of the Weyerhaeuser Company you build up big inventories of logs of different categories.

CHI: That's right.

ERM: And you can feed your mills that kind which the market currently demands.

- CHI: Within limitations, yes. For example, if the mills wanted a specific order for a certain grade of lumber that was desirable, they usually could find it in the log inventory; or in limited quantities it could be gotten out of the woods in a hurry and those efforts were always made. So that inventory of the Weyerhaeuser mills tempered the market situation to some extent, but not ideally.
- ERM: In other words you had to call the shots. If there was a sudden high demand for structural timber you had to put your crews into areas where you knew that was in large quantities. Is that right?
- CHI: But you say "you," and I did not. That was the responsibility of the plant manager. To go back a little bit, there were meetings held with the Sales Company who forecast as best they could what was going to be the demand over a limited period in the future. The plant managers attended these meetings and to the best of their ability adapted their woods production to that forecast.
- ERM: What was the general feeling of the plant managers towards the Sales Company?
- CHI: That's a human relation in which the Sales Company never got enough price and there was criticism back and forth, which was a very desirable thing. It was give and take and the profit responsibility was entirely in the mills. It was their responsibility to fight for the sale of the product in which they could make the most money and at the best price and thus they had great respect for the Sales Company but they were continually on their toes, which in my opinion was an excellent thing.
- ERM: Wasn't there a strong feeling that they could deal better with the market directly themselves than through an intermediary?
- CHI: Than through our Sales Company?
- ERM: Yes.
- CHI: Oh, I expect on certain cases but we never allowed that. That would be chaotic. You couldn't have both.
- ERM: Who were the men who worked under you in the mill management field who stand out most vividly in your memory as being the real soldiers in the field?

- CHI: They were all excellent men, excellent lumbermen and whatever success I may have had with the company, I must say in all humility, was due to those lieutenants. There were some excellent men.
- ERM: I don't want you to single out any one or two in particular, but who were some of these men?
- CHI: Under my regime there was O'Neil at Snoqualmie Falls, Peabody and Richmond at Everett, and there was Raught and Morgan at Longview and there was Macartney at Klamath Falls, there was John Titcomb at Springfield, and Arthur Carlin at Coos Bay.
- ERM: How did you get these men for these jobs? How did you recruit the leadership for mill management?
- CHI: We didn't recruit them, we just grew them.
- ERM: Well, how did you grow them? From what source?
- CHI: From within.
- ERM: From within the company?
- CHI: Altogether. No, one exception now. When the Klamath Falls plant was started, Mr. Macartney had been working for the Weyerhaeuser Company at Cloquet and he applied for the job. He was a fine man and we needed a fine man.
- ERM: Was it the policy of the company in most instances to draw its managerial staff up from the ranks of its own organization?
- CHI: Yes.
- ERM: Rather than to go outside and grab off somebody who was a good mill manager from another company?
- CHI: Yes, they practically all came from within. That should be qualified here. Mr. Raught had been working for Weyerhaeuser in the logging end. And in anticipation of Longview coming on, Mr. Harry Morgan, who had worked for the Whitneys at Garibaldi, Oregon applied for a job and he was hired at Snoqualmie and he was there probably six months before he went down to Longview to become the superintendent.

ERM: These men came first of all then to you to apply for jobs? Wasn't this your area of selection?

CHI: Well, there was only--specifically Macartney made the application to me; Raught was in the organization. That was decided before I came down here. The woods operation had been started a year or so before the mill--two years. Mr. Morgan, I think made application to Mr. Titcomb when he was manager here. The others all were brought up.

ERM: From the ranks.

CHI: Yes.

ERM: What would you have to say about the Weyerhaeuser system of training men for management? I'm speaking now of men who are closely related by their family background to the company, but also others who are now a part of management who have no family relationship. How does this system of training management work in this company?

CHI: I think that those who have come into the company have shown ability and it came to the attention of those in authority and was recognized. That's the only way I can answer your problem and insofar as school, up until recently there was no school other than the hard knocks and what he learned in the operations. And when one made application here for a job, he usually was sent to the plant and he had to prove himself. That's about it as I recall.

ERM: Every man had to prove himself from the ground, up didn't he? He had to start down near the bottom.

CHI: That was the younger fellows, somebody out of college without experience. Now, somebody from the outside, if you had a particular need for a sawyer or somebody like that, why that's different. But, in the management field, well in some instances he'd had experience in selling for the Sales Company and they recommended him for it--an operating job.

ERM: Do you think Weyerhaeuser's policies in training its managerial group are any different or distinctly different from your competitors out here in the West?

CHI: Not in my regime, no.

ERM: Pretty much the same in both across the board.

CHI: I think so.

ERM: You say that you kept very busy in your job traveling around to the plants. Was this a pretty constant round of activity?

CHI: I would say so, yes.

ERM: How much of your time in the course of a year would you figure you'd be away from home doing this work in the field?

CHI: Oh, as the company grew, as it got beyond the three original plants at Snoqualmie and Everett and Longview and got down into Oregon and then we got into the pulp in a big way--that and the plants in the East--oh, I suppose 30 or 40 percent of the time I was away.

ERM: There at the peak of your career.

CHI: Yes. Then it was noticeable as the size of the company increased I found increased duties right here and much to my regret, I couldn't get out as much as I wanted to.

ERM: Then, you were chained to the desk more.

CHI: Then I would stay more at the desk, yes.

ERM: Did you find that particularly true in the latter years of Phil's life?

CHI: I think so, yes.

ERM: What were the factors that you see as causing the development of a larger more complex company? In the early days under George S. Long its principal enterprise had been buying up timber, blocking it up and selling logs to others. Then it got into the Everett operation and several others and began expanding more and more. A lot of this expansion was done during relatively difficult economic times.

CHI: That's right.

ERM: Now why was this expansion going on within the company? What provoked you to go on building plants?

CHI: I think the advantage became quite evident, at least to the directors at Longview--rather than sell logs where there was that tremendous investment in timber down there, convert it. Certainly that was true after I came in the picture and we started to put the plants in in Oregon. Philip and I had talked many times about the desirability of branching out from being a market pulp company to a converting company that was closer to the consumer. And it was just after his death that the merger with Tekemper took place and of course that was a big one and expanded the company in many fields.

ERM: Who was responsible for engineering that merger?

CHI: Well, Harry Morgan, who was head of the pulp division, knew the Tekempers and he originally sounded them out as to whether or not they'd be interested. Before Philip's death I recall talking to him about how it might be desirable; it would be, we thought, if we could get some converting outfit. Unfortunately this thing reached a climax shortly after Philip's death. Then I think Harry Morgan and myself were the guiding spirits and it was my responsibility to sell it to the directors, and that's what took place.

ERM: That was when F. K. came into the presidency, right?

CHI: That's right.

ERM: He had been chairman of the board but now he became president.

CHI: That's right.

ERM: Were there quite a number of mergers put together during F. K.'s leadership?

CHI: No. Not to my recollection. The mergers that took place before were under Philip's regime. That's with White River Lumber Company, the Snoqualmie Falls Lumber Company, The Walpoll Lumber Company. Those three were all under Philip. At the moment I don't recall any under F. K.

ERM: Well, those you mentioned were all companies in which the Weyerhaeusers and their associates had rather large interests.

CHI: That's right.

ERM: So it was really a merger of their own interests.

CHI: I think it was.

ERM: Now when you're talking about Tekemper, you're talking about a totally separate operation in which the ownership was in another family.

CHI: That's right.

ERM: I'm thinking of mergers that involved--well, Hamilton Paper Company was one. Didn't that come under F. K.?

CHI: That's right.

ERM: What about the one in Wisconsin that became Rolco?

CHI: That was just a small fabricating company that was owned by the Weyerhaeuser people.

ERM: Was that Weyerhaeuser ownership pretty much?

CHI: Yes. That was a pretty small pumpkin. I can't think of that plant's name--a paper plant up in Massachusetts out of Boston. That in turn was promoted by the desire to get converting facilities for a market pulp. Now Tekemper took part of it. That was a different kind of pulp. These other mergers were a fine paper which took a different kind of pulp in turn.

ERM: You wanted to get an assurance that you could sell or you could unload your pulp to your own plant?

CHI: Yes. It was a broader field.

ERM: Integration.

CHI: Yes.

ERM: When did these ideas about broadening the base of your company's operation really begin to develop--in the thirties or right after the Depression mainly, or when? You must have been in on a lot of the thinking and the planning that led to this broadening of the company's operation.

CHI: You're speaking about Snoqualmie and Walpoll and so forth?

ERM: Yes. And then going into pulp and paper in a larger way.

- CHI: I think it was natural that all those companies in which Weyerhaeuser Timber Company had controlling interest (which was true of all those three companies) should be merged. That was just a natural. Now, when it comes to Tekemper--well, it had been discussed and the desirability had been flashed around and when the opportunity appeared to show up, it was followed up. It also seemed desirable that we get in the fine paper field. Of course, Tekemper was not in fine paper. It was in linerboard for corrugated boxes. That put us into that field and the material for the corrugated box is the largest product that we make today.
- ERM: More Weyerhaeuser raw material winds up in paperboard and paper box than in lumber, is that what you're saying?
- CHI: Well, I'd better be a little careful about getting too deep into that but I think the answer is yes.
- ERM: That's your general impression.
- CHI: That's my general impression and from a dollar standpoint that's true. From a dollar sales it is true. Now, about the amount of chips consumed, that cubic volume as against the lumber, I'm not quite sure.
- ERM: But in your lifetime you have been witness to a shifting over in the industry in general, and in this company in particular, from a lumber oriented business to more and more a pulp and paper business.
- CHI: More and more to fiber.
- ERM: To fiber?
- CHI: Yes. That's correct.
- ERM: How did you feel about this. Were you primarily a sawmill man?
- CHI: Yes.
- ERM: Did you have any feeling of regret in seeing this?
- CHI: Oh, no. I was promoting it all the time.
- ERM: You were all for what would make the best profit, is that right?

CHI: That was my job. Why should I get sentimental about it and cry about it?

ERM: Some people did.

CHI: Well, maybe I should have.

ERM: No. I'm not saying you should have. But some people in the lumber business lagged a long time behind and couldn't get with the change that was taking place. They stuck with the lumber business without integrating and consequently the times passed them by and a lot of them got trapped and couldn't move in the end. They hadn't moved fast enough.

CHI: That's true.

ERM: Can you think of any instances in which you saw that happen?

CHI: Not to mention, no. Not to be sure of.

ERM: But there were several out here in this country that came in that category.

CHI: I think so.

ERM: Now the Weyerhaeuser Company has generally been considered a very conservative company in its policies in regard to fiscal affairs and in other ways, and also it's been a pioneering company in a lot of areas. In forest land management certainly it's been way out in front of many others in the industry. In the field of public education I think it's fair to say the company is way out in front of everybody.

CHI: I think that's true.

ERM: You've been on the inner circle of this policy making in the board of directors of this company. How have you seen these changes of policy taking shape within the dialogue and discussion within the company management itself.

CHI: Well, I think the credit for that primarily rests with Philip Weyerhaeuser.

ERM: You think the credit is chiefly due to him.

CHI: Oh yes, undoubtedly.

ERM: Why do you say that?

CHI: In the first place he was a promoter of sustained yield. He was concerned about public opinion of the forest industry. He was greatly concerned about the possibility of maintaining a sustained yield in the face of rising taxes and that was something that could be approached by educating the public, and to do that they had to go to the press. I do recall that some of the first requests brought up to the director for advertising money were kicked around a good deal. It seemed to be very exorbitant. The company, had, as you pointed out, been very conservative in those matters. I shuddered every time the name Weyerhaeuser was mentioned in public and tried to avoid any public utterances. But the time appeared to demand education along those lines, at least an expression of the company's policy, and they started out with the press.

ERM: What do you suppose had caused the company to be so conservative about tooting its own horn and advertising what it was doing? What lay behind that?

CHI: Well, I suspect it's the old saying that: You never get outblown until you come up to spout. And they apparently were willing to go along with affairs without getting into public and talking about them.

ERM: Did it go back at all to the days of the original Frederick Weyerhaeuser and his associates, your own grandfather and their attitudes towards publicity?

CHI: That I don't know. Of course, you go back that far and there wasn't any advertising to speak of. There was concern about the public attitude of "cut out and get out" but not to the point where they were deeply concerned, I don't think. I'm speaking of what I've read only. The U. S. forestry policy became quite a matter for public discussion you know in the last twenty-five or thirty years and it's very natural that this company, a large timber and land owner, would explain its policy and justify it if it could. So I would think that that was a natural development of which I had little or no part other than listening to discussions and so forth.

ERM: Were these matters strongly debated within the confines of the board with strong opposition?

CHI: No, I don't think so. I think that it was by and large accepted. The only question that probably arose was the amount of money to spend for public relations and in that field. I would say there was no real opposition.

ERM: Did Phil usually recommend and want the larger investment of company funds in the field of public relations?

CHI: Yes.

ERM: And in forest conservation too?

CHI: That's right. He was the moving spirit.

ERM: What other members of the board most always felt and expressed themselves in similar fashion on these matters?

CHI: Well, I think Mr. Frederick Weyerhaeuser was the greatest proponent and when he and Philip advanced a thought like that, it packed a lot of weight and it usually carried.

ERM: Did Fred and Phil usually agree on most matters that were brought before the board?

CHI: Oh, I think so. I don't recall ever hearing any disagreement.

ERM: In other words they were usually in accord.

CHI: When I speak of Fred I speak of F. E. Weyerhaeuser, not Fred K., but I don't infer that Fred K. wasn't interested in it.

ERM: But F. E. and his nephew Phil were usually in accord on matters of major importance.

CHI: I would say so.

ERM: Was that generally true of F. K. and Phil after F. E. died?

CHI: Oh, I think so. Philip was the guiding spirit.

ERM: Were there members of that board who were champions of public information and advertising?

CHI: I don't recall any particular discussion. Well, as I said before, I think it was F. E., F. K., and primarily Philip who wanted to follow

the policy. I think that would be it. I don't recall others at the moment.

ERM: How about in the field of forestry?

CHI: That was Philip and F. E.

ERM: Well, there were a number of other members of the board of directors. What contribution would you say they made in the whole development of things or was it primarily F. E. and Phil running the show and leading the way and their following afterwards?

CHI: I don't quite understand your question.

ERM: For example, what areas of special concern did Mr. Laird Bell take? Were there areas of the company's affairs which he especially championed or opposed? I'm trying to get a picture of a board of directors that didn't always agree anymore than husband and wife always agree.

CHI: I think that much of these questions were discussed individually before the meeting and if there was any disagreement it was thrashed out then, if they knew, for example, that a certain person might be opposed to something.

ERM: Then the board meetings really are only the formal gatherings at which policy is officially adopted.

CHI: That has been the case, yes.

ERM: The real knots had been worked out beforehand.

CHI: Yes. In caucus you might say. But that might infer that there have been some pretty serious disagreements of which I am not aware. I think there was generally a consensus on all questions I recall. you might conclude from that that we had a pretty flabby board but I wouldn't go along with that. I think the board by and large had great confidence in Philip's operation of the company.

ERM: I don't get any indication of flabbiness. I get a very strong sense of real direction and power and resolve in the whole thing. But the formal accomplishment of business, it seems to me as you go and look at the minute books today as sources of company history, are rather pale reflections of the history itself. Sure, you get the day on which such and such an action was taken that set the company

on a certain course of action but the real guts of decision making that went before this is a very shadowy area. And when you stop to think about the history of American enterprise, that's what you want to know about. That's what the scholar and the American people of the future are going to be most interested in. How were the decisions made, what were the methods that were used, what were the controversies if any involved, what were the problems of decision making and how were they overcome. This is the kind of thing that I think we need to get at a little bit more in these conversations that we're having with you and others in the company's management.

CHI: I think probably as I recall the longest discussion pro and con took place in the merger of the Tekemper Company and that of course was a very major event. Some \$200 million. It meant a shift in the percentage of ownership of many of the directors, and the wisdom of the merger was properly raised and the reasons for it discussed and so on and so forth. It was probably discussed a couple of days out here and the final acceptance of it, as I recall, was at a Chicago meeting and there were, to my knowledge, no negative votes. At that time they had all become convinced that that was the proper move for the company to make.

ERM: How was the matter of stock ownership changed? Was it by the creation of a much larger body of stocks?

CHI: Yes.

ERM: No cash. And no stock. In other words you didn't have to pay a certain percentage of your stock into the kitty in order to make this purchase.

CHI: No. What the stockholders did was vote to increase the number of shares in the company. Now, to the extent that they got value for the new shares equal to what they presently owned, they didn't water their stock any. If you put up \$100 for \$75 of assets you'd have been watering your stock, but that didn't appear to be the case.

ERM: And this was the kind of deal that wasn't influenced by public speculation in the market over the prospective merger.

CHI: Neither Tekemper nor Weyerhaeuser was listed at that time.

ERM: On the big board; they were on the over-the-counter board.

- CHI: That's right. Wait a minute--I think Eddy Paper Company was listed in the Chicago exchange but I think that was the only listed part of it.
- ERM: There wasn't the room in this kind of a situation for the values of stock in either company to suddenly take off over the prospect of a merger, the way you run into it now in the business world where the prospect of two companies merging the stock or one or the other causes them to sail up to the sky in anticipation.
- CHI: I think that would have been quite possible in the case of the Eddy Paper Company.
- ERM: But it didn't happen.
- CHI: Oh, no. It was a deep dark secret.
- ERM: The negotiations were never leaked to anyone?
- CHI: Not to my knowledge. I think it was just as tight as could be.
- ERM: And if there had been a leak it would probably have broken off the deal.
- CHI: Well, it could have. That wasn't exactly the case either because Tekemper had offered to deliver the stock of the Tekemper Company and the Eddy Paper Company in toto for blank number of shares of Weyerhaeuser. Tekemper was practically 100 percent unlisted. They could deliver that with no questions, and the Tekempers had enough control in the Eddy Paper Company to vote that. But if someone had heard that he was going to get blank shares of Weyerhaeuser which was worth thirty-five dollars and Eddy was worth twenty dollars--anybody could have bought Eddy and profited by it.
- ERM: If they could have found the stock for sale.
- CHI: That's right. But you usually can. If the stock's quoted at twenty dollars and you offer thirty dollars, there's always somebody.
- ERM: Well, it's quite a different industry now than it was when you started back in the game forty years ago or so.
- CHI: I think probably the biggest or at least one of the biggest reasons for that is the advent of the pulp and paper industry which makes it

possible to use up the waste from the sawmill. We used to burn you know. Every plant had burners and they used to go twenty-four hours a day burning up the unusable parts of lumber and it was nothing but fibers they were burning up. But when it was found that those could be used in pulp and paper, that, to me, was one of the biggest changes that took place in my experience.

ERM: Weyerhaeuser made a discovery for one use of waste material years ago when he got into the manufacturing of presto logs. Tell us a little bit of how that came about and who was responsible for it.

CHI: That came from Potlatch Forest; an engineer in Potlatch Forest invented this machine and the Weyerhaeuser Timber Company at the time manufactured presto logs under license so actually that was not a Weyerhaeuser Timber Company development. At the present time the Timber Company has ceased paying royalties under arrangement. That was planned so that after a certain number of years the Timber Company was free, so they don't pay license at the moment.

ERM: Of course, I remember when I first came into this work there was tremendous sensitivity among Weyerhaeuser Timber Company people if you mentioned the relationship of Potlatch and Boise Payette and Weyerhaeuser to one another. You were just given an icy stare if you said anything that implied that after all there was a very intimate relationship among the ownerships of these various companies. I don't think there's any longer any effort made to disguise the fact. The book Timber and Men*, of course, has put all that behind them. But evidently for a long period of time there was great concern among the management of the company over this relationship, and I suppose it stems from the antitrust legislation and the attitude of the federal government.

CHI: Particularly interlocking directorates which all reaches back to anti-trust. Those interlocking directorates were all done away with years ago and those companies have merged, and the Weyerhaeuser interest has been changed; their percentage of ownership has changed. It's a different picture today, but as you point out that was a pretty touchy point for a long time.

*Ralph W. Hidy, Frank Ernest Hill, Allan Nevins, Timber and Men: The Weyerhaeuser Story (New York: The Macmillan Company, 1963).

ERM: Going back to the time just before World War II, this is a period in time (1938, '39, '40 and '41) when the company made a real charge forward in the area of forestry and of forest management: developing the tree farm idea and publicizing it; launching and taking a very strong lead in organizing a new AFPI [American Forest Products Industries, Inc.].* There had been an AFPI in the national association for some years back but now a new American Forest Products Industries was incorporated in Washington to act as the agent for organizing and publicizing a tree farm movement. What forces were at work at that time, Mr. Ingram, to propel the company into this accelerated program of reaching out to the public and showing them what they were doing in forestry and trying to get others in industry to follow the example set by Weyerhaeuser?

CHI: Well, I think that the Weyerhaeuser Company has been (at least the principal owners have been) skittish for a long time about the size of the company. Then public talk began about the forests and the diminishing timber supply, timber scarcity and starvation, and so forth. The company felt that the public should be made aware of the facts and what the company itself was doing not only from self-interest but in the interests of the public in maintaining a perpetual source of forest products, and employment and good relations--public relations principles. I think that's about as close as I can describe it.

ERM: Who was the architect of this new public relations program within the company? Somebody had to really wrestle with this problem and conjure up some new approaches.

CHI: I think that I must again say that I think that that was primarily in Philip's lap. He had lieutenants--particularly there was Clyde Martin who was a forester, a well known forester, who at one time was head of the national forest association, the American Foresters [Society of American Foresters]. Then along came Bernie Orell who worked for the Sales Company; he had many contacts in Washington and lots of questions were asked of him about the Timber Company and their attitude which would pass down the line from Fred to Philip and so on.

ERM: How important has Bernie Orell been in this wide area?

CHI: I think Bernie has been very important. Of course, in the advertising field there was Walter DeLong; Walter's job was to do the advertising

*Now known as the American Forest Institute.

and promote a certain subject. Now, I think in that field he did a good job. He started it up. And I think we must give credit to the advertising agents. They understood the subject which had been explained to them, what the Timber Company was trying to establish. I think they did a good job in promoting that. I think they still do.

ERM: What has Bernie Orell done that goes beyond that? What is unique about the role that Bernie has played?

CHI: Well, Bernie is a public contact man par excellence. He is called upon for advice by many of our congressional people and the reason is that they have confidence in Bernie. He's not trying to sell a bill of goods, he's telling the facts, which in the long run always counts. I would say that is probably what Bernie has done and is doing for this company.

ERM: In other words, he's brought a whole new dimension to this public relations job in the company, a much bigger approach.

CHI: I think that's probably a better way to put it, yes.

ERM: He's a statesman in lots of ways.

CHI: That's right.

ERM: I know I've observed his operations a good deal. During the time I've observed the developing patterns of what's going on within the industry, this man really stands out head and shoulders above anybody else.

CHI: That's my opinion too. He's really a very great man.

ERM: I think that Bernie Orell in his area has done for the company what George Long did for it in another area fifty years ago.

CHI: I think that's a fair statement. But you mustn't jump from George Long to Bernie Orell.

ERM: Oh, no, there were others in between. I don't mean to say that-- Phil Weyerhaeuser in particular. I was just drawing a comparison between the two men.

CHI: That's all right.

ERM: And I think there are others within the structure too. Today it's becoming more a team kind of operation than individual effort.

CHI: That's modern industry. That's very true.

ERM: Would you say the corporate program now is more, or less dominated by individual strong men than it was back in your years?

CHI: Less; it's less dominated by individuals.

ERM: Can you explain to me why it is less dominated?

CHI: Well, of course, that's only my opinion. But there has been a growing concentration of responsibilities in the Tacoma office-- I think you'd call that centralized management and the result of that is that there are many men interested. There's one interested in public affairs, another in engineering, another in sales, another in the other facets of the whole company and the decisions today seem to me to be taking somewhat the form of committee action.

ERM: As the organization gets bigger and more complicated, does it become necessary to narrow down the areas of responsibility in order to get the job done?

CHI: That's a question of judgment. I expect to some extent that's right.

ERM: What happens when this develops? You have field generals working along narrow lines of thought to get one job done and another man is getting another job done, and sooner or later they bump heads to see whose going to get the money to get their job done, or is it the role of top management to keep the heads from getting smashed?

CHI: That's his responsibility, yes, to guide them and not let them step on each other's feet. There are some pretty crowded pastures in some of the cases but, I'm speaking from the point of view of one who has been out of that field for nigh onto ten years, and in this day of computers it's just a different breed of cat that's all.

ERM: You've got a different attitude toward fiscal management of the company today than ten years ago?

CHI: That's right.

ERM: What is the change in the company's policy toward funding and financing? It's been talked about in the press a good deal lately.

CHI: I think that is a basic change. I think in my time if I had suggested a \$150 million loan I'd have been shooed out of the state of Washington. It was so far from my thoughts that I would never have done it, but a little different picture has arisen. The company's in broader fields; there are more opportunities to invest money. It's become quite the custom in industry to borrow money, to expand through borrowed money. In my time you lived on the return of capital and your profits; you paid small dividends; you accumulated capital that way. But of course, we must recall too that any capital improvements today are much more expensive than they were in my day. It takes a lot more money. And there's a good deal of incentive taxwise to borrow money and to have that money work for you and get a credit against the interest you pay out for the borrowed money. If you can borrow five dollars and make ten dollars, that's pretty good business you know. That's the industry point of view today and they do it. The percentage of equity in their capital has shrunk greatly in the past ten or fifteen years.

ERM: I remember what a hue and cry there was a few years ago when Georgia-Pacific jumped into the field in a bigger way and did it all, or most of it, on borrowed money. The people of conservative mind including those of you here at Weyerhaeuser all felt that this thing will come a cropper one of these days and these people will all go down the drain. It hasn't happened that way. That's not to say that it can't still and if it does they've got a lot of money to pay back to somebody. But, it's a policy that under different conditions managed to succeed and I would suspect that to some extent, the fact that it has succeeded has influenced Weyerhaeuser's attitude in regard to the use of capital and the use of credit. Is that a fair speculation?

CHI: I couldn't pass an opinion on that. If I was going to say anything, I wouldn't credit Georgia-Pacific with that change of policy any more than any other company.

ERM: Oh, no, I was just giving one example.

CHI: There are many examples in industry.

ERM: But one very close to home nonetheless.

CHI: Yes. That's right. Georgia-Pacific's theory was to buy these companies and liquidate the timber on the market as fast as they cut. I think there has been some criticism of that and time will tell whether it was smart or not.

ERM: In what way do you think it may have been not smart?

CHI: Well, if each one of the companies they bought has been profitable and worked out well, probably it's been an astute, smart thing to do, but if some of them don't work out as well as they anticipated it may be a drain on them, or if we got into a period of tough going, they could be pretty well wrecked.

ERM: Yes, whereas a company with greater reserves of both cash and timber could weather a storm.

CHI: You've got to pay the interest on your borrowed money or somebody else will take it over. As you increase that fixed obligation, you proportionately increase the possibility of trouble if times turn bad.

ERM: I'd like to hear you speak more about Phil Weyerhaeuser--the kind of person you knew him to be and some of the things you remember about him that linger most forcefully in your mind. We have spoken about Phil Weyerhaeuser's great sense of humor and his love of a good practical joke and you said that this was a characteristic of the family itself. I wonder if you could explain what you mean by that.

CHI: I think as I recall that all the Weyerhaeuser brothers enjoyed a good joke whether it was a practical joke on themselves or a story, so I would say that it was a family trait. Philip and Fred, and Ed Davis were that type. It was all in the proper time to play; when there was business, it was 100 percent business.

ERM: Just a certain amount of friendly, good-natured, good-humored fun in the course of social affairs that followed in the wake of business matters.

In our first interview you mentioned a formal statement that was passed around at a board meeting to be signed and O. D. Fisher signed it saying that he concurred in giving all the company money to the labor union.

- CHI: That's right. Offhand I just don't recall another incident of that nature. But in social hours Philip was a hail-fellow-well-met and he enjoyed life and knew the light side of things too and at the same time he could sit in his office and think and be completely absorbed.
- ERM: On thing that impressed me about Phil Weyerhaeuser was his great capacity to listen to people. I remember coming here for the first time in 1952 or '53. He welcomed me most cordially and had me sit down and he said, "Well, young man, what is it you want to tell me about the Forest History Society?" I recognized that here was a man who was damn busy, but he sat there and he listened very attentively and when I started running out of wind he started asking me a gentle question or two but I could always tell from his attitude that he was probing for the real guts of what I had to say.
- CHI: That was typical of him.
- ERM: I had the impression, and I've heard from others, that he was always ~~one~~ to cock an ear and listen.
- CHI: That's quite right. He was a hell of a good listener and usually came up with the right answer when it was time. And he was the kind of a fellow that if you had his confidence, he'd let you go a long way. "Leave him alone, leave him alone." He had things that concerned him. Let the other fellow worry about his.
- ERM: Within the company structure you mean?
- CHI: Yes.
- ERM: In other words he gave people a lot of freedom.
- CHI: A lot of rope, yes. All the metes and bounds were pretty well understood. Well, take it from myself, there were many discussions of what we ought to do. I was well aware of what the objective was and probably made lots of decisions that I should have counseled with somebody beforehand, but I didn't. That's what I say, we didn't have to raise that.
- ERM: Do you think that condition is different today?
- CHI: Oh, you know it is. It's a committee, a computer and all this stuff to help you along if you need help.

ERM: What do you think that has done to the character of the company?

CHI: I couldn't pass on that. I haven't been close enough to that in the last number of years. I just see it happening and you set the story easy enough. But it's the modern system. You can't get away from it. And certainly a lot of people, most managers think that's the way it should be going or it wouldn't be going that way.

ERM: Would you say that whereas back in your day, the competition used to be with those outside the company, perhaps now the greatest competition is coming from within the company? That is the competition you feel most keenly?

CHI: Well, the competition that I always felt was in the market place. It wasn't from men; it wasn't that competition that I worried about. It was what we could do to outmaneuver the other company. That was the thing that kept you spurred on.

ERM: What competitors do you remember most vividly as being the ones who used to keep you most on the jump? Who were the most aggressive, the most imaginative?

CHI: Of course, there were many and it doesn't always take the biggest one to set the pace in the going prices. Sometimes a smaller company can upset a market, particularly a market that we experienced for a long time that was overproduced. That's a pretty ticklish situation then you know. Somebody's running a mill and he gets word that so and so offers a dollar off. Whether he can afford it or not, he says to himself, "Well, I'm not going to loose this customer and besides I need to sell this lumber so take it." The market is established and somebody else upsets it so it's pretty hard to point out an individual in a market of that kind--which is one we experienced in a good deal of my time with the exception of the war years.

ERM: When you could sell whatever you made.

CHI: Yes. "What have you got?" That's true. That's the way that thing worked at that time which wasn't a healthy situation.

ERM: Wood has really got to sell itself today, doesn't it?

CHI: Yes.

ERM: You require a much more sophisticated marketing organization.

- CHI: I think there's no question about it. Wood has many more competitors. For the last few years housing starts per capita have been down too, so it takes lots of imagination and service. The customer used to wait for a month or so before he got a carload of lumber but today he wants to know when that can be shipped specifically, and if it's a couple of days late he's all upset and you've gone back on your word, etc., etc., you know. It's all changed so it's rather ridiculous to make comparisons, and of course you always look back and say those were the good old days. Those were the days they made the money they're spending now.
- ERM: As you look back to those days what do you think were the factors that made the greatest change for you in your company? What were some of the things of most importance in your experience that changed the industry or forced you to make changes in your procedures or your policies?
- CHI: I think the biggest change is due to transportation, transportation of raw material to the mill. I think that lots of the timber that is now being converted in the mills, we couldn't afford to bring in if we had to make it accessible by railroad.
- ERM: What were the technological developments that brought about this change? Which ones do you see as being the most important?
- CHI: Well, I think the perfection of the trucks for heavy-duty hauling and of course that covers a whole gamut of material, of engineering problems; not only the power engine but the more powerful brakes and the cooling, and the axles that would stand the tremendous load. It's come over a number of years. I remember my first experience in truck logging was up at Snoqualmie in a very limited way. It was with the Caterpillar on very good ground and they hauled in the logs and put them on the small trucks and it wasn't many years after I left Snoqualmie that we discarded the railroad entirely and put in trucks.
- ERM: Where did you get the idea of using trucks in the early days?
- CHI: I think that there were some operators doing it in a small way. I think the impetus in our company came from a logging superintendent by the name of John Wahl. He was a wonderful superintendent, farseeing. He put this in at Snoqualmie and it worked so well that it wasn't long before we were using it everywhere.

ERM: Truck logging you mean?

CHI: Yes, truck logging. John Wahl later became the logging superintendent in charge of all logging.

ERM: Tell me a little bit about Ed Heacox and his work in the company.

CHI: Ed was one of the first educated foresters. He was influential in our forestry policy. He was in charge of the Longview operation and did a great deal to advance the respect of forestry by the logging superintendents. He was full of the theories of forestry and he preached it and I'd say he did a very good job for us.

ERM: He was not only a man who implemented a program for forestry, but I gather from what you said he was a spokesman, a public spokesman.

CHI: That's right. Not only public but in the company; he was an articulate valuable man.

ERM: I want to ask you too about the impact of labor organizations on the character of the business. Back when you came into the Weyerhaeuser Company in the twenties, there was no organized labor movement apart from the 4L, the Loyal Legion of Loggers and Lumbermen.

CHI: That's correct.

ERM: What can you tell us about their organization? You must have had a part in that.

CHI: Yes, quite decidedly.

ERM: This was a matter of both workers and management, wasn't it?

CHI: That's right. That organization was in Snoqualmie. That's the only plant it was ever in out here.

ERM: That's the only Weyerhaeuser plant where the 4L was functioning?

CHI: In the Weyerhaeuser Timber Company plant east of the mountains but not out here in this company. I think it was effective at that time. I had great respect for it and they set a pace that I think was constructive. I think it was all right.

ERM: Were you a member of it?

CHI: That's right. The Snoqualmie Falls Lumber Company was a member.

ERM: Did you represent the company in the local chapter of the 4L?

CHI: That is correct but at that time the 4L was primarily, at least at Snoqualmie, a wage-setting arrangement and they set the wages for the industry in an industry meeting and that was quite universal in those plants that had 4L representation. When did the union movement begin? The 4L started to disintegrate as the other unions came in.

ERM: Well, it began really to shape up in the twenties but didn't take real strong hold until the thirties, at least not in the lumber industry. The 4L lasted right up into the thirties as I recall. The Wagner Labor Act knocked that out.*

CHI: Yes, that put the crimp in it. That was in the early thirties. Well, it struggled along under change of policies and I think it was in the later part of the thirties that the labor movement became strong and the 4L practically faded out. When the labor movement came in it called for many new evaluations and approaches and it was quite a wrench for some of the management to recognize it. But it was recognized. We had quite a long strike at Snoqualmie over the union shop and that was finally settled and has become pretty well known as the maintenance-membership clause. The union membership grew and there were several industry strikes in the movement during its growth but it became an accepted organization for dealing with the workers. There were several reasons that the 4L disappeared in the popularity contest for control. I think the men felt that they didn't want any company participation in their affairs; they wanted to have it strictly at arm's length and they wanted to be aggressive--more so than the 4L had been. The 4L had its place but disappeared, that's all. As events went on, and the labor movement in the country grew, it was natural that it should.

ERM: Did you ever have any serious labor difficulties at Snoqualmie apart from the one strike you mentioned?

CHI: You mean me personally?

ERM: Yes, you personally.

CHI: Well, I left in 1929.

*National Labor Relations Act of 5 July 1935 (Wagner-Connery Act), 49 Stat. 449.

ERM: I see. Up until you left there had been none.

CHI: No.

ERM: Afterwards as general manager you oversaw the whole operation.

CHI: Yes.

ERM: What labor difficulties did you encounter?

CHI: The one I told you about with the union shop--the strike for the union shop which was settled after about three months for this maintenance of membership instead of the union shop, and that brought a growth of such things. Well, we still don't have the union shop but it comes pretty close to it in the maintenance of membership and the collection of dues we do. The union sits and negotiates the pensions and of course wages and all disputes. So the industry has gone along. The forest industry has gone along with industry in general I would say, and probably--well, I was going to say that we probably have had less strikes in accomplishing that than others, but maybe not. We've had troubles.

ERM: Not to the same extent, for example, that the steel industry has.

CHI: Not the bloody feuds, no.

ERM: You don't have that high antagonism.

CHI: No, we haven't had that. Bloody quarrels and things of that sort, no.

ERM: You've had pretty good relationships then with your union people.

CHI: Well, it hasn't all been "buddy-buddy." But, as you relate it to some others, I'd say yes.

ERM: There was one rather bloody incident at Centralia, wasn't there?

CHI: That was with the IWW [Industrial Workers of the World].

ERM: Yes, but I mean with labor.

CHI: That's right. That period of the Wobblies [IWW] along in the twenties.

ERM: Do you recall any experiences of your own that have to do with dealing directly with the Wobblies?

CHI: No. Minor; nothing very serious.

ERM: Why were you exempt from this situation?

CHI: I don't think we were--there were Wobblies but it just didn't take hold. I couldn't tell you why. It just didn't take complete control that's all.

ERM: Do you think that the Weyerhaeuser Company has shown any particular foresight in meeting the claims of labor or anticipating the claims of labor and dealing with them forthrightly before they get serious, before they develop a serious problem? For example, better conditions in the lumber camps were one thing that used to be a great cause of the Wobblies.

CHI: I think so.

ERM: What kinds of things did you do, for example, in your Snoqualmie Falls camps? Were they first class from the very beginning?

CHI: For the times, yes, I think they were first class. I think probably that would describe it. We had separate bunkhouses, not for each individual, but for a few men. They had toilet facilities and bathing facilities, they had drying rooms, they had wonderful food.

ERM: What were your policies in regard to those matters in those days? Was this a matter of your action as general manager to set those policies?

CHI: No, I wouldn't say so. The logging superintendent with the agreement of the management spent the money to make these quarters livable and acceptable.

ERM: Somebody had to approve the expenditures of the money necessary; where did that authority stem from? Did that go all the way up the line to the top?

CHI: No, I don't think so.

ERM: Or did you make that decision?

CHI: I would make the decision at Snoqualmie. I never carried it any further than that. But, as a matter of fact, when I came to

Snoqualmie the camps were excellent and everything was done to keep the men in good shape. So the living quarters I would say were first class.

ERM: Did you have any problem in getting a good labor supply in the twenties.

CHI: No. There were plenty of men willing to work.

ERM: You had no problem at all in the thirties of course.

CHI: That's right.

ERM: At what point did the labor shortage problem begin to show itself?

CHI: Oh, I suppose in the first year of the war--World War II.

ERM: And has it been a continuing problem ever since?

CHI: I don't think so. There have been tight periods of labor supply. I think the industry by and large is paying well; the woodsmen are getting good wages and in many cases, in most cases I'd say, more than they would earn on the outside. Now, I wouldn't want to make that as a positive statement for all industry but they compare very favorably.

ERM: Do you have a hard time keeping the young men out in the woods these days?

CHI: Oh, yes. We always have a hard time keeping the young men.

ERM: Then you do have a growing problem, don't you?

CHI: Well, that is usually the case; it isn't always true. I haven't heard anything recently of a labor shortage in the woods. Boeing offers some pretty fancy wages in Seattle that appear attractive to a lot of people in town and that would be the chief competition. I'm not right up to the minute on that, but it runs up and down. It always has.

ERM: Your own involvement with labor has been rather close of course all through the years. I suppose you were very frequently involved in the bargaining process.

- CHI: As a matter of fact, we've always had a representative to do the direct bargaining and that party would put it up to me eventually as to what the status was and what we could expect and where we could settle and so on and so forth. So that has been my involvement to that extent.
- ERM: But you haven't been sitting right across the table; that is something that your own labor industrial relations men have done.
- CHI: That's right.
- ERM: What other things do you see as being of particular importance in influencing the industry over the past twenty or thirty years? You've spoken of the technological changes in transportation of the raw materials to the mill.
- CHI: I think that's the biggest one that I recall. The fact, as I mentioned once before, that the pulp plants would take the chips, that the logs are now peeled before they go in the sawmill to take the bark off and that makes the chips clean of all bark. That's another big step in that the mills are getting value out of this that they previously burned up. So there are continually smaller mechanical improvements being made. As the logs get smaller, the type of breakdown changes. The circular saw is still the main instrument to break the log up. There has been wonderful improvement in the dry kilns and tremendous improvement in planing mill machinery both in the quality and in the speed with which they will do it. That has been tremendous. The facilities for storing lumber have been improved; the method of loading cars. So it's gone from the woods right to the boxcar really. There are a number of things I don't recall immediately but those stand out as the big ones to me.
- ERM: Of course, there's the whole impact of all the substitute materials on the market too.
- CHI: Well, that's the competition.
- ERM: That's a big factor.
- CHI: Oh, yes. It used to be that we just sold a carload of clear molding baseboard and all this stuff which you don't use anymore.
- ERM: That's all a thing of the past now?
- CHI: Practically, yes. Some of them wouldn't know what baseboard is.

- ERM: Do you think the woods industry is pushing fast enough to develop new uses of wood?
- CHI: I couldn't pass on that other than to say that some research outfits predict a growing per capita consumption of wood products.
- ERM: There's been a great worry about the change in the market and the impact of all these substitute materials on the market and at the same time the decline of the high quality old growth material that is available.
- CHI: Not in the quality. In the demand for that high quality.
- ERM: In the demand for the high quality, yes.
- CHI: But by the same token, the amount of high quality has decreased appreciably so what is available has been enough. It's unsaleable. This wall right here is a substitute you see.
- ERM: What is that? Veneer plywood?
- CHI: No. That's metal.
- ERM: I never thought I'd live to see the day when they had a metal imitation wood panel wall.
- CHI: I'm a little ashamed to admit it but that's the modern concept. These walls are movable, you know.
- ERM: I didn't realize it. I looked at it and I thought well, that's nice paneling.
- CHI: What kind of lumber is that?
- ERM: Yes. You can even see the saw marks on it in some places.
- CHI: Oh sure, they do a wonderful job of that. Just like in your automobile, the dashboard looks like a piece of wood. It's metal.
- ERM: Well, that's the way the world turns. Even the people in the lumber business are using the substitutes when they prove to be more economical to use.

EDMUND G. HAYES
INTERVIEW WITH ASSOCIATES OF THE
WEYERHAEUSER COMPANY

Conducted by Elwood R. Maunder
of the Forest History Society in
cooperation with the Weyerhaeuser
Company.

INTERVIEW II, EDMUND G. HAYES

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INTERVIEW II, SESSION 1

Edmund G. Hayes
Portland, Oregon
July 25, 1967

Elwood R. Maunder: Ed, we usually begin these interviews with an outline of personal history. Let's start with where you were born.

Edmund G. Hayes: I was born in Eau Claire, Wisconsin on May 7, 1895 and went to the schools in Eau Claire through my secondary education and then on to Princeton University. Then I became involved in the first world war and was discharged from the army in about 1919.

ERM: Well, let me go back just a little bit. Can you give us a little bit of information about your family background? Where did your people come from?

EGH: My grandfather was O. H. [Orrin Henry] Ingram of Eau Claire. He learned the lumber business in New York and then went to eastern Canada where he operated sawmills until about the 1840s and then decided to go in business for himself. He came to Eau Claire, let's see, probably in the 1850s and operated his first company, the Ingram Kennedy Lumber Company, for many years--this was later called the Empire Lumber Company. Mr. Ingram operated through many years and became associated with the Weyerhaeuser people in the 1870s and 1880s. However, that was the period when there was quite a struggle between the so-called upper Chippewa River operators and the lower river operators on the Mississippi.

ERM: Where was your grandfather in this struggle?

EGH: He belonged to the upper river men, and finally, through the efforts of Mr. Frederick Weyerhaeuser, their controversies and troubles were solved by a merger of the interests between the upper river men and the lower river men. In this settlement, Mr. Weyerhaeuser and Mr. Ingram were appointed a committee to check on the grades and volumes of logs coming down the river. This had been a great cause of trouble because the mills would pick out logs that belonged

to somebody else and so they had to adjudicate this problem and they worked together in connection with that.

ERM: This is how they formed the boom company.

EGH: The Mississippi River Boom Company down at Beef Slough. Then through that he became associated actively with Mr. Weyerhaeuser and the Chippewa Lumber and Boom Company which was at Chippewa Falls, Wisconsin and at one time was the largest mill in the world. It was a big operation, and he was an officer in that and Mr. Weyerhaeuser was an officer and then from that the connection continued until the early 1900s when the Weyerhaeuser Company was formed.

ERM: Ed, do you remember any stories told by your grandfather when you were a young man growing up which would help to throw any light on that wedding of financial interests there in the Chippewa? Do you have any recollections of how Mr. Weyerhaeuser and your grandfather first became acquainted?

EGH: No. Of course, when I knew my grandfather he was pretty old. He died in about 1918 when I was in the army, although I was very close to him in the days before I went to college--I used to go up and spend the summers with him at the site of an old logging camp on Long Lake. He used to tell about an incident with my mother during this war between the upper river men and the lower river men. She was a little girl and one day her mother said that Mr. Weyerhaeuser was going to come to the house when they lived in Eau Claire and she said she hoped that they were not going to have words over this thing; the feeling was running pretty high and she was always apprehensive when Mr. Weyerhaeuser showed up, but they finally settled all that.

ERM: Was your grandfather in a way a leader of the upper river men?

EGH: Somewhat, yes. He was a kind of a ring leader in that group. There were twenty-six sawmills in Eau Claire stretched all up and down the river. They were all bringing their logs down each year and naturally they intermingled and the first thing you know one fellow would pull out logs claiming they were his and they might be good grade logs and belong to somebody else. The Weyerhaeusers were part of the lower river men at Rock Island, you see. They brought their logs way down to Rock Island, and they all had big volumes to bring down through and if anybody else was in the way why it was just too bad, so they'd get all sorts of jams. They had

to get together to organize so that they could work this problem out, because billions of feet came down the Chippewa. Even compared to this day and generation of big figures, the volumes then were big. Lots of people were bringing logs out.

ERM: Give us a little picture of your grandfather as you remember him.

EGH: Well, he was a very strong character. He was a large man and well proportioned. When I knew him, of course, he had a big white beard and white mane. He was a very strong character-- I wouldn't say domineering but he knew what he wanted to do and he worked for it.

ERM: He never left anybody in doubt as to where he stood.

EGH: No, but otherwise he was quite soft spoken. He had great administrative ability. Later in his life he was made chairman of the commission that built the Capitol at Madison, the present Capitol, and I guess was selected because he was a very forthright, honest man whom they couldn't question on political influence, and he served on a number of other public things of that kind. But he had a great deal of character and a great deal of drive, but with it all he was very quiet and proceeded about his way.

ERM: And he had come originally, you say, from New York state?

EGH: Yes, he was an orphan, as a matter of fact. I don't know what happened to his father but his mother died rather early and that threw him on his own and he lived with some relative near Lake George up in New York state and at an early age had to go out and earn his own living. When he was very young, and I mean about twenty or twenty-one years old, he was running one or two sawmills there and operating them himself for other people.

ERM: On Lake George?

EGH: Near Lake George. In New York state. And then he was a very good millwright and a very good constructor of mills. Then he went into Canada up in the Gatineau River area.

ERM: For whom did he work in these various jobs?

EGH: The Canadian concern was the largest in Canada. They had their own boats, their own vessels in which they exported their lumber and he operated two or three mills for them when he was in his mid-twenties.

- ERM: Is this a matter of published record or is this only a matter of family knowledge?
- EGH: It's not public record. We have his memoirs and his life history which he wrote before he died, which is quite complete.
- ERM: How long a document is this?
- EGH: Oh, it's quite a little book.
- ERM: Is it printed as a book?
- EGH: Oh, yes. It's printed as a book. It's for private distribution.
- ERM: There is no widespread representation of this story in the library?
- EGH: No.
- ERM: How many copies were issued?
- EGH: I can't tell you that. I don't know. There are very few left and I have one and some of the rest of the family have copies but it was a very limited copy. And then there was a little pamphlet of his letters which were written during the 1860s when he was manufacturing lumber in Eau Claire and rafting it down the Chippewa to the Mississippi and down the Mississippi as far as St. Louis. He sold the lumber and his partner ran the mill and the woods when he was gone. They ran these rafts down, you see, because there was no railroad to Eau Claire at that time.
- ERM: This was an operation in which he was associated with Dulaney, wasn't it?
- EGH: That came out of this. That came out of this rafting of the logs. When he took them down the river he ran into Dulaney's at Hannibal [Missouri]. And Major Day was another one down there and he became associated in connection with their retail yards.
- ERM: And the Empire Lumber Company had a string of yards through Iowa and Missouri and Nebraska.
- EGH: That's right. And that's when he became associated with them. In fact that picture there is a picture of his two mills at Eau Claire and these are the rafts. They were getting ready to be sent down

the river. That was made about Civil War time, I think, or a little bit later, and he rafted it down until the railroad came in and then gradually gave up the rafting.

ERM: Do you recall whether he had much to say in this memoir about the role of his company during the Civil War?

EGH: He mentions the Civil War a good many times but he doesn't connect it up at all with the business.

ERM: No reference to supplying the war needs?

EGH: No. None that I remember.

ERM: Yet there must have been quite a little. . .

EGH: Quite a little of that, yes, although I think quite a bit of the lumber then was derived from the eastern states. They were still cutting in Pennsylvania and through that country which was a good deal more accessible to the war operations than Wisconsin was because it was a long carry, and they didn't have the road facilities.

ERM: Except there was the river.

EGH: Yes, they could have taken it down there. That's right. But there was very little mention of that strangely enough. He did mention the fact that before Senator Douglas had his debate with Lincoln down in Illinois, that he was on the boat in which Douglas was going down to this debate and he was tempted to go over and hear the debate but he had to sell some lumber and he was always sorry he hadn't gone. That was one of the few references he made to the war strangely enough. I don't know why.

ERM: Are there any old letters, books of original entry, or things of that kind of the early company operations still in existence?

EGH: Yes, there's quite a record and there's a very good record of all the papers of the Empire Lumber Company in Eau Claire--that's the Eau Claire Empire Company as differentiated from the Empire Company down in Winona. They finally had a mill down there. All of those records were given to the Wisconsin Historical Society and there has been a published book of his letters because he goes into intimate details of transaction of selling this lumber back

in the Civil War time. And a couple of years ago I found that this had been given to them and I found that it had been very carefully catalogued and used extensively. You notice in the white pine books on the white pine industry in Wisconsin there are references to the Ingram letters.

ERM: Right and I think they were used to some extent in the Hidy books.

EGH: In the Hidy books, yes. He used those extensively.

ERM: I'm pleased to know that.

EGH: I think there should be a copy made and I'll let you take this little book of his--his memoirs. I presume that is available in the Wisconsin Historical Society in connection with those papers, so I think it's available to anybody.

ERM: Well, now tell me a little bit more about your grandfather Ingram if you can. Was he involved in the affairs of his community beyond his involvement as a manufacturer of lumber?

EGH: Well, he was and he wasn't. He was quite a lone operator but he was quite a religious man. He was a Congregationalist. He was a member of the American Board of Foreign Missions, I think it was called, which was quite an organization in those times. He gave generously to Ripon College in Wisconsin and he also gave a church in memorial to one of his sons in Washington, D.C. I think it's still there; Ingram Memorial Church. So he was quite active in at least supporting the church. I remember my mother used to tell a story. He was made a deacon in the church; the Congregational Church, and my grandmother said, "Why, Henry," she said, "I'm not so sure that you're qualified to be a deacon of the church." Of course, it made quite an impression on me at that time. But he supported that and also community affairs; he was quite generous in the local area. I remember one incident. There was a tornado on the edge of Eau Claire. It blew a lot of barns down and so forth and he went out to see what he could do to help out. He had a special farmer out there that he knew particularly well and when he came back the man said, "Well, Mr. Ingram, what did you find?" He said, "They're in a bad situation but there are many people here who want to help and they're sorry for them." The farmer said, "How sorry are they? I haven't seen very many of them out there." Grandfather was always helping out somebody. So in a general way he was quite a dominant character and it naturally affected the family.

- ERM: What was your grandmother Ingram like?
- EGH: She was a very quiet person but a very strong personality, but she was not very well during my time--when I came along. I remember her very distinctly--she was extremely quiet and rather reserved and didn't take part very much in public at any time.
- ERM: Was she from Wisconsin?
- EGH: She came from New York state. That's where they met, you see, and then they were married and he went into Canada. Then she came west with him and ran the boardinghouse when they started the mill in Eau Claire. She ran the boardinghouse and fed the men while he built the mill. So it was really pioneering.
- ERM: What part did the next generation of the family play in this development of the forest industries?
- EGH: My father [Edmund S. Hayes] was a doctor and came out to Eau Claire in the 1880s from Harvard Medical School and practiced in Eau Claire until 1930, a good many years. He was one of the early surgeons in Eau Claire and had quite a large practice. Of course, in those days they weren't specialists; they'd do a little surgery and practice a little internal medicine and do a little bit of everything. They were family doctors and he was a very able physician but took a great deal of interest in business. Later, before my grandfather died, he was officer in the O. H. Ingram Company which was a holding company, a family company. He was an officer in that for many years and had good judgment. Contrary to the usual feeling about doctors, he had business judgment and could handle his affairs very well. So he became involved in these companies. He was an officer in some of them in later days when he was not as active in his practice. Then C. H. Ingram, Charles Ingram's father, was the oldest son and he died when he was quite young. E. B. Ingram was the next son and he was sort of an assistant to O. H. Ingram during his life. He operated a shingle mill for a while in Eau Claire, but he gave over more of his time looking after the affairs of the family and helping out his father. And this is about the extent of that next generation.
- ERM: Your mother was part of that generation.
- EGH: My mother was a part of that generation, yes.
- ERM: Were there other daughters in the family?

- EGH: Yes, there was another daughter, Fannie, and she married a man who lived in Chicago. She never became very active in the family; in fact she died quite early and that was the extent of the family.
- ERM: There were two sons and two daughters.
- EGH: Two sons and two daughters, yes.
- ERM: You mentioned your grandfather built a memorial to one of his sons in Washington, D. C.
- EGH: I don't know. I think it was the daughter that the memorial was made to. I'm not sure. I don't remember really but I think it was to the daughter who died rather young.*
- ERM: Why in Washington D. C.? Was there some association?
- EGH: Yes, there was a minister who lived in Eau Claire who was quite a strong character and he finally got a parsonage in Washington, D. C. He had a good deal of influence with my grandfather and I guess like all communities, they were stretching out and needed another church so he prevailed on him to build this memorial church. Grandfather didn't have any special connection with Washington.
- ERM: The family's interest in lumbering and the industry moved with the transcontinental migration of the industries generally from the Lake States to other sections of the country. Can you give us a little outline of how that began to develop and what the family's role was?
- EGH: Well, along in the 1890s, I would say, a great many lumbermen in northern Wisconsin were thinking about moving to new places. They could see the elimination of those forests at the rate of production and so they started to look for other fields to conquer. I ran across a picture last year; I wish I had it to show to you. It's a picture of Mr. Weyerhaeuser and my grandfather and Mr. R. B. White of Kansas City, and I don't know who else--a whole crowd of them. They were in Jacksonville, Florida on a trip looking at southern operations, and it described the big party the Jacksonville

*The memorial in Washington, D.C. was for the son, Charles, and a similar gift was made to a church in Boise, Idaho when the daughter, Fannie, died in 1895. See Downriver: Orrin H. Ingram and the Empire Lumber Company, Charles E. Twining (Madison, Wisconsin: The State Historical Society of Wisconsin, 1975), p. 288.

people gave them and how much champagne was consumed. It was quite a party I guess. Well, they were down there looking for southern pine properties. The article tells about it. I'll give you a pamphlet I made up on it and the picture.

Then at the same time, in the late nineties, is when Mr. Frederick Weyerhaeuser negotiated the purchase of the Northern Pacific lands on the Pacific coast. And the story I heard at the time, and I'm sure you've heard it, was that he offered to his associates a certain proportion of stock which most of them took up, and my grandfather was one of the twelve or fifteen original stockholders in the company. He was not an officer of the company. His son, C. H. Ingram, Charley Ingram's father was one of the original incorporators representing his father. Phil Weyerhaeuser's father one time wrote out in pencil the original incorporators of the company and I've not been able to find it. I'm sorry because it was a very interesting document, but we have a record showing the original incorporators. So Mr. Ingram at that time decided to put his line in there. At the same time he was offered a participation in the Potlatch Idaho operation. The Weyerhaeusers were moving at the same time not only here but into the Inland Empire.

ERM: Edward Rutledge, the Boise gang?

EGH: The whole group of operations.

ERM: Humbird?

EGH: Right, and those offerings were made to Mr. Ingram at that time and he said, "I think they will not be very profitable and I would prefer to be in lumber where it has good access to water transportation," and he declined and did not go into any of the inland operations.

ERM: He made a wise decision.

EGH: He made a wise decision because it was years and years and years ahead. They put a lot of money in there and you know the story. So he chose the South but he did not go into the operations in the South with the Weyerhaeusers. He became associated with Captain White.

ERM: White, Delaney, Pettibone, Fisher.

- EGH: The White, Delaney, Pettibone, Fisher crowd and as it turned out they were money-makers and I think he was very shrewd.
- ERM: The Louisiana Central, the Louisiana Long Leaf.
- EGH: Yes, he was one of the original members of the Louisiana Central and Louisiana Long Leaf and you know that's just been sold, and we've had somebody on the board of that since it started.
- ERM: Do you still have any influence there on that?
- EGH: Well, I was a director of the company, of the Louisiana Long Leaf. John Loche, O. D. Fisher's son-in-law was a very influential fellow on the 4-L [Louisiana Long Leaf Lumber Company] board up to the time it was sold here a few months ago; Raymond White was not as active. Their family did not have as much stock in 4-L as they did in Louisiana Central. Captain White was a very dominant influence in the Louisiana Central but the Fisher family and the Delaneys were more active in the 4-L.
- ERM: We did a lot to encourage a biographical study of Captain White a few years ago. We had a Ph. D. candidate at Missouri, John Galloway, working on it and he did a very creditable job.* As a matter of fact we published an article based on that study in our magazine.**
- EGH: Well, isn't that interesting. I'm glad to hear that.
- ERM: Then I was up at Sea Rest last year and talked with O. D. Fisher and tape-recorded it. But when it came down to the pointed specific questions, he just couldn't quite seem to grapple with it. I think if we'd gotten to him a few years earlier we'd have had something.
- EGH: You would have if you'd had a long enough tape. He was quite a storyteller. A wonderful man, though. He was very able.

*John A. Galloway, "John Barber White: Lumberman." Ph. D. dissertation, University of Missouri, 1961.

**John A. Galloway, "John Barber White and the Conservation Dilemma." Forest History 5 (Winter 1962), 9-16.

- ERM: I'm sure he was or he couldn't have made the great success that he did in so many different fields.
- EGH: He had a tremendous faculty to comprehend things, and had a great determination. As a matter of fact that whole sustained-yield setup at the 4-L at Fisher was due to O. D. I remember he came down here many years ago and he heard John Watzek was going to be here and he knew John had been interested in the Crossett. Crossett was getting a great deal of credit, as they should have, for what they'd been doing in forestry--this was early days, about thirty years ago, maybe twenty years ago--but anyway, O. D. wanted to get Fisher in the sustained-yield business, which he did, and when he died, when the property was turned over to Boise, it was one of the best little sustained-yield units--about 115 thousand acres in splendid condition. And they were building their production up every year and were up to about 20 million a year of sustained yield.
- ERM: Well, they were wise enough not to sell. They hung on.
- EGH: And Louisiana Central sold.
- ERM: They sold right at the wrong time. If they'd hung on another five years they'd have been in the chips.
- EGH: O. D. never forgot that. He always rubbed it in to the Whites: "Biggest mistake you ever made," which was true.
- ERM: O. D. Fisher is a rather unique personality in the whole picture of Weyerhaeuser and the lumber industry in general. I wish you would summarize what you think his part has been, first of all in the Weyerhaeuser story and then more specifically what his role has been on the broader front of the forest industry. I ask you this because I haven't any confidence in O. D.'s representation of this as I milked it out of him in an oral history interview, and everytime I mention the fact to any members of your board, I get the same chuckle because evidently O. D. was famous for this.
- EGH: Oh, yes. You had to winnow an awful lot of material out of him. Well, as I get the picture, Elwood, O. D. was in many, many different ventures, as you know. He was primarily a farmer back in Missouri. I don't know what year, but they came out in the early 1900s, I think it was. O. D. was a man of tremendous abilities and he wanted new fields to conquer. As I put the thing together, he came to Seattle and established the Fisher Flour Mills. I think that was pretty early in the century and he carried on a friendship with George S. Long. They were kind of two of the same characters, big builders--

and this is entirely assumed by me, but I rather put it together that he valued his association with George S. Long higher than any other thing that he had. And then I think that they were making money with the southern operation, the so-called White Mills.

ERM: At Grandin.

EGH: At Grandin, Missouri, and then they had another operation at Grandin in a mining company. They must have had accumulated profits that they wanted to reinvest and I think this flour mill was one of them. Then they kept doing pretty well in the South and O. D., I think, thought that there was an opportunity of investing in timber. I think he must have been one of the initial organizers of the Grandin Coast Lumber Company.

ERM: He represented the Grandin interests and they actually assigned him the role of finding investment opportunities.

EGH: I'm sure of that. But, in any event, I think he went to Mr. Long and got a great deal of information on timber, on fir timber, in this whole northwest area and eventually acquired the holdings of the Grandin Coast Lumber Company which were extremely well selected in fine timber. They were intermingled with the Weyerhaeuser holdings in the same area.

ERM: Snoqualmie Falls.

EGH: Snoqualmie Falls Lumber Company, yes, and that eventually, as you know, was merged between Snoqualmie Falls and Weyerhaeuser and Grandin Coast interests. That was in the thirties or early forties or somewhere along in there. Well, in the meantime I think O. D. had been looking for other timber. I know many times he mentioned going into the Willamette Valley and seeing great vast areas of defective timber and it was the only time I ever knew that he didn't use good judgment because he didn't see some of the good trees that were intermingled with the defective. I often heard him tell the story about seeing the white butterflies flying around and laying eggs in these trees. But he never, as I remember, recommended any purchases of timber down in this area and this later on was a good place to buy. So his primary involvement with Weyerhaeuser up there was with the Grandin Coast. Then they were merged and then O. D. Fisher was put on the board of Weyerhaeuser after the merger representing the so-called White, Grandin Coast people. He was always a great booster for Weyerhaeuser and it was largely due to his contacts with George S. Long. That's the story as I put it together.

- ERM: What was his role in the General Insurance Company that handled the difficult job of providing insurance for the companies in the industry?
- EGH: It started off in the beginning with a very successful operation in that they had selected risks in the lumber business--including the Weyerhaeuser mills--and then they branched out into many other things. He was chairman of the board almost up to his death.
- ERM: I have the feeling that here again was a venture that got its impetus from the mind of George S. Long, however.
- EGH: Yes, they were working very closely on it. I wouldn't be surprised if that was true.
- ERM: What if any was the relationship between this enterprise and industry insurance and the Epperson firm in the Kansas City area?
- EGH: Epperson, Rank & Benedict.
- ERM: Was there any relationship there between these two ventures?
- EGH: Not that I know of.
- ERM: That one also focused on the underwriting of the industry.
- EGH: Yes, but it's a different type of insurance. I mean, it's a reciprocal insurance; well, it's almost more than a mutual. They were stockholders almost in it and I think the General is more of an individual insurance company. It takes the risk and it's not a mutual or a reciprocal type. I know the General was very critical of the Epperson group. I think they were. They didn't approve of that kind of insurance, but the Epperson was very successful. Raymond White is a member of that.
- ERM: My old friend Bob Slaughter is still very active also in the General. Can you tell us any stories or anecdotes about O. D. Fisher that you recall from your years of associating with him on the board and social events and things of that kind?
- EGH: Well, O. D. took great pride in his ability to pitch 50-cent pieces or quarters at a crack in the floor. Did you ever know that?
- ERM: No.

EGH: And he was adept at it. He could pitch a 50-cent piece at a crack in the floor or something on the rug and he would always get all of his associates to compete with him much to their disadvantage because O. D. practiced and he always was pitching these quarters.

Well, I don't know; you know O. D. and his characteristics. He was a great detail man, had almost complete recall. He could remember every detail of what happened thirty or forty years ago. He was amazing in that way. He had great ability and great stick-to-itiveness. If he had a program, boy, everything he had was put into it.

ERM: He believed very strongly in extrasensory perception. He related to me last summer a number of incidents in his own life which he held forth as being clear examples.

EGH: I wouldn't be surprised.

ERM: Is this something he ever mentioned to you?

EGH: No, he never mentioned that. I'm interested in what you say. I remember one time we went by a Methodist church in Seattle and he said, "Well, I'm not a very good church believer but I support that church; I'm a member." But he was a man of high principles. Undoubtedly this was a kind of an outlet for him, and I don't doubt he believed it.

ERM: Well, now, going back to your own career and life, Ed, you were educated in the secondary schools of Eau Claire, Wisconsin and then you went on to school. . . .

EGH: I went on to Phillips Academy, Andover [Massachusetts] for two years and then I went to Princeton and then the war came along. I was in the class of 1918, and in 1917 I went into the army and came back in '18 and got my degree and then went to the Harvard Business School.

ERM: What were you particularly interested in college when you first went?

EGH: I don't think I had any particular idea of what I wanted to do. I took political science and economics in college and then I went in the army and when I came out I decided I wanted to go to the Yale Forestry School and I went up there a few months after the Armistice. Fortunately I got out quickly because they were discharging everybody

and I was in a training group down in Georgia. So I went up and talked with a professor about entering the Yale Forestry School and I had a feeling that what they had to offer wasn't what I wanted. It was a little too academic; I wanted a little more practical approach. So I heard that the Harvard School of Business Administration was organizing a course in lumber which they did in about 1919 or 1920. And I went up there and talked with them and they said yes, they were organizing this course and they would be glad to have me come. They were much more receptive to applicants then than they are now. It was easy to get in to the Harvard Business School. That was in the early days, in 1920. I think it was organized in 1912 or '14. So I decided to take a year and I enrolled that year in 1919. The course in lumber was not successful. They gave it up after a year. They had a course in lumbering, I think they called it, but it didn't amount to much and I could see it wasn't very fundamental. But I did take a good many courses in accounting and in economics and other things that they had to offer and it was a very profitable year I found.

ERM: Was there one professor that in your college years most profoundly influenced you?

EGH: Oh, I can't say any of them, Elwood.

ERM: No one stands out?

EGH: No. No one in particular.

ERM: What were your other interests in college? What were your extra-curricular activities?

EGH: I didn't get too busy. I rowed on the crew for a while and then I had scarlet fever and I had to give that up and I was in the gun club and a few other things of that kind--I wouldn't say too active.

ERM: What did you do in your summers?

EGH: While I was at Princeton in 1916 I was up in the logging survey of northern Minnesota that I told you about and then I came back and worked in the New Dells Lumber Company one summer in between in Eau Claire.

ERM: The New Dells?

- EGH: The New Dells Lumber Company; the last operation in Eau Claire, as a matter of fact.
- ERM: Of the Ingram group.
- EGH: Yes.
- ERM: What was your work?
- EGH: I worked in the yard piling lumber and just as an ordinary hand, which was good. That was before I went to Harvard Business School.
- ERM: This prompts me to inquire as to the philosophy that has guided your family and the Weyerhaeusers in this matter of the education of succeeding generations. To me there seems to be a really thoughtfully conceived concept of education for the future within the family group. Is that true or am I seeing something that is not there?
- EGH: I don't think it was thought out in any direct way.
- ERM: I mean consciously.
- EGH: No, I think most all of our family were brought up in the atmosphere of the lumber business and it was an attractive business. It had a little romance to it, the woods operation and so forth and so on. Charley Ingram, for instance; I think he drifted into it the same way I did; his family had been in it. But I never remember any encouragement on the part of my father or my grandfather or anybody else to go in the lumber business.
- ERM: No encouragement.
- EGH: No encouragement at all that I remember. It was more or less you can do what you see fit. "If you want to go into the business, well all right, we'll give you a chance; but you've got to start at the bottom."
- ERM: Well, there you have at least the start of a philosophy: You don't give anybody a job on a silver platter.
- EGH: Not at all. I went up and had to get a job at the New Dells Lumber Company. I got a job in the yard piling lumber but there was no preconceived idea that I was going to be trained as a lumberman or anything like that. I was just taking my chances like anybody else.

- ERM: One of the classic things about this group which included your family, the Mussers, the Weyerhaeusers, is that somehow or other you keep producing generation after generation of very high quality leadership and business acumen. This is not typical of the broad sweep of business across the country. Do I make myself clear?
- EGH: Yes.
- ERM: Do you have any idea of why this is so?
- EGH: I think it goes back to the family background. I think in our family, Mr. Ingram for instance and my father, it was the character. I think they were trying to instill that into the children and the grandchildren more than any idea that they were going on in the lumber business. I think the character element was predominant.
- ERM: This certainly has been a factor in other great families of American business enterprise where there has been strong character in one generation and then it seems to just wash away in the next. In some instances it will never revitalize and in some cases it will come bounding back a generation or two later. But there is this stability that is quite interesting as a phenomenon that I think that historians can't help but notice in those companies. Now, I wonder why that is.
- EGH: Well, I have the feeling that it was more the idea that they were trying to train their children in the fundamentals of life. They wanted great emphasis on the basis that you had to make your own way, that you weren't going to get any special privileges. For instance, in the Weyerhaeuser family, I'm sure that was true. Bill and Fred and all the rest of them worked in the summer, and they worked at ordinary jobs. There wasn't any preference given them at all.
- ERM: And if they have ability and demonstrate talent they are brought along.
- EGH: They are brought along.
- ERM: If they do not, they are put out to pasture.
- EGH: That's right. That may have been a preconceived plan on the part of our ancestors. I don't know. They may have had a settled idea, but I think it was pretty effective.
- ERM: Well, I'm not trying to pry into family secrets at all but this is an observation that I have made myself.

- EGH: As a matter of fact, I have never thought much about it.
- ERM: No, I dare say you wouldn't have. I dare say it's perhaps something that the Weyerhaeusers don't consciously think a lot about, and yet I wonder sometimes whether they don't think long and hard about this because they've had such an amazing success, one generation after another, raising up people within their own family to be high quality leaders.
- EGH: Well, I think in the Weyerhaeuser family, once they knew that somebody was going ahead in the business, then I think they took a real interest in directing them. John Weyerhaeuser, for instance, who was put in charge of Nebagomon at an early age.
- ERM: Fred and Phil's father.
- EGH: Fred and Phil's father. Charley Weyerhaeuser's son didn't take particularly to the business. He was a good boy, but John Weyerhaeuser's family--Fred and Phil--were very influential and successful in the business. F. E.'s boys came along and became very active. F. E. Weyerhaeuser was his father's right hand man for many years. He was the youngest son.
- ERM: It was F. E. who wrote quite a considerable memoir.
- EGH: Oh, yes, he left quite a record. He was quite historically conscious.
- ERM: Well, it was F. E. really who was initially responsible for the start of the Forest History Foundation which the Society is an outgrowth of.
- EGH: I'm sure of that.
- ERM: And, of course, F. E. died within a matter of months after having evidenced his interest in preserving the history of the industry of the Lake States area. Then it was Fred K. who came on to assume what I must believe is the kind of a leadership of the family group which F. E. held before. F. K., I think, was probably more responsible for the sustained and serious effort to deal with the history of this industry than any other one man.
- EGH: I'm sure of that.
- ERM: And I think that's a great credit to him. He really has had the stamina to last it out against all kinds of discouragement because it's been a hard road to say with an idea like this.

EGH: Exactly.

ERM: He's come to bat on this thing in many ways, not just financially, but it's a matter of personal integrity and prestige he's put on the line that makes the difference.

EGH: He's held it together, as you say, through hard going. He certainly has.

ERM: Well, you've seen a lot of these people in your lifetime and some of them you've been very close to. For instance, I think you could supply us with a lot of useful information about such men as Phil Weyerhaeuser, Fred Weyerhaeuser and other men you've been associated with in the management of the company: Bob Noyes, Dave Mason, Thornton Munger--not just necessarily people within the company or within the field but outside of it too throughout the many-faceted forest-related community.

ERM: Let's get back to your early career.

EGH: I came out here in 1920 in the spring right after Harvard Business School. I decided to come out West and get a job in the lumber business. Well, when I came out, I went to George S. Long and he was very helpful. He said, "Well, Fred K. Weyerhaeuser and Philip Weyerhaeuser are coming out this year and we'll see what we can do to give you jobs in the business so you can learn something about it." Well, as a matter of fact, I went to work right away as a compassman with Weyerhaeuser, check cruising the Long-Bell purchase. That was when Long-Bell was making their first purchase out here and our job that first year was check cruising the timber which was being sold to Long-Bell.

ERM: That was over in southern Washington.

EGH: Yes, that was up around Centralia and Chehalis and southwest of there. That was their main purchase; that big tract around Boistfort Peak and it was a wonderful stand of timber. It was the heart of the best timber they had.

ERM: Why was this sale made to them? Have you any idea?

EGH: Well, I think that at that time Mr. Long felt that they had great reserves of timber and that it was quite necessary to get them in operation, and conceivably at that time they had enough to back up

most of their main operations. They had a vast amount of timber around Longview and, although the Longview operation was not in existence at that time, Long-Bell proposed to build a mill there. I rather think perhaps he was farsighted enough to see that it was a good thing to have some good strong operations out here and he felt that those people knew their business. The Weyerhaeusers had enough timber to give them an interest out here and a foothold, and therefore they decided to sell it. As a matter of fact, in later developments, Long-Bell got into financial difficulty and Weyerhaeuser took back a large part of the timber they'd sold them in the twenties, and I think it was the most fortunate takeback that was ever made because as events have turned out, these stands have become scarce and that was a very valuable adjunct to the Longview operation and to the Willapa Harbor operation.

ERM: Was the takeback based upon a failure on Long-Bell's part to meet debts it had to Weyerhaeuser?

EGH: They had, of course, a tremendous obligation to pay for this timber and they found themselves in a position where it was impossible to do it without going to the wall. In order to get one of their biggest obligations out of the way, they were willing to turn back this timber. And do you remember the name of the Long-Bell man from Kansas City?

ERM: Oh, I know who you mean.

EGH: His name slips me, but I heard him say one time down at Longview after this timber was taken back that it was the greatest help they had in relieving them of a tremendous liability and allowed them to live. He told some of the group down at Longview that and said he would always be appreciative of the way Weyerhaeuser did not press their advantage at that time but took back the timber they'd sold them and called it a day. I remember at the time I felt like saying, "Well, it was a blessing in disguise that we took the timber back because it turned out later that it was a very valuable asset," and, of course, as I recall it, the sales to Long-Bell were around three dollars a thousand. I think that's about what they paid for it. I may be wrong.

ERM: And that timber had appreciated in its value considerably by the time you took it back?

EGH: Well, no, I would say not, Elwood. Prices were still depressed.

- ERM: It wasn't until afterwards.
- EGH: It wasn't until afterwards the surge started.
- ERM: Not until the war actually gave a boost.
- EGH: That's right; then they started up. Because in the early thirties, Bob Noyes and I bought from Booth-Kelly Lumber Company a considerable stand around Row River at a price of \$1.50 on a long-term commitment and that was in about 1937. But they were given a 50 percent interest in the property to be made in the cutting of that timber so there was another aspect to having those stumpage prices. The stumpage prices, as you say, did not start to really come up from the Depression period until the late thirties when you felt the groundswell of the Second World War. Then they started to come up and went up very sharply after the war. So going back to the group that came out here in 1920, Fred and Phil and George Long, Jr. and myself were sent out on different assignments. They called it the George Long school.
- ERM: Was Fritz Jewitt a part of that, too?
- EGH: Well, he was and he wasn't. He was over in a different operating area, you see. He was over in the Inland Empire, and all of our group were in the fir, and Fritz was going through the same process over with Edward Rutledge.
- ERM: Was Charley Ingram a part of this group?
- EGH: No, Charley was considerably ahead of us. I think he graduated from Dartmouth in about 1916. He came out here and went to Everett first, as I remember, and worked right up from the bottom. There was an interlude when he went up on Vancouver Island to Beaver Cove with another group of people that owned a bunch of timber there but he was only up there about two years and then he came back to Weyerhaeuser, and when we came out here, Charley was assistant manager at Snoqualmie Falls under Rod Titcomb.
- ERM: He had actually come in in the prewar rush and you came in after the military involvement.
- EGH: Right.
- ERM: All you fellows were caught up in the military, weren't you?
- EGH: Yes, and Charley was ahead of that, so he was pretty well established when we came out here. He was assistant manager of Snoqualmie Falls.

- ERM: While you were still shuffling lumber in the yard.
- EGH: That's right. We went up to Snoqualmie Falls and Fred was assistant sales manager to Sam Johns, I was purchasing agent at Snoqualmie Falls, and Phil had meantime been sent over to Rutledge. And then from Rutledge he went down to Lewiston and was president of Potlatch.
- ERM: And then he went to Tacoma.
- EGH: Right. Phil came from Lewiston to Tacoma to take the presidency of the Weyerhaeuser Company. Those dates I don't remember exactly but they're in the book. So we were spread out. Then in about 1926 I was sent back to Minneapolis to get some sales experience. Fred was there as regional manager in Minneapolis. Very shortly after that my father was severely ill and I went back to Eau Claire for two years. I had to leave Weyerhaeuser to go back and help in the family affairs. In 1928 I came back to Portland and that's when I started on my own.
- ERM: What was your affiliation with the company at that time?
- EGH: No affiliation.
- ERM: No affiliation?
- EGH: I came back here and started all over again and that's when I went out and got a contract to cut the timber over at Clackamas and built the Clackamas Fir Lumber Company in 1928.
- ERM: Was that entirely your own operation?
- EGH: That was my own operation entirely.
- ERM: And how long were you involved in that?
- EGH: Ten years. In 1938 I joined with Bob Noyes and we went down and we cut out the timber at Clackamas and we made a purchase at Row River from Booth-Kelly and we ran that from 1938 to 1948 for ten years. Then we sold out the timber we had left and the sawmill to Booth-Kelly. In the meantime I'd been made a director of Weyerhaeuser. I had become quite active in the West Coast Lumbermen's Association and served as president during about 1935 or '36 and that's when I came into very close contact with Bill Greeley, with the colonel.

ERM: Those were tough years to be president of a trade association.

EGH: They sure were.

ERM: You didn't pick out very good years, Ed.

EGH: No, I didn't. I guess I was the goat. But I was awfully interested even then in the forestry end of it and was involved in the formation of the Willamette Valley Tree Farm which really was the first tree farm.

ERM: It pre-dated by four or five years the Clemons Tree Farm?

EGH: That's right. And we organized the Willamette Valley Tree Farm of about five or six operations in the valley. We were one of the first tree farm areas.

ERM: When you talk about the origins of the tree farm movement, it's rather difficult to say this was the first. I'm immensely suspicious of historical firsts because you start prowling around in the documentary record and other records and you almost certainly find an evidence that something else was happening a little before it.

EGH: This is particularly true of the Bailey Amendment. You find a dozen people who claim to have originated the Bailey Amendment. O. D. will give you a dissertation on that. He said that started with the 4-L Lumber Company, and I think it did. They played a great part in it. The manager of 4-L was very active in the formation, with Dave Mason and all the others, of the Bailey Amendment. O. D. claims that they originated it, but many others claim it, too.

ERM: Who do you see as the father of that? Who would you assign the credit?

EGH: I think probably Dave Mason had the concept although I say that only from inference. It was a little bit before the time I was actively concerned with it, but it was taken up very rapidly by the southern group, the 4-L, and many others undoubtedly were involved in it; but as I read the history now, I think Dave had possibly the conception of it beforehand and had the technical knowledge to formulate it so that it could be put over. I think he had the stature of being a trained forester who knew and was a little bit more unbiased than the lumber group. Don't you think so?

ERM: What do you think has made this such a powerful influence in all functions of forest policy?

EGH: The dollar saving to the industry and also the fact that it was the greatest help in organizing a forest policy in the industry because it gave them the money to do it. I think many of the companies went into it on the basis that it was salvaging part of this stumpage they were liquidating, and I think at that time, the forest industry was not as forward thinking in their policy as they are today. I don't think they foresaw, perhaps, the full effect it might have on forestry development. But I think fellows like Dave Mason and others foresaw the implications of the results of the Bailey Amendment. In other words, the operators approached it from the practical point of view--that they should save some of their liquidation of profits by the Bailey Amendment and inferentially with it, of course, they could have more money available to hold their lands and to develop forest practices. But another man, I think, had a great effect in this. It's not telling you anything but it's Colonel Greeley. He fortunately came along. I'll never forget, I went over to the Benson Hotel here, I think it was in 1923, to a meeting of the lumbermen and Colonel Greeley had just come out. Wasn't that about the time that he connected up with the lumber industry?

ERM: No, he was connected up with the lumber industry in 1928 when he left the Forest Service; 1927 was when he was beginning to move.

EGH: Well, then it was 1927 because he was coming out to talk to them and tell them his ideas of what the lumber industry ought to do. He was a very impressive guy at that time, as you can imagine, and he was talking to us rough and tough. I always remember that meeting.

ERM: Here are two men who stand up very tall in the whole picture: Greeley and Mason, both of them products of forestry schools and of early professional experience in the U. S. Forest Service, yet quite different men in their own right and their own personal characteristics and methods of doing business and communicating with people. How would you describe the Colonel's methods of operation as compared with those of Dave Mason as you saw them functioning in the twenties and thirties?

EGH: Dave Mason at that time was in the forestry business for himself and he had large assignments from different companies including Weyerhaeuser. And who's the man associated with him that died quite early?

ERM: Stevens.

EGH: Carl Stevens. I believe he was the one who made the study of the Inland Empire for Weyerhaeuser and also did some work over here from a forestry point of view as I recall it, although I was not in touch with it at that time. They had very high regard for him.

To go back to Dave Mason, I was not closely connected, but I would say Dave was carrying on this forest consulting business and doing professional work for the companies. I was not aware of Dave's conception of a forestry program as it has developed but evidently he had it at that time. He was working quietly, as he does, and systematically in formulating these policies and analyses, trying to get the O and C timber off the market. The first thing I remember about Dave is during the Depression--you'd know the approximate date--when he was made secretary of the Western Pine Association.

ERM: 1931.

EGH: And I have often wondered why Dave was made secretary of the Western Pine Association at that time. I suppose his business had gone way down.

ERM: His consulting business was not particularly strong at that moment.

EGH: It might have been economics.

ERM: There was some strong dissatisfaction within the association over the management of the association and it was in rather tough financial shape. I believe Dave's father-in-law was also a rather active lumberman in the pine group and I think Dave had quite a wide acquaintance among key men in that group, perhaps enough that they saw him as a Moses come to take them out of the wilderness. This is my own analysis of it which derives from my reading of sources that have been made available to me. But I realize that it's a judgment that could be quite superficial.

EGH: Well, wasn't that the beginning, perhaps, of Dave's active appreciation of the fact that perhaps now was the time to push the greater activity in forest practices and forest policy, although he may have had it before?

ERM: I think he had the concept well before this time. I think he realized that the economics of the situation were now forcing people to start thinking along new lines.

EGH: It seemed to be sort of a turning point.

ERM: I think this is the time that the concept of self-regulation was being actively discussed. There was beginning to be a sense that there was something sick about the whole industry, the whole economy.

EGH: Yes, and attacks by the Forest Service. I remember as things were beginning to pick up in the thirties, we were really being given a going over by the Forest Service. They were saying we were spoilers of the forests and so forth, and the only answer was for the government to take over. I think that was very active at that time. Maybe it was a blessing in disguise because I think that that tremendous criticism of the industry, urged them on to a program, which they were eventually going to get, but perhaps got a little sooner because of this negative public relations campaign. That was the time, in the late thirties, that we established the tree farms, and I think that was the greatest thing we ever did because it took the wind out of Silcox and all the other boys who were so critical of the industry during the thirties. The amazing thing to me today, in connection with that, is that with the diminution of the forest resources out here, there is very little discussion of the Forest Service taking over the cutover land, so I think what the industry has done has been a great protection during this period, because we've got plenty of zealots who are in favor of doing this, I'm sure.

ERM: Well, there's a different climate of public opinion, and we're dealing with a much more sophisticated industry and management now. The industry has been consolidated to a great extent, which has been a healthy thing, I think, and the consolidation and the unification seems to go on steadily.

EGH: Well, it started in the thirties, right about in the Depression when things were starting up a little bit. I had to give the president's report for the annual report of the West Coast Lumbermen's Association (it was in 1935 or '36), and I stressed at that time that one of the most important things that the industry had to do was to develop a forestry policy because we were under fire. Not only that, the economics were upgoing on the horizon whereas in the period before, the economics were entirely against us. That was the initial point, in the mid-thirties, when they started to talk tree farms and all sorts of things that they hadn't even thought about before.

ERM: There's no doubt about it, they were pushed; we do a lot of things under the pressure of events that come at us. I'm curious to know what you feel Dave Mason's mystique is in all this. Back in the

twenties and thirties, the industry wasn't geared to this scientific, intellectual approach to a problem that Dave, in a sense, represents. There was still the aura of the old nineteenth-century rugged-individualist capitalist very much on the scene. How was it that a man like Dave cut such a swath?

EGH: Well, I think Dave did it very quietly. I don't think the industry was aware of his influence, at least I wasn't aware, except looking back on it.

ERM: You see it better in retrospect.

EGH: You see it better in retrospect than you did at the time. You were much more aware of what Colonel Greeley was doing because he was right out in front. The Colonel was a battler, and very vocal. He was trying to influence the industry, which he did to a very decided degree. So I think the industry and the public are much more aware of the Colonel's work than Dave's work. Dave was a quiet worker, and looking back on it, I think Dave did a great deal serving on the Bailey Committee and in serving on the Bureau of Land Management Advisory Committee. He took part quietly in these organizations which were trying to put this picture together. In the industry, of course, he was very close to the Colonel--I don't think they always agreed on how to accomplish it necessarily. I think perhaps the Colonel was a more direct action man, and Dave was more apt to work indirectly by influencing committee reports, and work of that kind. Isn't that right?

ERM: I think one observation I make in my analysis of Dave is that he is a man who always does his homework before he goes to a meeting. He has prepared himself for the discussion that is on the agenda. He has not only thought seriously about the problems that he knows are going to be discussed, but in most instances he has thought through and articulated for himself a plan of action that might provide a solution to the problem. Therefore, he comes to a meeting usually two or three jumps ahead of most of the other people who are there and throws upon the table something that people can get their teeth into right away. This is, I think, one of the things that has made him such a powerful force. And then also he has a capacity for patient, almost plodding devotion to educating people to an idea and driving on to its implementation. He never ceases to talk at every opportunity that presents itself on behalf of sustained yield, on tax reform, whatever is his prime concern, always gently but firmly laying the groundwork for what is to come. It's a less dramatic

story than the Greeley story, far less dramatic than the Pinchot, but when you add it all up, you wonder if perhaps it is not a story more profoundly important in the total picture of American forest history than any other.

EGH: I think you're right. It backs up what I'm trying to say.

ERM: And I love the Colonel dearly.

EGH: Oh, I do, too.

ERM: I think he was a great man and a very fine man.

EGH: Well, you needed "a Colonel" at that time because you had to have a fellow of action. He understood the operators and the operators, fortunately, I think, understood him and appreciated him and he did a great deal to influence them in forest practices and good trade relations and in many other things. He and Dave were men of entirely different characteristics and methods, but they complemented each other.

ERM: I think in a very real sense they understood and appreciated their differences: their different qualities, their different approach to things and were wise enough to say, Viva la difference.

EGH: That's right. Dave, too, had the advantage of being first of all a fine forester--one who understood the broad concepts of the application of forestry out here and, in addition, was carrying on their practical application for some of his clients. That was a wonderful combination to keep because, otherwise, you'd get some of these theoretical foresters soaring off into the blue. Dave was particularly valuable in keeping a practical approach because he was having to do it for his clients, in that period and on up to the present time. A fellow who has to figure the dollars and cents for somebody else approaches it in a different way than a fellow who is just regarding a scholarly theoretical story about forestry and its application.

ERM: You need that scholarly theoretical approach because in the long run it tends to spawn new ideas and get them launched, but many of them can't be practically applied.

EGH: That's right. Well, he was a great combination of both. He was on both sides of the street, at least that's the way I see the picture.

ERM: There's no doubt about it, he's one of the giants in this whole story and I hope I'll have the time to put together a book on his life. That's one of the things I would very much like to do.

- EGH: That would be a great contribution.
- ERM: And these interviews, of course, are grist for that and one of the ways of pulling together the information.
- EGH: Going back to the tree farm program, what year was the Clemons Tree Farm?
- ERM: I think it was 1941.
- EGH: 1941. I remember well one time I went up to Tacoma. Phil was turning it over in his mind. He said, "You know they want us to have a registered tree farm--what would you think of the Clemons tree farm area? We've got that thing pretty well set up on a long time basis. It's a lot of cutover and it's applicable to a tree farm setup although there's a lot of virgin timber left, and I'm thinking pretty seriously about saying, 'yes, we will have one of the tree farms registered under the program,' and it will be the first large industrial tree farm." Well, I was very much in favor of it, of course, because we'd been thinking about it and working parallel to it with the valley tree farms at several operations. "Well," he said, "it's quite a policy matter because when you go into that you want to go into it with the serious intent of carrying it out, and I don't know what the directors will think about that kind of a setup where you're saying what you're going to do and having to live up to it and so forth." So the net result of it was that they did go ahead, and I think it's been a great asset not only to the company but to the industry. It started out on a big project which they did at Clemons.
- ERM: Well, that, of course, would test whether or not a concept like that is genuinely put forward and practiced or whether it's just a window-dressing kind of public relations gesture. Some things are done for show and for temporary effect, but I think this one has proved its value.
- EGH: For a long time, you know, the industry's efforts were very severely criticized by the Forest Service and the conservationists as being pure window dressing that didn't amount to anything. You can hear that right now.
- ERM: And that has some basis of truth, because not all standards of tree farming are the same. It's pretty difficult to assign the same measure of serious intent and good results to some of the places that pose as tree farms.

EGH: That's right.

ERM: This happens when you get into a kind of a quantitative thing such as we have now where you're counting the number of tree farms and the number of acres involved, but it's not the quantity as much as the quality that really counts in the analysis of any program.

EGH: That's where Colonel Greeley did a good job. He kept emphasizing the fact that this was a serious business and that you didn't want to go into it unless you meant to perform.

ERM: What would you have to say about the change in the roles of trade association groups today compared with back in the thirties?

EGH: Well, I haven't been in touch with their activities enough in the last ten years to really comment accurately. I do feel that these larger corporate units do not get together the way they did when they were medium-size operations. We had a lot of them that were the main backbone of the industry.

ERM: Operations the size of what--Booth-Kelly?

EGH: Yes, Booth-Kelly, and oh, just any number of them down in the valley. They are practically gone.

ERM: That kind of operation has merged into the bigger ones, hasn't it?

EGH: Yes.

ERM: And the few that remain are joining the procession, too, as time goes on.

EGH: Well, the only way to get the price out of the log, the only way you have a chance, is to have complete integration. In the old days logs were cheap but now you've got to get every chip you can and the smaller operations haven't got the finances to install the necessary equipment. So it's going more and more that way.

ERM: How do you feel about increasing the allowable cut on the O and C Lands?

EGH: Again, I haven't been in touch with their methods and so forth, but I have a little feeling they are stretching these allowable cuts by new estimates of utilization and I wonder sometimes if they're really practical--I mean, if they take into consideration all the factors. The tendency is to cut as heavily as you can to substantiate sustained-yield cuts which are made on estimates of utilization. And every year

they raise it a little bit--the trees are growing faster, and they're going to do this, and they're going to do that, and so forth. I question it. I think they have to guard against getting too optimistic so they won't hit a time when the cut will have to be reduced because it's apparent that they aren't living up to those expectations. But the new foresters give you the song and dance about how we've been way underestimating our allowable cut, and timber grows a lot faster, and we're going to get superior trees, and fertilization is going to be very common, and all this is going to raise cut by a third. I think that's fine if they can do it, but I think the application of all those factors on a broad scale on the rough ground we've got out here is a problem. And of course, the biggest problem is taxation.

ERM: And then there are a lot of unpredictables; you never know when a heavy infestation or a big blowdown will materially alter the picture.

EGH: I think there's going to be real competition between different operating ideas--northwest fir, which is Washington, Oregon, northern California; the pine, the redwoods, the intermountain area which is a big one; the Rocky Mountain part of Canada up around Kamloops and through there. They're going to put the plants where they've got the wood basket and, talking over the years, they're going to have the wood basket where they can grow and harvest trees the cheapest.

ERM: Just as the southern states have become such a focus of capital investment.

EGH: Yes, they've been flocking into the South with plywood plants, pulp mills, and it's just amazing when you figure that country was cut out forty or fifty years ago. They came back wonderfully. But the markets are another thing. I think our people go to sleep out here. "This is the place to grow trees," and "This is the most productive area." They forget that we're miles and miles from markets and that lumber has to be taken around by boat through the canal or overland, whereas plywood from North Carolina, Mississippi, Louisiana, and in through there, has a short, almost truck haul to the marketing area. That's a big advantage. Time alone can tell.

ERM: Going back to those days right after World War I when you and Fred K. and Phil and one or two others were getting started in the business out here. Could you tell me a little bit about this relationship that you've had with this group of men over the years and perhaps cast a little light on the personalities in each of these men. Phil, for example, has been a very important figure in the whole history of the forest industries in this country.

EGH: Well, I was associated with Phil from 1921 or '22 when we were down in Grays Harbor, and then for two years, I think, before he went from there to Edward Rutledge. Then he went to Potlatch Forest Products and then to Tacoma. I didn't catch up with Phil until he got back to Tacoma. I was made a director in about 1946, right after the war, and so from 1946 on I came in quite close contact with Phil at board meetings and so forth. I was on my own, of course, but in a way I think he kind of liked it because I was in association work, and I could report to him what was going on outside of the Weyerhaeuser domain, and he was always very interested. He had a great feeling that the Timber Company, especially the West Coast, should be very careful in association activities, not to be dominating. He wanted to have his small mills feel completely free and not controlled by what was good for Weyerhaeuser. He bent over backwards that way in things about lumber standards, lumber sizes, fire protection, perhaps not fire protection because they usually carried that on on a separate basis. He was strong for association work but he did not want Weyerhaeuser dominant in it, and I think that was very constructive. The industry appreciated it, and as a result, I think the influence was much greater than it would have been if they had said, "Well, we want it this way" and, "we have such a percentage of the cut" and, "do it that way."

ERM: He was not a man to throw his weight around.

EGH: No, not at all. He was very judicious in his handling of things and in his relationships with the outside. He had a great faculty for talking with his branch managers and his department heads and was very considerate of their opinions. He was a great listener; he was not a talker. He took a lot in, and I think as a result, the men poured out their ideas of how things out to be run. If he found anybody was not doing a good job, Phil would make sure that fellow was shifted to another position. He was aware of weaknesses in the organization and corrected them before they got severe. He was a very farsighted man and a very quiet man but had lots of drive inside. He was pushing all the time and getting good people here.

I remember one time he went down to Longview shortly after the war--about 1946, I guess, or '47. Howard Morgan of the pulp division had just come on; he'd come from Michigan. (Howard just retired this last year and he built up the pulp division greatly.) Well, Phil said one day, "I guess I'll go down to Longview and meet Howard Morgan and we'll go out in the woods." So we all went out into woods at the Longview operation for the day or two, and he sauntered around. He did it very casually without much fanfare and without

many words but he didn't miss anything. He was keeping his eyes and ears open. He was a very quiet worker really but very strong in his opinions. Phil could be very outspoken when it was necessary and for that period in our history he was extremely good. I think sometimes you need a dynamic leader and sometimes you don't need one--you need a fellow that goes a little cautiously. I think Phil at that time was intensely interested in forestry. That intrigued him and he liked to think about it. He liked to plan for it and gave it great attention. But he didn't pull any punches when he came to expressing himself. He was very outspoken but he worked smoothly. There wasn't any big crisis and blow up and a lot of words and then quiet down and then blow up again. He was just a smooth operator.

ERM: His impact and influence were widely felt, of course, throughout the industry and this was always an indirect kind of thing, wasn't it? It was usually through the representatives of his company and these various organizations rather than in direct confrontation with others. He was not a man who made a lot of public speeches.

EGH: No, he hated to make speeches.

ERM: He was very seldom on the programs of associations and things of that kind. I cannot recall seeing his name on programs of a national meeting, for example.

EGH: Oh, no, he didn't do that at all, and he was somewhat criticized for that, that he didn't take leadership, but I think he did in another way. I think he did it by example. Later, before he died, he was making a few more speeches here in Oregon and Washington. I think he tried it out and he got a little pleasure out of it. He found out it wasn't as bad as he thought it was and so he did a little bit more as he was growing older. But ordinarily, he and Charley Ingram played their cards very close to the table, no fanfare, but the idea was, "We'll run a good company and run it as effectively as possible." Clyde Martin used to represent the company at many, many forestry meetings and association meetings. Phil felt that the other representatives are a little awed and they don't express themselves when the "big boy" is there, but they would with Clyde and all the other boys. They would perhaps shoot a little harder.

ERM: And you get a developing dialogue.

EGH: That's right. The first guys there were pretty cautious in their observations. They didn't want to get caught off base.

Another thing he did was to leave a great deal of the operation of the company to Charley Ingram. Charley was given pretty free reign in all operational matters in the mills and in the plants in the woods and so forth and, of course, Charley was a dedicated guy. That's all he did. He had no outside interests. He wanted no publicity and no speeches. He was strictly an operating man and there was a great liaison between Charley and Phil, a very close relationship. I think Phil trusted Charley and knew he'd tell him the facts of the thing, and Charley trusted Phil. It was a great team. It really was. Charley was a hard-driver; he ran a tight ship, which is a good thing in a big company, I think.

ERM: Is the modern-day big corporation such as Weyerhaeuser any different in its way of operating at the executive level than it was back in the time when Phil was president?

EGH: Oh, yes, the company is many times larger than it was then in its operation and sales and development work and the whole thing has changed.

ERM: And this greater complexity forces its own peculiar changes upon the methods of management.

EGH: That's right. I think all corporations have gone through that same change. They're departmentalized, they're centralized more--I think there's much more centralization than the industry realizes. I think computerizing and the technical bookkeeping of records all tends toward centralization. Some of that is good and it tends to take care of overhead expense which would be quite costly under the old setup. But I think it has to be watched and handled with discretion because I think inevitably it tends towards centralization and taking the initiative away from divisional units.

ERM: Then you stand the danger of losing things that develop from individual genius and initiative.

EGH: Yes, and I don't say it's planned by the organization; I think it's just inevitable in this progression that we're getting into. You've got to bring these things in and coordinate them more than you did in the past. In the coordination I think you lose something of the individuality and the resourcefulness of the department head or the division head or whoever it is who is running that show. For instance in marketing: in the old days our branches used to have centralized selling, but they also sold quite a little on the outside, and they were given a good deal more freedom as to the items that

were manufactured. Now that is centralized, and probably has to be. In other words, certain mills are told to cut things in a certain way; for distribution, what the customer wants, and so forth and so on. That is always a problem between manufacturing and marketing. Marketing division wants to buy lumber of a certain size and length and it's not economical for the mill to build it. You've got to get a compromise in there some way between the market and the operation. All these factors, and the increase in size, make it necessary to bring these units under strict control but, by the same token, that is the only reason the little operator can continue to live, because he's a very close cutter. He can cut corners and do a lot of things which the larger men can't. So there is always going to be a place for the small operator.

ERM: Then this industry is not going to become dominated so completely by a few mammoth corporations, in the same way that the oil industry is?

EGH: I'm not sure that it isn't, because operators have to carry huge inventories. If they're going to grow their trees, which they'll have to do to a certain extent, then they'll have to have vast resources to carry the taxes and the other expenses in land utilization, fire protection and everything else. So, I'm not at all sure that gradually the small operator isn't going to be forced out, because he can't afford to do those things. More and more he is tending to buy public timber and if he can make a fast buck, okay, and if he can't then, "Shut her down." So I think, to answer your question, gradually it's going to be in the large holdings; it has to be.

ERM: Yet you feel that the little operator will always be coming and going as the opportunity arises to jump into and out of the market.

What sort of a man was Phil Weyerhaeuser personally, in your observation of him? You spoke about some of his talents as a businessman; why don't you describe him as an individual.

EGH: He was a great family man, he had a great sense of humor, loved practical jokes.

ERM: A practical joker? Can you recall some of the practical jokes?

EGH: I don't know as I can remember any specific thing.

ERM: Did he ever pull any on you?

EGH: Oh, yes, he was always working on something and he'd get a sly smile on his face. He had a good sense of humor. He was a wonderful companion.

ERM: What did he enjoy doing, apart from business?

EGH: Well, Phil never played golf. He liked to fish, to a degree, and in later years he had a boat which he enjoyed very much. I took a trip with him once. Rather a small boat, only about forty-two or forty-five feet long. He ran it himself, did his own navigation, enjoyed it, and he was a good boatsman. And he used that for, oh I'd say, two years before he died. He just loved it, got a lot of fun out of it.

ERM: Phil was aware of his illness for some time before his death, was he not?

EGH: He evidently was, but he never told anybody about it. I didn't know until his last critical illness; he never mentioned it. He knew it for about two years. He was remarkable the way he carried on. He didn't let anybody know. His wife knew about it and family.

ERM: Tell me about the forestry people that you have seen and observed in your time, not only with Weyerhaeuser but in your own operation. You mentioned, of course, Greeley and Mason, and you referred briefly to Chapman.

EGH: I didn't know Chapman very well. You see he died very shortly after I came in the twenties, I think, and I saw him very little. He was a great man and I went on a couple of trips with him. He was a great fire protection man, you know. He was a great loss to the company when he died.

Clyde Martin was my public relations forester. He had been in India for a while. Clyde was a great one to look after the trade associations and the fire fighting protective associations. He was a past master at that. He knew the fundamentals of forestry but he was not what you'd call a high technical forester.

ERM: He wasn't a dirt forester.

EGH: No. He knew the principles and he knew the application to public relations and all that sort of thing. Of course, Minot Davis was a great timber man. Did you ever hear of him?

ERM: Minot Davis, yes. A great timber man in what sense--in finding and locking up timber?

EGH: He was essentially a practical woodsman. Minot came on before the forestry concept had really been developed. In 1920 when I first came, he was George Long's right hand man and he took a great part in the company's acquisitions of timber holdings and also in sales like the Long-Bell sales. He acquired a lot of land for them down in Klamath. He was a hard driver and he knew every corner post. He put on his calk shoes, and knew where the corners were, and had a very technical understanding of the holdings of the company, I think more than anybody else.

ERM: This was in a very real sense a very important key to the long range strength of the company.

EGH: Oh, yes.

ERM: The concept of blocking up the holdings and trading off certain holdings for others.

EGH: That's right.

ERM: Long before you entered into what you called your manufacturing period of high development.

EGH: That's right. That was building up the land acquisition. The Northern Pacific acquisition was the first, but I would say it had been tripled by the twenties. They bought a lot of timber on the outside. I don't think anybody realized how much timber they acquired, blocking up and trading with the Forest Service, buying stands down in Oregon, in particular, and Minot Davis was a great factor in that. I saw quite a little of Minot in the twenties. I went to work for a while at Clemons Logging Company down at Montesano. I was working with a rigging crew down there for a while when I first came out. Minot came down and he really got into the detail of the business. He knew the woods, and you couldn't mention one section or one township that he couldn't tell you all about: what the quality of the timber was, what everything was. He was an amazing man, hard-boiled. It was a good thing George Long had to do with some of the sales because Minot was tightfisted. Everybody in the industry growled when they had to buy timber from Weyerhaeuser because they had to deal with Minot Davis. He was a tough one, but he was good. He knew his stuff and he knew his values. He was an excellent operator.

ERM: Where did he come from originally?

EGH: He came from Michigan and he was related to F. E.'s wife. She was a Davis. He came out here as a young man and went into the company under George S. Long. I remember when I came out here in 1920. I went to see George Long and he had his office in the corner of the Tacoma Building. I don't believe they had more than fifteen people in the organization at that time. They had a bookkeeper; he used to stand up at a desk in the back end even in the 1920s. Minot Davis was down in charge of the timber division, and George S. Long's brother-in-law was running the real estate end of it, and they had a mill designer--Al Onstad. He was the one that built Snoqualmie Falls mill and Everett and gave Longview the lumber operation. He was a Scandinavian, a very keen, smart fellow. He designed many of the new operations after the First World War. Charley Ingram can tell you a great deal more about that internal organization of the company than I can.

ERM: Charley was there, of course, wasn't he?

EGH: No, not in 1920. He was in Everett. Then he went to Snoqualmie and when Rod Titcomb moved from Snoqualmie to Tacoma, Charley took his place as manager. Then Rod Titcomb retired as manager, Phil came over to take Rod's place, and Charley was moved up to become manufacturing manager, sort of an executive vice-president. He came from Snoqualmie.

ERM: So in the early twenties the Weyerhaeuser Timber Company, as it was called then, was a relatively modest organization.

EGH: Oh, yes. Mill A and Mill B at Everett were going, of course; Snoqualmie was going; they were built in 1915, Klamath Falls in 1923 or '24, and that was it. Longview wasn't built til 1926 or '28, and Willapa hadn't been conceived by that time, nor Coos Bay. So in the twenties and the thirties, they split this big tract up into units to supply Longview, Klamath Falls. Springfield was built in the late thirties or forties and during that same time Charley and Phil developed all of this big forest and had operating units in each place.

ERM: So the George Long regime was one of land acquisition and consolidation. Rod Titcomb's period in here was a short period. It was only a couple of years, wasn't it?

EGH: Yes, a very short period.

ERM: And then Phil launched a new phase of the company's history which was expansion into manufacturing on a much larger scale and a much more sophisticated marketing and forestry program.

EGH: In the thirties the pulp division started and they were the first ones, I think, in the industry to utilize the waste, the chips. That was about the mid-thirties, right after the Depression--in 1934 or '35 was the first pulp mill. They rapidly followed those by the one at Everett, enlargement of the one at Longview, an addition of a kraft mill at Longview and a kraft mill at Everett. They were building that up just as rapidly as they could--however, selling mostly pulp. They were not making paper or container board; it was just the raw pulp, and that's the way it continued almost to the Second World War.

ERM: Was that a profitable aspect of the business?

EGH: Very profitable. I would say at the end of the thirties, around the beginning of the Second World War, Weyerhaeuser was the largest manufacturer of pulp anywhere. They just sold market pulp, sulfate and sulfite, and then gradually, as their customers got their own sources of pulp, they had to get into integration. They started to make container board and some other products, but not white paper. As a matter of fact, we've only been in the white paper business for about eight or ten years.

ERM: And this developed principally as a result of a merger that brought experts and specialists in that field into the fold, right?

EGH: Right.

ERM: Well, then, Phil's period marked, in a sense, another clearly defined segment of company history.

EGH: Right.

ERM: And then Fred K.'s coming into the presidency after Phil died in 1957 brought another phase and one in which mergers were the key to the growth of the company.

EGH: That's right because they wanted greater integration.

ERM: This was, in a sense, really one of Fred K.'s significant contributions in the company history. Am I right in that?

- EGH: Yes. Although it started under Phil. Before Phil died he was thinking a great deal about integration because we were losing our pulp customers. He was thinking a great deal about going into the southern pine operation and he had also almost made some steps in merging with a good container company. In fact, the Tekemper thing was really started before Phil died and was consummated under Fred. I think it was natural for Fred to do that because he had been in the merchandizing end. This integration played right into his interest. He was not an operating man. So, under Fred that was given a big impetus, and then, of course, under Norton Clapp it was also continued because Norton was very much interested in mergers and acquisitions which would field more products and his term has been a very rapidly advancing period--much more than the prior periods. They've been developing faster, but it was also a pressure of selling more stuff because they were making more at the plants. They were getting higher utilization, and getting more volume and diversification produced many different products, so they had to have an outlet. The stuff was pouring out, and they had to sell it. If they couldn't get a market they had to get somebody who would create a market for it on their own.
- ERM: Now, the company seems to have moved into another quite different phase in its life under young George, with the most dramatic change being fiscal policy. Is this a true representation of the change or am I just reading the signals wrong? In the past you operated on a very conservative financial policy. You never borrowed any money.
- EGH: No. We never borrowed any money. And we made the plant enlargements and facilities by cash flow, largely through depreciation and large stumpage flow.
- ERM: Now that policy seems to have changed.
- EGH: Well, the times seem to demand more than cash flow in order to get all these plants that they need and the products. They need borrowing, so they have borrowed.
- ERM: To what extent do you feel that this is a reflection of the Weyerhaeuser's acceptance of patterns followed by some of its principal competitors, like Georgia-Pacific and U. S. Plywood, and some of that kind?
- EGH: Well, I think that's had a great effect in a way. On the other hand, I think the demands of the industry would have brought it on whether

they'd been here or not. The modernization of old facilities requires an awful lot of replacement every year. The merger and the acquisition of more units to manufacture these products has made a big demand for new capital, seemingly over and beyond what our old cash flow would do through depreciation and stumpage return. And as the price of stumpage has gone up, of course, that has increased the cash flow of stumpage and owning our own stumpage--that's quite an item. That's a big item. So today it seems, not only in the company but in all industries, there is a tremendous demand for capital to modernize, to acquire new plants, to create new plants.

ERM: And to live with a debt.

EGH: And utilization. And it's turned out that the investor likes leverage. He would prefer to invest in a company which has a big debt on the basis that some day there would be a lot of leverage in it just like Boise Cascade and Georgia-Pacific. It's worked that way. I certainly didn't think it would work that way.

ERM: Isn't this in a sense taking the example of government?

EGH: Yes, I think so. It shows what you can do with other people's money and it's inflation all the time. Every debt can be paid off with a cheaper dollar, and all that sort of thing, but I'm not at all sure it's sound yet.

ERM: I can imagine that the discussion of a policy of this kind within the ranks of the board was a matter of very hot discussion for a period of many years, with the lines rather plainly drawn.

EGH: It sure was.

ERM: One thing that I think would be very interesting to have from a man like you, and Fred, and Charley Ingram, is a picture of how a great company's governing body really functions in time, from one period to the other; how the balance swings back and forth, and how policy changes. I'm not seeking now for confidential matters that you don't want to put on the record, but how these things actually come about is a very essential part of the history of the company.

EGH: Well, I think the whole tempo changed in these different periods you mentioned: twenties and thirties and forties. The tempo has sped up an awful lot.

- ERM: And men on the board respond to the pressures of the time.
- EGH: Yes, I think Weyerhaeuser has, in spite of the claim that they weren't. Many times in the last ten years we have been charged with being old fogeys and not developing things as rapidly as we should--Georgia-Pacific and Boise were showing the way and all this sort of thing. I don't think there's any basis for that. Naturally the person who has the finances is more conservative than the one who doesn't, who's got everything to gain and not much to lose by going out and borrowing and gambling. This kind of financing has appealed to investors in the last twenty years and it's been a good deal easier to get capital on a large scale if you showed any ability to handle it. A growth company of this kind, a glamor company, and you'll find most of them are big borrowers.
- ERM: I'm amazed at these stocks on the market; they're more volatile and, therefore attract more buying and selling; whereas the pattern of Weyerhaeuser's stock price over a period of years is fairly steady.
- EGH: Georgia-Pacific has been going up like mad. Certainly the so-called conservative stocks have not been popular or profitable to the short-term investor. Weyerhaeuser had their bills paid and owned their own stumpage, but a company like Georgia-Pacific could buy Booth-Kelly and have it completely liquidated within a few years and with a high profit. Stumpage prices were going up. It's a period that has played into the hands of that type of an outfit and it's been a little difficult for Weyerhaeuser to adjust themselves to that kind of financing.
- ERM: In other words, the Georgia-Pacific philosophy of financing was more geared to the mainstream of national financial affairs, and therefore rode the bandwagon, in a sense, of the rising tide of the economy. Still in all, the Weyerhaeuser Company with all its greater stability stands in a very desirable position in the long haul because of the resources.
- EGH: You'd think so. A lot of people don't care for the long haul. They want to make a fast buck and get out and it's played into their hands and it's a hard thing to understand. Personally, I'd rather have my money in a company that went along at an even gait but the average guy doesn't want that.
- ERM: Make a million in a hurry.

EGH: So, maybe we'll come into another period when it will pay off for the so-called conservative ones and some of these others will slide, but we've been predicting that for ten years and it hasn't happened. If we go into a big inflationary period, why nobody can tell what will happen.

ERM: It makes one wonder just how much insurance these mammoth companies like Georgia-Pacific have just because of the very magnitude of their debt. How can these big insurance companies and banks that have a lot invested allow anything to go down the drain when they've got so much at stake. They almost have to keep pouring it in to try to protect their investment, don't they?

EGH: Sure, to protect the dollar that's in there.

ERM: So in a sense they have a kind of insurance policy just in the very nature of their own style of capitalization.

EGH: It's contrary to all the conservative methods of financing.

ERM: And I suppose by the exponent of the conservative position it's been repeatedly said over the years, "It's all going to go bust one of these days." The fact that it doesn't go bust but keeps on pyramiding is both amazing and perhaps to some extent disconcerting, is it not?

EGH: That's right. It is. It's baffling.

ERM: The rewards of frugality and thrift, certainly of management, seemingly are not to be realized--not to the extent that they anticipated in any case.

How would you compare the two brothers, Phil and Fred, as personalities and leaders of the company?

EGH: Well, Phil was not a salesman. He was more particularly an operating man. All of Fred's experience, practically from the beginning very early in the 1920s, was in sales. They were very opposite; Fred was a great extrovert. He liked to get out and meet people and so forth, and I think it was a little hard for Phil. That principally is the difference.

ERM: In what ways were they alike?

EGH: Well, I think both of them had the same instincts as their predecessors, their family. They were both pretty basically conservative. I think Phil was particularly that way. Fred had been out and he was a little more in touch with developments and so

forth. I think he was a little more inclined to take a chance for expansion and follow some of these other methods. But he was basically very conservative.

ERM: Fred played a more direct and active role in industry relationships.

EGH: Yes. Fred had great contact with competitors in the East. He had a great facility for meeting the head people in those organizations and getting on a pretty personal basis. Phil did, to a degree, but not nearly as much as Fred. Fred had many contacts outside the industry, and within the industry and I think a more personal relationship on the outside than Phil did. Fred was more of a pusher, but both were very sound operators.

ERM: Both men seemed to have important roles in setting up the AFPI [American Forest Products Industries].* They were both very much involved in that.

EGH: Yes, I think due to their basic interest in forestry and the fact that they wanted the organization to be run on a permanent basis, and they also wanted to have a very sound industry policy. They realized they couldn't carry the load themselves. They were much better if they had a sound industry policy such as conservation, which, of course, is fundamental. It goes without saying, if you have a good many friends in a project it helps out.

ERM: Wasn't there a relatively long period of time, however, when Weyerhaeuser almost carried the industry, or a big part of the industry, on its back in a lot of these things?

EGH: Well, it's been said that Weyerhaeuser is the conscience of the industry. And I think it was undoubtedly company money in the industry public relations program, and, certainly, it's done the industry good, indirectly.

ERM: There isn't any question about that. When did that policy of strong endeavor in the public relations sphere begin to develop?

EGH: I think about the mid-thirties. After the Depression was over and the Forest Service and conservationists were saying we had spoiled the land, the forests and so forth. I think the company was feeling very sensitive to that, as everybody was.

*Now known as the American Forest Institute.

ERM: Were you aware of this at that time?

EGH: Yes, I should say we were, especially in the association, and I think Colonel Greeley knew what the industry was up against, and the narrow profit margins, and the fact that you couldn't do a lot of these things that constitute better forestry, because you just couldn't afford to do it. I think that and the big desire to have good forest practices in the woods, was pulling him here and there. But it was fortunate that the Colonel was in just then, I think, because he realized some of the practical problems in pushing forestry too fast, and he pushed it just as far as he could. It would have been very easy to overdo it, but he would not have accomplished what he wanted to do and he would probably have been dropped. As it worked out, he used good judgment on how fast you could push this thing and just kept putting the pressure on, the way Dave Mason does, until he got them gradually to pick up and do better. He was a statesman.

ERM: That's it exactly. It's a difficult and very tenuous job to try to sell something that is basically good for the health of a group in society for the long haul which at the same time has certain idealistic aspects about it that may seem to the pragmatic mind to be a little bit softheaded or uneconomic. I presume this was a good bit of the problem in those days selling forestry and forest management.

EGH: I haven't been on the inside at all and haven't known any of the relationships that gave Dave Mason the Hill interests in the Willamette Valley group, but I've certainly admired Dave in being able to keep them honest customers while developing a very advanced type of forestry, which costs money; reconciling that with Hill, who wanted to get some money out, and Willamette Valley, who wanted to buy stumpage cheap. I think Dave has walked an awful good tightrope.

ERM: And it's worked out beautifully.

EGH: He's maintained both the confidence of the timber owner and the user of the log. As I say, I know no details at all except I've often wondered how well he could handle it because Bill Swindell is a good hard-fisted lumberman and so are Wheeler and the rest of them.

ERM: And Gurlinger before.

- EGH: Oh, Gurlinger was particularly so. But Dave could handle that extremely well. He must have. I only say that from outside looking in.
- ERM: And that situation now is quite a healthy prosperous situation.
- EGH: I assume it is. I think they've all done well.
- ERM: And an interesting aspect of all of this, Ed, is that a very important by-product is the philanthropy that is done by the Hill Foundation which derives its income in good part from money obtained, I think, from the sale of lands like this, the sale of timber. It spreads itself out throughout the country particularly through this region. It touches the cultural life and has a very profound impact. The influence of Dave Mason is a tremendously many-faceted kind of thing. This is one of the things that impresses me so much, and Al Heckman tells me it is absolutely fantastic how this eighty-four-year-old man runs him utterly ragged when he comes up here in the fall of the year to have his meetings. But Dave has looked the situation over and has evaluated a lot of the requests that come to a foundation like that.
- EGH: He spends a great deal of time on it. I think it's fine that at this time in his life, when he's had so much trouble, he had this thing to absorb his attention. Dave has had awfully hard luck.
- ERM: You mean in the loss of his wife.
- EGH: Yes.
- ERM: That was a really cruel blow, I think.
- EGH: Oh, yes, so he's had this philanthropic work to absorb him.
- ERM: I think it's been wonderful to have been able to do this interview with him because I think it's been pretty therapeutic. He's put himself into it with a real zeal.
- EGH: Well, someday it ought to be written, and I hope you do it because, as you say, it's things of this kind that make the world go around--the fundamental things that are not publicized but just people quietly going about their business.

SESSION 2

Edmund G. Hayes

August 4, 1967

ERM: Ed, I'd like to talk to you today about certain other areas of your experience, and I wonder if we might begin by talking just a little bit about the history of the Canmore Mines Company. This is a company in which, I understand, you and your family and others associated with you in business have been involved for many years. Can you give us just a brief history of the company and some of the stories about it?

EGH: Well, in a very general way, the Canmore mines started operating in about 1886 or 1887. The original shareholders of the company were Frederick Weyerhaeuser, Sr. and a number of his associates in Minnesota and Wisconsin including O. H. Ingram of Eau Claire, Mr. Taintor of Menomonie, Wisconsin, and the Clark family of St. Paul (who, I believe, were railroad people), and a number of other people in Wisconsin and Minnesota who were at that time involved in the lumber industry. I presume they were looking for places to put some of the earnings from the liquidation of these companies. The Stewart brothers, who were Canadians, had brought this to the attention of Mr. Lou Taintor (probably Lewis, but Lou is all I know). He lived in Menomonie, Wisconsin and was somewhat of a promoter. He knew the Weyerhaeuser family and, I believe, he presented this thing to Mr. Weyerhaeuser and Mr. Ingram, having learned of it through the two Canadians, the Stewart brothers. This was the time the Canadian Pacific was pushing through to the Pacific Coast at Vancouver. They had reached a point about Calgary, Alberta and were going to pass up the Bow River Valley which is the location of seams of coal which Canmore operates. It looked like a very strategic location for a coal mine with a railroad passing within two miles of the seams which outcropped in the mountain range along the Bow Valley. The group organized what they called the Canadian Anthracite Coal Company and proceeded to try to operate the mine, but they found that most of them were not fitted by knowledge or experience to operate such a company. The Stewart brothers claimed to be knowledgeable in this area but proved they were not particularly good operators, so the group decided to lease the mining properties to an operating company which was run and owned by a man named McNeil (as I believe his name was spelled). McNeil was a small operator and he ran the mine for a number of years. It was seemingly profitable to him but all the Canadian Anthracite Coal Company people obtained was a royalty on the coal which was not a significant income. The mine was operated in this manner

over a number of years until about 1915. At that time F. E. Weyerhaeuser, Frederick Weyerhaeuser's son, brought to the attention of the Canadian Anthracite Coal Company that he knew a very good mining operator in the anthracite region in Pennsylvania, a man by the name of James B. Neal [?]. Mr. Neal was a class-mater of F. E. Weyerhaeuser at Yale and was associated with a man named Brinkerhoff Tohorne [?]. They were the largest individual operators in Pennsylvania at the time and quite successful. To make a long story short, Canadian Anthracite invited Neal and Tohorne to come out and inspect the property and subsequently they formed the Canmore Coal Company, Ltd. which was an operating company with 50 percent of the stock owned by the Canadian Anthracite Coal Company and 50 percent by Neal and Tohorne. They operated this property under this method of joint ownership for a period of twenty years or until about 1935. It was quite successful both for the Canadian Anthracite Coal Company and Neal and Tohorne.

ERM: What made the difference? Was it the quality of the new management, the professional management that came out of the anthracite fields of Pennsylvania, or was it in part due to changing conditions?

EGH: It was probably due to both but largely due to competent management; people who knew their business. Also as the West developed during this period of years from 1887 to 1935, the population was gradually increasing, and there was a bigger demand for coal, and markets were more available. Coal was shipped from Vancouver to Toronto across Canada largely for domestic purposes. So I would say that really the management counted but times were getting better and there was a market for the coal.

ERM: I wondered whether World War I had anything at all to do with this.

EGH: It could have, yes. During World War I there was quite a development of coal operations in the Rocky Mountain area adjacent to Canmore. The Canadian Pacific had interests in a mine which opened up ten miles west of Canmore. Some English interests opened a mine in the Georgetown area which adjoins us, to the west. There seemed to be quite a flurry, probably due to the war conditions, and as you say, during the war period there was great activity in Canada--getting prepared in munitions, transportation of troops, and all sorts of things. So undoubtedly the war had a good deal of influence on the company.

In 1935, Mr. Tohorne had died and Mr. Neal was not at all well. He was getting along in years and decided that he did not wish to carry on the joint arrangement with the operating company of the Canmore Coal Company. The net result was that the Canadian Anthracite Coal Company bought out the Neal-Tohorne interests on the basis of market value of the equipment which was in the company--mining equipment and so forth in the development of the mine. They paid them for their 50 percent interest in that which left the Canadian Anthracite Coal Company owning the operating company.

ERM: Did the company own the lands from which it was mining coal or were these obtained from some kind of lease from the government?

EGH: Well, it was about fifty-fifty. They owned in fee half of the lands and they had leases with the dominion government or I think probably the province of Alberta, the remainder of the lands and that exists today. They don't own all their lands but they operate on a royalty basis with the province of Alberta, paying them a royalty of twenty-five cents a ton. J. G. Thorp was president of the Canadian Anthracite Coal Company during these negotiations of buying out Neal and Tohorne, and he suddenly died about 1935 and was succeeded by his son-in-law.

ERM: Was Mr. Thorp an American?

EGH: He was an American; his father Joseph G. Thorp had been in the lumber business in Eau Claire. He had moved to Cambridge, Massachusetts and interestingly enough, had married one of the Longfellow daughters and was quite a person. His son-in-law was president for about two years as I recall it. He died in 1937. At that time, F. E. Weyerhaeuser, who had always had an interest in the affairs of the company, asked me if I would be willing to act as president of the company because there was nobody in the Weyerhaeuser organization available to look after the company. So I rather reluctantly took over the presidency of the company. F. E. Weyerhaeuser continued as a member of the board and had great interest in the affairs of the company, but attended rather few meetings. He did attend a few initially.

ERM: This was when?

EGH: About 1937, '38.

ERM: What was the condition of the company affairs when you took over?

EGH: Well, the condition of the mine was not good. I don't think the operating company had carried on a policy of minimizing their development, but when I delved into the affairs of the company, I found their development work was minimal. Development is very important in a coal mine; you have to be looking ahead all the time, blocking out coal so that you have reserves to work on which keep your operations going. For some reason, these had been allowed to run down and the coal measures which they had been operating in were pretty well depleted so that it was very necessary to find new entries and to find new measures to replenish these other seams that were giving out.

ERM: What was the condition of your market in 1937?

EGH: The market was pretty tough. That was the end of the Depression period. It was before the war and we really hadn't felt the ground swell of the war demand. I think there were some twenty-six coal mines in the bituminous areas of the Rocky Mountains where we operate and they were having a pretty tough time although from then on the demand did pick up. As the war program developed and as the international situation got complicated, there was considerable activity in Canada. We had a very able mine manager, Robert Young, a Scot, who had been manager under the Neal and Tohorne regime and continued with the new company. The company, by the way, was reorganized, the operating company, and they changed the name to the Canmore Mines Ltd.

ERM: When was this?

EGH: This was about 1937.

ERM: Was this change something that you insisted upon?

EGH: Yes, we wanted to have the name Canmore in it but we wanted to have it differentiated from Canmore Coal Company because it was a new corporate organization. It was suggested we call it the Canmore Mines Ltd. which it is today.

ERM: Did this change reflect any substantial change in the stock ownership of the company?

EGH: No.

ERM: There was no new capital brought in from another quarter?

- EGH: No, there never has been any new capital put into it. It's all got the original capital.
- ERM: How much of that capital is American based and how much Canadian?
- EGH: Well, I believe at the present time about 60 to 70 percent is American and the balance is Canadian, largely in the descendants of the Stewart brothers. They were given stock in the formation of the company. We wish it was more Canadian than it is because of the present attitude of the Canadian people.
- ERM: In what ways have you had to work or sought to work with the provincial government, and with the national government of Canada? I understand there are a great many different ways of working in natural resource exploitation in Canada as differentiated from here in the States. For instance, aren't there long-term leases with the government up there to exploit resources, and ways in which the government seeks to encourage private enterprise to develop natural resources that are not used, let's say, in this country? I wonder if you might elaborate a little bit on this to show us how this applies in the case of a coal mining company.
- EGH: I see what you mean. Up to about ten years ago, I would say that we always had great cooperation from both the provincial and the dominion government in the operation of the mine. But, I think it was about ten or fifteen years ago, it became apparent that coal mines in Canada were having a pretty tough time, especially those in the maritime provinces down near Quebec where they had large mines and were politically strong, of course, and they petitioned for a subsidy on export coal; they were exporting to England. Also the western mines petitioned for a subsidy to help absorb the long freight rate from the Rocky Mountains to the eastern part of Canada where the population is. They were successful in this and as a result I think they started out with about a four-dollar subsidy, which was really a freight subsidy, and was paid to the operator to help absorb that.
- ERM: Four dollars a ton?
- EGH: Four dollars a ton. This was very helpful especially when the Japanese market developed in about 1957. That, of course, is another story. However, there had been great opposition in Canada to paying subventions or subsidies on coal operations which have run into quite large figures especially in the eastern mines, not so much the western mines because they haven't had the volume.

ERM: This opposition comes from what quarter?

EGH: Oh, as the budgets are getting tighter, the financial people, the heads of government, the people. They say if you have a subsidy on coal, why not have one on wheat or on something else or any manufactured article you can think of--nickel, or any of the other metals. They all, of course, want to come in for their share of this sort of thing. The only reason they got it on coal, was the large payrolls which were involved and the danger of shutting down these mines. Small communities would almost be wiped out. That was the justification for it, originally.

ERM: And that would have had a lot of political implications.

EGH: Oh, yes. And we have not been happy at all to operate under subsidy but it has been almost necessary. Once you get it built into the economic structure, you're tied into it.

ERM: Is there any aid from the government for developing activity?

EGH: Yes. The Dominion Coal Board of Canada is quite generous in loans to companies. As a matter of fact, they wondered why Canmore didn't borrow money because all the other mines were borrowing money heavily from the Coal Board. We told them we didn't like to borrow money if we didn't have to and that we had been self-sufficient. We had never borrowed any money up to that time. Finally, in a mechanization program which we initiated about five or six years ago, we decided we could borrow the money and save tax money by borrowing, to a rather limited degree, for mining machines and we are paying it off so much a year, and they were very happy to have us borrow the money.

ERM: This loan came from the federal government?

EGH: Yes, federal government.

ERM: At what kind of interest rate?

EGH: A very fair rate. I've forgotten what it is; I think it's around 3 or 4 percent.

ERM: You can hardly afford not to borrow money.

EGH: That's right. At the present time, some of the larger mines have proposals up with the government for very large borrowings to increase their production.

- ERM: You mentioned selling coal to Japan a few minutes ago and said this was another part of the story. Did Japan become a very big market all of a sudden at a certain point?
- EGH: Yes. They started in about the mid-fifties. Japan was making a rapid recovery from the war but it took until about 1955 before there was a strong indication that there was going to be a pretty good market for raw materials. It took that long to rebuild after the war and to really get underway. By 1957 they were searching for raw materials all over the world: iron ore, coal and so on, which they are buying in large quantities today and converting into many different products. After the war during the 1950s, we found our markets for Canmore coal were changing radically. We were losing the railroad demand, which was our backbone.
- ERM: They were going to diesel and oil.
- EGH: They were going to oil-burning locomotives and diesel engines. Vast areas of oil and gas had been found in Alberta and these were being piped to markets which domestically used our coal in the wintertime. So we were faced with both the loss of our commercial and our domestic markets and it was a desperate situation.
- ERM: What did you do to meet this decline in volume of sales? Did you actively go out and look for markets?
- EGH: Yes. We looked for any markets we could get and it developed that here in Portland there was a wholesaler, a broker, who had been selling gas briquettes which were made here in Portland in connection with the gas works here. They made gas out of coal and from that they developed an oil briquette as a by-product. He developed a market in Japan for these briquettes and they liked them very much. But, then the production of gas from coal was given up and they went to natural gas and other things which were cheaper.
- ERM: You mean the Japanese went to them?
- EGH: No, the gas companies here in Portland stopped making commercial gas from coal and they started to use natural gas that had been brought in.
- ERM: And that stopped another market.
- EGH: That chopped off another market there, but we didn't sell them coal for that purpose so it didn't affect us particularly. However, it did

affect us, because the Japanese wanted something to take the place of these briquettes, and Canmore was one of the first mines in Canada, I think, to export coal to Japan. We got a few orders from this man who had been shipping these briquettes and we shipped them through Portland. The first shipment from Canmore was brought down here and shipped from here to Japan. It was very well received and we rapidly accumulated quite an order file from the Japanese who were taking this to mix with their own coals. You see, they supply about 70 percent of their coal requirements but it's a very low grade. They force their manufacturers to use their coal but they upgrade it by mixing our coal with it. So we developed it and then shipped through Seattle, and finally up through Vancouver which was a closer rail rate. Since that time we've developed a steady business with the Japanese, and so have the other mines in western Canada.

ERM: You say you were the first to crack that market.

EGH: I think we were the first once to get into that market.

ERM: And all the rest of the industry, I presume, was under the same pressures and problems that you were just before this break came.

EGH: Yes.

ERM: To what extent has this new market taken up the total production of your coal?

EGH: About 80 percent. Eighty percent of our coal is going to Japan and the same is true of the Crowsnest Pass Coal Company and the Coleman operation. In pretty near all of the mines in that area, the majority of their product is going to Japan right now under subsidy. But the subsidies have been cut down, so that now we're down to almost two dollars a ton. Gradually they have been reduced.

ERM: What was the purpose of the subsidy--to build up a foreign exchange for Canada?

EGH: No. To keep their payrolls going. In these thin population areas in Canada, these coal mines are out in areas like Canmore and Crowsnest Pass and Quebec. They were communities which had fairly good-sized payrolls but we couldn't compete because of the long freight rate which we had to pay whether you export or whether you go to eastern Canada. So it was a freight subsidy in order to make the mines more competitive in their markets.

- ERM: I see. Who would have the competitive advantage over you on the haul to Japan as far as freight rates go?
- EGH: Oh, we had a good deal of competition. We had competition from Vietnam, North Vietnam. The mines have temporarily been put out of commission, or at least are not as competitive, but will be as soon as the war situation is over. They have very good mines, anthracite, hard coal mines.
- ERM: In North Vietnam.
- EGH: Yes, North Vietnam.
- ERM: Why have they been put out of action? Are they using all their coal themselves now?
- EGH: No, I think it's confusion and the war situation. They're shipping some, but their shipping has been reduced in the last three or four years. Then Australia is another producer of anthracite and the East Coast of the United States is another.
- ERM: What about China? Isn't the mainland of China a big producer?
- EGH: Yes, but since the war they have wanted to barter and the Japanese don't like to. They want to deal in cold currency. I think most of the mines in Siberia and in China have provided questionable service, and the Japanese have found it unsatisfactory to do business with them. That's what I found from the Japanese in talking it over with them. They like to have a consistent producer that they can depend upon and to pay and get paid in money. In China that has not been possible. I think they're doing some now but mostly they want to go on barter.
- ERM: It's still a very precarious business to be involved in though, isn't it?
- EGH: Very.
- ERM: Events, economics, technology, scientific development of new products can just decimate a market, all of a sudden.
- EGH: That's right. But there has been a resurgence, in the last ten years I would say, in the use of coal because coal has been found to be the cheapest fuel available. It's cheaper than oil. It's bulk, but

you notice in the eastern part of the United States the production of coal has increased almost every year in the last ten years. It's used for public utilities. I guess it's the cheapest form of fuel there is.

EGH: Power plants.

EGH: Many new power plants, many new products. Now in the western United States there has been a great development in metalurgical and phosphorus plants. Plants of that kind are using more and more coal because the raw material for that is readily convertible into the chemicals which they need. Now they've been transporting coal from the eastern part of the United States and paying a very heavy rate on it. We have been shipping more and more coal into the western part of the United States for these chemical plants, phosphorus plants, and metalurgical plants of various kinds. Our people at the mine have been very resourceful in developing carbonized products which they ship direct to the plants in the West. We are hopeful that through some processes which have been developed, we can direct more and more of our coal to these specific high-priced markets and not be dependent on a single, bulk market--all your eggs in one basket--the way we are with Japan.

ERM: It seems very vulnerable.

EGH: We are very vulnerable.

ERM: Is this vulnerability characteristic of the whole western coal industry or is it just something that is peculiar to your own area of coal mining?

EGH: No, it's the whole industry. The Crowsnest Pass Coal Company, which is a much larger producer than we are, and the Coleman Coal Company in Fernie (there are only three of us left, those three mines), are coke producers. They are coking seams which can be used for steel. That's why they're larger producers. We are largely in non-coking coal, but they have to acquire a certain percentage of hard coal to mix with the soft coal in the coking process.

ERM: Yours is the hard coal.

EGH: Ours is the hard coal; the semi-anthracite, and it's the only deposit on the coast. I think it's the only real producer of this type of coal on the coast.

ERM: Have you a long term source of supply to call upon?

EGH: Yes, presumably there's lots of coal there but the thing is getting that which is practicable to mine, economical to mine. We have opened up lots of seams but their physical condition is not good. They're fractured and they're broken and they're in such condition that they're not economical to mine today.

ERM: Because of the problems of shafting and maintaining safety and all of this?

EGH: That's right. It's quite difficult in that country to get a seam which is regular and which does not have roves and fractures, which make it impossible because the minute you run into one of these faults, it may take you a month to get back. The two seams may have slipped and they may be fifty feet apart or a hundred feet apart, and then you have to put a rock tunnel down to pick it up again. Now those conditions exist all through the Rocky Mountain area because it was shaken up after it was laid down. So when you say you have a lot of coal, the important thing is, What seams have you got? Right this summer we're carrying on a great many drilling and exploratory programs to locate areas which are good producers because we always have to be looking ahead for new seams to develop.

ERM: Are these two other major soft coal companies that operate in the same area formed by migrating American capital or are they more Canadian in their ownership?

EGH: No, the Crowsnest Pass Coal Company was originally a captive mine of the Great Northern Railroad. They built a rail line up there and it was largely Great Northern capital that went into develop that mine. Then the oil came in and they found they didn't want to use coal and so they sold out their interest, I think, and it's been held by quite widespread ownership. And now within the last three months, the rumor is that they have made a contract with Kaiser of California for their Fontana plant--a half interest in their mine on a royalty basis. Kaiser will come in and take over all their operations and run them, mine the coal, and pay them a royalty, so much a ton. This is just rumor, hearsay, but I think there's a good deal in it because Crowsnest has gotten involved in large tonnages with the Japanese and I think financing these extensive operations has strained them somewhat.

- ERM: Is the link with Kaiser just a matter of a change of investors and ownership in the company, or is there some possibility of Kaiser Industries' using some of the output of the mine?
- EGH: Oh, yes, I think there is; although the Kaiser people have been talking with the Dominion Coal Board in eastern Canada and they are proposing to mine up to 3 million tons a year from this mine and probably push it up to 4 million tons and sell all they can to the Japanese. They'll make big contracts with them but surplus coal will be sent to Fontana, California from there. Unquestionably, it's a higher grade coal than they're using at Fontana now. They're using a good deal of coal from Wyoming and down through that country which is not particularly high grade coal, so I think it's probably a good more on their part.
- ERM: Well, Ed, your experience in this coal mining field is very interesting. It's hardly forest history unless you want to look way back and say the forests were responsible in some part for the origin of this material. But, it's interesting to us from another aspect and that is that you represent a family that is involved in the lumber business, to begin with in the Lake States and before that in New York, and you were part of a group of lumbermen who put some of their excess capital to work by investing in another natural resource industry. You have personally had the opportunity to work rather closely and intimately with the management of both of these industries, being a leader in both of them, and I wonder to what extent you can draw comparisons between the two industries. You must have done this many times in your own private thinking on the matter and in your discussions with your associates. How do you see this?
- EGH: Oh, I think they have some of the same characteristics. Of course, the men who have actually operated the company up there have been Scots and Welsh and people from the old country who came over here; the former operator McNeil was a big Scot. I've seen his picture with a full beard. He was a big blustering fellow. They're not unlike the operators in the lumber industry who came out here to the Northwest. It was a hard business; it was a tough business, and they are very competent in their field. I've been impressed with their education--sometimes not too much formal education--but they were self-educated. Our present executive vice-president is a man named William Wilson, and his grandfather and his great grandfather before him were mining in Scotland. His father was incapacitated in the coal mines, and so when he was twelve years old, he went to work in the coal mines in Scotland. He told me that

at that time they could not stand upright; the seam measures were so thin. He had to lie on his back to pick coal out. He had to support his mother and the rest of his family from the age of twelve on up and decided he was going to get a formal education. He went to night school and graduated from the intermediate school and then he went on to the university and got his degree in engineering, in the meantime supporting his family. Then he came to western Canada, in his mid-thirties and went to work as a common miner. They didn't recognize that he had any engineering ability.

ERM: He left his family back in the old country.

EGH: Left his family in the old country. That's the type of background that a good many of those mining men had. They were tough, persistent, dogged people.

ERM: Willing to make all kinds of sacrifices.

EGH: Yes. He ended up in charge of the mine that he went into as a miner, and then we got him down to Canmore and he's been executive vice-president and director and he's a very competent person. He's been a wonderful manager.

ERM: Is he typical of the resident management of the company?

EGH: Oh, I think he is superior. He's recognized as a very superior miner and man.

ERM: How is the rest of the organization made up?

EGH: We have a good many Europeans. We have Italians; we have many of the central Europe people who have gone into the mining business, and they are extremely hard-working people.

ERM: Are any of these people recruited from over there in the way that people were recruited back in the Lake States by the American Immigration Company and others?

EGH: No. I'm not aware they were recruited. I don't think so.

ERM: These people you employ up there came on their own initiative.

EGH: That's right, and their descendants. But we're running into a very serious problem--young men are not going into mining. They know it's dirty and it's below ground--things that were accepted by their

parents. Today they work above ground in much pleasanter work, and as a result, the only way we are keeping men below ground is to pay them very high wages on mechanical equipment. And that keeps them there but in the last year we've really had a crisis, as they had all over Canada, in a shortage of men. Many new mines are opening up. So it's not unlike the situation in the lumber business down here. You can't get rigging crews anymore in this country. Young men are not going to go out and set chokers and do that work when they can get an easy job in town and on the highway and many jobs of that nature. They are not doing it and as a result, we are trying to mechanize. If you can give a young fellow a mechanical machine to operate and pay him good wages, you have some chance of making him stick. But the young man today is pretty sophisticated and he doesn't want to do drudgery; he doesn't want to set chokers. He wants to do some mechanical thing. He's glad to run a donkey and he's glad to run a winch or a power saw maybe, but they all have to have sophisticated equipment to hold them and high wages, and that's the only way you're getting your labor today and that's the same in the coal mine. There's a comparable situation there. Canada follows the United States pretty much. It's a trend which is not good because there's a limit to what you can mechanize in both logging and manufacturing timber, and mining coal. You can go so far, but in certain jobs you have to have men, and they're hard to come by.

ERM: Well, turning now to another area of your experience, I'd like to talk a little bit about your contribution to the Weyerhaeuser Timber Company over the years. You became associated with the Timber Company rather early in your business career, of course. You might outline the chronology of that association rather quickly, and then we'll take off from that to explore certain areas of your participation in affairs in the company.

EGH: I came out here, as I recall it, in the spring or the early summer of 1920 and I decided I wanted to go into the lumber business, so I went up and talked with Mr. George S. Long after the annual meeting of the Weyerhaeuser Company which used to come in May. (Our family always objected for years because they had the meeting right on Decoration Day or one day before or after so everybody was involved with traveling and nobody could stay home with their family for Decoration Day.) Anyway, I talked to Mr. Long and he said, "Well, that's interesting, but first, of course, you have to go out and get some practical training," and he was very friendly. The

long and the short of it was that he said, "You know, we've just completed the sale of a block of timber to the Long-Bell Lumber Company down in Centralia district and we are check cruising that now." The Long-Bell people had cruised and he said, "Now, we're check cruising it. We want to make sure we have the right figures. So," he said, "if you are interested and want to get into a cruising party, perhaps I can arrange to get you a job." I said, "That's fine, that sounds interesting to me." Of course, he came from Eau Claire, the Northwestern Lumber Company; he was sales manager for the Northwestern Lumber Company just below Eau Claire and lived not far from where we lived in Eau Claire. He was taken from there in 1900 out to be manager of the Weyerhaeuser Timber Company. We had that connection and he knew our family well and we knew their family. So I well recall in that interview he made (I don't know how it came up), he was telling about coming out from Eau Claire in 1900 which was twenty years before, and he said, "You know, this has been a great responsibility. It's very interesting work because the manager of this company really is running an empire." I always remember that what he said about the responsibilities of running an empire of timber out here on the West Coast made a great impression on me at the time. After this interview he said, "Are you going over to Seattle?" I said, "Yes, I am." "Well," he said, "I'm going over that way and I'll give you a ride." So he had an old car and we got into it and drove over to Seattle, and I know we were down on Yesler Way. We parked the car somewhere down in that area and walked along and he was telling me about cruising timber, explaining how the cruiser ran his lines and how he looked at a tree and how much volume was in it and how much grade. And we stopped at a telephone pole in the sidewalk, and I was standing there listening to him. He said, "Now, for instance, this tree is out in the woods and the cruiser walks around this tree and he estimates the quality of the timber and then he puts it down." And all the people walking by were having great interest in this big lanky guy with a big cigar, who was explaining how to cruise a telephone pole in the middle of Seattle.

ERM: He was quite a commanding figure.

EGH: Oh, he was a great man. He always reminded me of Abraham Lincoln. He was a Lincolnesque type of fellow, you know, a great keen mind and a great storyteller. He always had wonderful stories to tell and, of course, this has all been put down on the record, but it was certainly true that everybody respected him, even a fellow selling him timber and usually a fellow that's selling timber is not a friend of the guy who's buying it. But he could tell them, no, he didn't want to sell anything and he'd tell them a funny story and

make them think they were a wonderful guy and so on, and they never went out having any hard feeling. So that he was a tremendous man in that particular juncture of the Weyerhaeuser Company because he was shrewd; he knew the values he was dealing with, and he kept the taxes paid up while everybody else was going broke in that early period between 1900 and 1915. They all took off big chunks of timber and then they couldn't get any income from it and they went busted, company after company out here. He was frugal and sold enough timber to people who could pay for it to get money to pay the taxes.

ERM: That was the clue, wasn't it?

EGH: Yes.

ERM: He was a very shrewd buyer and seller.

EGH: Exactly. That's exactly what he was.

ERM: And what you quoted him as saying to you on your first meeting is, I think, the clue to this, in a sense. He referred to his job as being the manager of an empire. He must have then seen this role very clearly which was one of gradually building up a kind of consolidated empire which was economically structured to develop later on as a manufacturing empire. Do you think that this was a conception of the thing that he had from the very beginning or was it a thing that grew in his mind and in other leadership in the company?

EGH: Oh, I think that he was very close, of course, to Frederick Weyerhaeuser in those days, in 1900 when the company was formed. When he was brought out here, undoubtedly he got ideas from Mr. Weyerhaeuser as to how he thought this would develop, because he was a far-sighted man. I think Mr. Long was the type of fellow that could carry out his ideas, and I think undoubtedly, Mr. Weyerhaeuser realized that this fine stand of timber they bought from Northern Pacific could only be carried by making sales from it. Before they had converting units the only way they could do it was to sell it to small operators and then build up to the time when, in 1911 or '12, they bought the first mill at Everett. Now, they must have foreseen that they had to get into the manufacturing end of this thing but, in the meantime, they had to keep the wolf from the door and pay the taxes. So I suppose that he outlined to Mr. Long that the way to do this was to sell small pieces to many operators that were out here at that time who knew the business, but be sure to sell to fellows who could pay their bills and to get the money in hard, cold cash. And

I think Mr. Long was astute in public relations and knew that he had to be very careful with these people who had been buying cheap timber for a long time and probably not paying for it many times. He had the job of getting this thing on its feet. This is all in the book but the big thing was the development of the Panama Canal in 1914 and '15 and that was a tremendous impetus for putting sawmills out here.

ERM: That really opened up the market in the Northwest.

EGH: That was the key, in this early period. At any rate, George Long sent me out with Lloyd Crosby who was a character. Lloyd Crosby was one of the head cruisers of the company at that time. He was a graduate engineer, I believe. He was a very aggressive fellow. I ran compass for Lloyd and we had quite a party. We had about three cruisers and a compassman and we very shortly went down into the Centralia District up on top of Boisfort Peak. It's still there; you can see it when you drive into Centralia. That was in the center of this big Long-Bell tract. We worked there all summer. We checked and finished up in the fall and, as I remember, the check cruise of that with Long-Bell's came to less than 1 to 2 percent of the same figures. They were very gratified that they'd come so close to checking out. So that sale was made to Long-Bell in the twenties, and then they built their sawmill down in Longview very shortly after 1923. Then we went from there down to Klamath Falls and they were buying that tract on the west side of the lake at Klamath Falls. I can't remember the name of the tract. People in the East owned it. It was quite a large tract. So we check cruised that and then we went up on Willapa Harbor and we did some cruising there. I did that for about a year and then Fred K. and Philip had come on the scene by that time, and George S. Long, Jr.; and Mr. Long sent us out as observers. They called it the Long School, and one of the jobs we had was to go down with a land man and check the old Clemons Logging Company for breakage. We made traverses all over that thing to estimate the percentage of breakage in that operation. That was one of the things.

ERM: Did you do this as a group?

EGH: Yes, all together.

ERM: Who were the members of that besides you and Phil and Fred K.?

EGH: George S. Long, Jr.

ERM: Fritz Jewett wasn't in that?

- EGH: No. Then we went up to Everett and we were put on log rafts with the scalers to learn something about scaling logs. We went over and spent considerable time doing that. Then the group broke up and Fred K. went to Snoqualmie as assistant sales manager to whoever was there. I was put down in the purchasing department and I was there for about a year and half. In the meantime Fred K. had gone to Minneapolis and was in charge of the Minneapolis office with the Sales Company, and Philip had gone to Lewiston to take charge of the Potlatch Company, well then it was actually at Clearwater. George S. Long, Jr. had gone into the organization at Tacoma in the office. He was eventually the secretary of the company for years.
- ERM: When did you become actively involved in the top management of Weyerhaeuser Timber Company?
- EGH: Well, I went east in about 1925 and Fred was in Minneapolis in charge of the sales office. I was going to get some sales experience and I went there to Thompson Yards.
- ERM: Thompson Yards back in Minnesota, do you mean, or back in the East?
- EGH: Minnesota. In 1926 my father became very ill and he wanted me very much to come back to Eau Claire and get in touch with some of our family affairs, which I was somewhat reluctant to do because it interrupted my connection with the company, but I thought it was my duty to do it. I stayed there for two years, he recovered his health partially and in 1928 I decided to come back to the coast. I didn't want to stay in Eau Claire if I could help it, so I came to Portland. I had married a Portland girl in the meantime, Anna Wheeler, and I came to Portland.
- ERM: Was she related to the Wheelers in the lumber business?
- EGH: No, had no relation. Her father was in the real estate business. He'd been purchasing agent for the O.W.R. & N. Railroad and then later went into the real estate business.
- ERM: You preferred living in the West?
- EGH: Yes, I preferred living in the West. We were married in 1925 and she lived in Eau Claire with me for two years but she was awfully anxious to get back, and then my father and mother followed us in the early thirties. They lived here until they died. They bought a home here. So, I came back here in 1928, and I lost my connection with the company in the operating end of the business so I decided to go into

business for myself. I purchased a cutting contract on Edward Swift timber out in Clackamas County about eighteen miles east of Oregon City.

ERM: How much land was involved there?

EGH: Well, that operation cut--oh, 30 million feet of timber. I've forgotten the area, but during the ten years, I would say we cut about 50 million. A very small amount. We probably cut about 50 thousand a day.

ERM: This was in what period now?

EGH: We started operations in 1930 right at the bottom of the Depression.

ERM: That was a bad time to go into business, wasn't it?

EGH: It sure was. We shut down and they charged us \$4 a thousand for timber, which was a big price, but it was beautiful timber. We ran about six months and things got so tough that we just went down completely. They insisted on \$4 a thousand. We were shut down for two years, didn't turn a wheel, and everybody else was shut down pretty nearly. And in 1932 or '33 I went back to Chicago and got old Swift to cut stumpage price to \$1.50 and I'd give him 50 percent of the profit I made on it. We worked out a deal and we got started again. And when we started up, I'll never forget one of the first orders I got was for the Atlantic Coast business to be loaded at the S. P. open dock, \$8.50 a thousand, number one, 15 percent number two common dimension, and we had to log it and pay a 5¢ rate into it into town, manufacture it, and that was it--\$8.50.

ERM: How did you make out?

EGH: Well, we broke even; I mean, we payed our men for about two years, until about 1935 and then the market started to pick up a little bit and I ran there until 1939.

ERM: This was the period of the Lumber Code Authority and the NRA.

EGH: That's right.

ERM: What part did you play in the organization of the Code Authority out here in the West?

EGH: Well, I was in compliance--I got in the Association activities when I was in this mill over here.

- ERM: Was that West Coast Lumbermen's Association?
- EGH: Yes, in about 1934 or '35. When was the Code started?
- ERM: It started really in 1933 and it ran through '34 and came a cropper in the spring of 1935.
- EGH: Yes, well, I can tell you a lot of stories about it because I was involved in the beginning of 1933.
- ERM: Yes, there were meetings of trade associations locally and nationally to work this out, and Dave Mason became the executive officer of the Code after Arthur Bruce took ill and had to resign. But there were great discussions of this whole problem.
- EGH: Yes, and I went to most of the meetings. I was on the first compliance committee with Bloedel and they wanted a small mill man and I was the goat.
- ERM: You were the small mill representative?
- EGH: Now, Bloedel was a real character.
- ERM: Tell me a little bit about him.
- EGH: Well, I'm afraid I ought to go out and pick up Mrs. Hayes, but, I'd like to talk a little about that because it was really an experience and so when you come next time, I'll be glad to tell you about that.

INTERVIEW III

John A. Wahl
August 10, 1967
Tacoma, Washington

Elwood R. Maunder: I want to talk to you this morning, Mr. Wahl, about your career but before we get into actually talking about the woods, I wish you'd just give a little of your own personal history; where you were born and when you came to this country.

John A. Wahl: I was born and raised in Norway.

ERM: What part of Norway were you born in?

JAW: Trondhjem.

ERM: And when was that?

JAW: 1891.

ERM: And you went to school there. At what age did you leave there to come to this country?

JAW: Eighteen years old.

ERM: That would have brought you up to about 1909.

JAW: Yes, 1910.

ERM: And did you come out alone or with other people?

JAW: Four of us came together; came to Portland.

ERM: What ship did you come on?

JAW: The Lusitania.

ERM: The Lusitania. Is that right? And when did you get to Portland?

JAW: January 1910.

ERM: And what did you do there when you got there; did you have anybody there?

JAW: We went directly to the woods.

ERM: All four of you?

JAW: Yes.

ERM: Who did you get a job with?

JAW: Benson Logging Company.

ERM: Simon Benson?

JAW: Yes.

ERM: Tell me a little bit about those first few months you were involved in working in the woods. What kind of work did you do?

JAW: Well, a little of everything. I worked on the railroad, around the donkeys, running donkeys, firing donkeys. I only worked there six months. I was pretty much like the rest of the loggers, moved around quite a bit, different places.

ERM: How did you actually get your job?

JAW: Oh, you'd go and ask for it. Go to the job.

ERM: You went right straight to the job and the foreman?

JAW: That's right.

ERM: You didn't go through any employment agency or anything like that in Portland?

JAW: No.

ERM: What was your first pay, do you remember?

JAW: Two dollars and twenty cents a day.

ERM: And your grub?

JAW: No. Paid sixty cents for grub.

ERM: And did you get your bunk there in the woods or were you living elsewhere?

JAW: No, you got your bunk; furnished your own bedding.

ERM: You furnished your own bedding? Can you tell us a little about what sort of a lumber camp it was?

JAW: Well, mostly small cabins where the men stayed. We had one big cookhouse where about 150 men would eat and the rest of it was small cabins where as many as 4 people would stay.

ERM: What was your daily routine? What kind of a daily regimen did you have?

JAW: We'd go to work as soon as it was daylight and quit when it was dark, so in the wintertime we'd probably work about seven hours.

ERM: And you say you worked on building a railroad?

JAW: Yes; helped lay steel, pick up steel.

ERM: What other jobs did you do in that time?

JAW: Firing machines, donkeys, taking out logs.

ERM: You worked for Simon Benson for six months, did you ever have anything to do with making up those big cigar-shaped rafts of his?

JAW: No, I didn't. I saw some of them being made up but I never worked on them.

ERM: Were you working in a camp right along near the Columbia then?

JAW: Yes.

ERM: Northwest of Portland?

JAW: Straight west of Portland--Clatskanie.

ERM: Clatskanie, and were the logs you were cutting being railroaded down to the Columbia and being dumped there?

JAW: That's right. They were hauled. They'd take down the whole tree and make these cigar rafts. By taking the whole tree it was a little simpler to make the raft, the cigar raft.

- ERM: When you say the whole tree, they would limb it of course.
- JAW: They would limb it, yes. But they would take all that was in the tree that wasn't broken up. Maybe some of them would be 150 feet long.
- ERM: Would they have any problems in railroading that long log?
- JAW: No. They had trucks and they'd scatter the trucks out to fit the length of the log, you see, without any connection between the trucks.
- ERM: And then you had a pretty straight-line railroad so there wasn't any big bend in it.
- JAW: No, not too much.
- ERM: How did you manage to load those big things on?
- JAW: Oh, they had machines to load them with, a loading machine.
- ERM: They had to have power but what kind of a gadget did they use in those days to get logs of that weight up onto trucks?
- JAW: They had crutch lines that they'd hook on to both ends or the middle of the log towards the end and pick them up that way and lay them on the trucks.
- ERM: And then they'd make up these big cigar-shaped rafts, and where would they ship this stuff?
- JAW: I believe they shipped them to San Diego. They had a sawmill down in San Diego to cut these logs up.
- ERM: And wouldn't they stand to loose a lot of that stuff in route?
- JAW: Well, they claimed that they could afford to loose one raft out of three and still come out with a profitable operation.
- ERM: And why did you leave Benson?
- JAW: I don't know; I just wanted to see other places to see if I could get a better job or something.
- ERM: Did you go with your buddies?

JAW: No. I went alone.

ERM: Could you speak English at that time?

JAW: Some. I was gradually learning.

ERM: Had you learned any English before you came over here?

JAW: No.

ERM: You didn't speak any?

JAW: No.

ERM: Did you find there were lots of others like you who spoke mainly Norwegian in the lumber camps?

JAW: There were some, yes. There were some that never cared to learn the language and they didn't try very hard.

ERM: Well, where did you go on your own after you spent six months with Benson?

JAW: Oh, to another logging camp across from Astoria. I worked there awhile, I think about two years.

ERM: Whose camp was that?

JAW: Olson's Logging Company.

ERM: Which Olson was that? Do you remember the man's full name?

JAW: Well, one of them was Adolph Olson and I think he was the one that was running the outfit in the woods. They lived in Portland.

ERM: And was this a pretty big operation?

JAW: Yes, a good-sized operation. They had about three hundred men working there.

ERM: And what did you do in that particular operation?

JAW: I was running donkeys--running the machine to load logs.

ERM: And did you stay on the donkey all the time you were with the Olson Company?

JAW: Yes.

ERM: Then you left after about two years and that would have brought you up to about 1912 or '13, right?

JAW: Yes.

ERM: And where did you go from Olson's?

JAW: I went to British Columbia.

ERM: Why did you leave Olson?

JAW: I don't know; just wanted to travel I guess.

ERM: Did you have a job up in British Columbia before you left?

JAW: No.

ERM: You just took off?

JAW: I worked there a year and then came back here to Aberdeen.

ERM: Who did you work for up in British Columbia?

JAW: I think the name of the company was Booth Logging Company or Booth Lumber Company.

ERM: I wonder why British Columbia. Had you heard something about British Columbia that made it appealing or did you just have the itch to travel?

JAW: Yes, there was quite a lot of talk about British Columbia. It was good country to work in the woods and they paid a little more money than they did down in this country at that time.

ERM: To get people to go up there?

JAW: I don't know whether that was the reason or not but anyway they paid a little bit more. And I stayed with that company I think a year, close to a year, and then came back here to Aberdeen.

ERM: This was at the time when the Wobblies [Industrial Workers of the World] were beginning to come into the picture, wasn't it?

JAW: No, they hadn't taken much hold yet. That was later.

ERM: A little bit later before the war started. What do you remember about the beginnings of the Wobbly business?

JAW: It got started and then at one time it was awfully hard to work in the woods without joining the Wobblies. Nearly everybody joined them. You had to be pretty firm to keep from joining.

ERM: What kind of methods did the Wobbly leaders use to recruit members? Can you tell us a little of what you actually experienced?

JAW: Oh, I think they got most of their membership in the town around where the loggers hung out. And there would be somebody in the woods too that would try to sign fellows up.

ERM: It was actually a card-signing proposition?

JAW: Yes. I don't know whether there was any fee involved or not. I couldn't say.

ERM: You never got involved as a member?

JAW: No.

ERM: But a lot of the men you worked with were.

JAW: Oh, yes.

ERM: In what camps were these?

JAW: They were in all the camps, you might say.

ERM: Starting with which ones? Where did you first encounter Wobblies?

JAW: Gosh, I don't know.

ERM: When you were with Olson?

JAW: No. It wasn't that early.

ERM: When you were up in British Columbia?

JAW: No.

ERM: When you came back here again?

JAW: Well, I think it was probably in 1914 and '15 when they started to take hold and got pretty strong.

ERM: Why do you think it made such headway at that time? Were there conditions that made for their success?

JAW: They'd use that as a point, an argument to get the boys to join of course, but I don't know. There were so many different nationalities, you know. A lot of the fellows that were working in the woods in those days couldn't speak a word of English, and they were pretty easy to talk into thinking they were going to get better things.

ERM: Was there any great discussion among men in the camp over the merits or lack of merits of being a Wobbly?

JAW: No, that wasn't discussed much.

ERM: You didn't have any discussion among yourselves.

JAW: No. I knew a lot of Wobblies and I knew a lot of them were Wobblies because they thought they had to be. I started to run a camp when I was pretty young and I had to deal with them quite a little.

ERM: When did you start running a camp?

JAW: I think it was 1919.

ERM: When you came back from British Columbia you were still working as a regular logger, woods worker?

JAW: Yes.

ERM: And what kind of work did you do up in British Columbia? Were you running a donkey up there, too?

JAW: No. Just working on the rigging.

ERM: And setting up spars and things like that?

JAW: No.

ERM: Is that where you did your high-climbing work?

- JAW: No, I did that down here in Aberdeen. That's where I first did the high-climbing. The high-climber quit and we had nobody to climb the tree and we were about fifty miles out in the woods from town so I had to climb the tree myself.
- ERM: How did you feel about it?
- JAW: All right--all in a day's work.
- ERM: All in a day's work. You put on your spikes and went on up.
- JAW: That's right.
- ERM: Had you ever done it before?
- JAW: No. I didn't top the tree but I blew the top off the tree.
- ERM: You took a little charge up?
- JAW: Yes.
- ERM: Tell me about the work you did here after you came back from British Columbia. Where did you land then?
- JAW: Landed in Aberdeen and went to work for the Wynoochee Timber Company and I worked for them I think about four or five years, then I went to work for Weyerhaeuser Timber Company.
- ERM: Who were the owners of the Wynoochee Timber Company?
- JAW: Gus Carlson, Bert Callow, and Mr. Lamb of the Lamb Mine Works in Oakville.
- ERM: They were mutually partners?
- JAW: Yes. There were four partners and I think Adam of the First National Bank of Oakville. He was the other one.
- ERM: Was Carlson related to the banker in Seattle?
- JAW: No. He was the father to Max Carlson.
- ERM: And what work were you doing at this company?

JAW: A little of everything. I started to run the camp for them after I'd been there about two years.

ERM: When you say you started running the camp, describe what your duties were, your responsibilities.

JAW: Well, I had charge of the operation of that camp. It had about seventy-five or eighty men. We didn't have any railroad. We had to lay out our own skid road. We had to haul the logs on the road that we built ourselves out of timber.

ERM: How were you skidding, horses?

JAW: No, donkeys.

ERM: You were using donkeys entirely out there?

JAW: Yes.

ERM: And you were also running the camp I suppose in the sense that you had to maintain the feeding and all the supplies and all that sort of thing too, right?

JAW: Yes.

ERM: So you were getting really your first taste of management, in a sense, in this job.

JAW: That's right.

ERM: The first job in which you were really over a large group of men.

JAW: Yes.

ERM: You had about four or five years' experience of this before you moved to Weyerhaeuser?

JAW: About three years, I think.

ERM: Now you went to Weyerhaeuser in 1922 so that means you started in this job in about 1919.

JAW: That's right.

ERM: Were you in Canada then during the war?

JAW: No, in 1913 I was in Canada--came back to this country in 1914.

ERM: And between 1914 and 1919 or '18 you were with other companies, I suppose.

JAW: I think it was Wynoochee Timber Company pretty near all the time.

ERM: Then the last few years you were with the same company but you were in a managing position.

JAW: Yes.

ERM: When you came to join Weyerhaeuser, how did that come about? Why did you leave this company that you had been with for so many years--five or six years at least?

JAW: I couldn't get along with the superintendent. There were some things I wanted to do, to change, and he said it wasn't necessary. I figured it was and that we'd get more logs if we changed it, and he wouldn't agree to it, so I left.

ERM: Do you remember what kinds of things you wanted to change that he wouldn't agree to?

JAW: Oh, it was shifting some machinery, some donkeys. And then shortly after that, after I left, the manager, the owner, Mr. Callow, came down and wanted me to go back. I told him I couldn't get along with that fellow any more so there was no use in going back. That's when I went to Clemons, Clemons Logging Company they called it but it was a Weyerhaeuser branch.

ERM: Had you known these people in Clemons?

JAW: Yes, I knew the logging superintendent there. I met him at times.

ERM: Had you been going to meetings of loggers outside of work?

JAW: No.

ERM: When did you start going to logging congresses?

JAW: Oh, I imagine that was 1925 or '26--along in there.

ERM: Not until you'd been with Weyerhaeuser for several years.

JAW: That's right.

ERM: The Pacific Logging Congress has been a very interesting part of the history of lumbering and logging out here.

JAW: Yes, it has.

ERM: What do you think its importance has been to work in your field?

JAW: They get together once a year and they discuss their problems and they accomplish quite a lot by doing that. They develop new things--everybody pitching in with an idea--and somebody will pick it up and make something of it. That's the way a lot of these things developed in the woods in the old days.

ERM: In other words, you'd get new ideas by attending a logging congress and go back and test them out and put a new wrinkle on them.

JAW: That's right.

ERM: Can you think of anything in particular that you learned in this contact with other loggers that gave you a start in solving a particular problem you had?

JAW: I don't know of any particular thing that I could put a finger on that accomplished anything but you get a little idea here and a little idea there and go home and put them together.

ERM: And come up with something else.

JAW: That's right.

ERM: Who do you think of as being the great loggers of those earlier times? When you look back to the early part of this century when you first came out here, who are the men you saw as the really great ones?

JAW: Well, there were quite a few. The Weyerhaeuser Timber Company had two or three old-timers that were outstanding and they were well respected by the men.

ERM: Who were they?

JAW: One was Ed Baker at Longview and Ronald McDonald at Vail McDonald operation and Carl Wicks at Clemons. Those were quite outstanding fellows--all three of them.

ERM: What were the characteristics that made them outstanding? Was it their particular genius as good businessmen that made them famous or were there other things about them that made them famous?

JAW: Got a lot of logs, I guess, and got them cheap at a reasonable price, and they got along with men pretty good. That's one of the main things. You pretty well had to get along with men in order to accomplish anything. They were well able to do that.

ERM: What were the characteristics in these men that seemed to make them get along well?

JAW: Well, they were leaders.

ERM: How did they demonstrate their leadership? Can you give me any ideas or stories that show how they commanded the respect of their men?

JAW: They were real individuals. If things didn't go right, they didn't hesitate to let people go, fire them, if they didn't work out right.

ERM: Well, was this the kind of thing that endeared them to the men?

JAW: The men respected them. And a good man always liked them and the poor man hated them; I mean, a poor worker hated them.

ERM: Did you in your observation of these men pick up some hints and ideas that you later applied in your own career?

JAW: Oh, yes, naturally.

ERM: Let's talk about your work with the Weyerhaeuser Company. You were with them from 1922 to 1957. You went to the Clemons Timber operation first, is that right?

JAW: Yes, to run a logging camp.

ERM: Who hired you actually for that job?

JAW: The superintendent hired me. His name is Carl Wicks.

ERM: Carl Wicks. He's one of the loggers you mentioned.

JAW: That's right.

ERM: And tell us a little bit about Carl Wicks? What kind of a man was he?

JAW: He was about as tough a logger as there ever was. He knew his business. You had to produce in order to stay with him but he was a good man and he was one of the first men that I've seen in the woods that realized the value of saving timber. He would fire a set of timber fallers if they broke up a tree that shouldn't be broken. You never saw very many old-timers that would go into it that deep. They would just forget about saving timber but he was quite an outstanding fellow in that respect.

ERM: You actually saw this applied. You saw men fired for, what would you call it, inefficiency in the handling of their job?

JAW: That's right. You had to produce in order to be there and I knew that and I liked it. I liked a little competition and I did pretty well in competition down there.

ERM: In competition with other camps?

JAW: Yes. Other camps of the same company. At one time we had four camps and the only way we had to know what we'd done was to count the loads that went out. You'd get the number of the loads from the other camp and the ones you produced yourself and that's how you found out whether you were holding your own or not.

ERM: What do you remember doing as the superintendent of your camp to increase the output of your camp?

JAW: Oh, we developed a small gadget, you might say--in rigging--that would increase your production probably three or four loads of logs a day. A lot of people didn't pay any attention to things like that when they were running a logging camp, but I took interest in getting all the logs I could and if there was something new we could put in, I'd do it.

ERM: Do you remember any particular gadgets that were worked out in that situation to get a larger production?

JAW: Oh, some of them were so small that you wouldn't get anything out of it if I told you. It's a lot of little things that add up to three or four more loads of logs a day.

ERM: Can you think of just a few of these things so we can get an idea of what kinds of improvements you worked out?

JAW: Well, for instance, we had usually two donkeys strung out there. The terrain was very rough and it was always a problem of dropping logs at the spar tree, at the back end. You had the lines on the ground and when you dropped a log on the line that was moving, you sawed the lines off, sawed a choker off. We developed a thing there--we hung a block straight back of the spar tree so the lines would stay off the ground all the time, and that was one of the biggest little things that we did and it was so simple. Always, when we rigged a tree we made it a point to have a guy line right straight back where we wanted to hang this block so the lines would go right along the tree. It worked so well that Wicks told the other foremen to use the same thing, and they were reluctant to use it, because it was developed over in the camp where I was and they thought they were doing all right the way they were. But he made them do it. He could see it. And I was down at Shaffer's Logging Camp about fifteen years ago out in the woods and there was an old logger there that used to work for me. He said they called this gadget that was hung on this guy line a "John Wahl." He said they called it that all over.

ERM: That's a "John Wahl."

JAW: Yes. And that little thing was so interesting that it amounted to quite a lot to the company in getting logs.

ERM: Is there a drawing of this rigging of a "John Wahl" that would demonstrate how it worked?

JAW: Well, I suppose there is. There are pictures of high leads and so on that might have it. I don't know, they might have it up there but we never thought much about it.

ERM: It worked.

JAW: It worked, yes. There were little things about rigging that we fixed up that saved a lot of time. But you show that to a man nowadays and they don't even know what you're talking about. They pay no attention to the little things that amount to much in getting logs.

ERM: Why do you say they don't pay attention to those things now?

JAW: They don't get close enough to it. That is, it's done on a different scale now and it's tractor logging and just changed quite a bit.

ERM: It's so much more heavily mechanized now than it used to be.

JAW: Yes, that's true.

ERM: Can you think of any other little innovations that were worked out there in the woods that helped you increase your efficiency?

JAW: Well, the transfer of loads from the truck to a railroad car was a big thing with us--as a unit; we'd transfer the whole load.

ERM: That came along a little later with the coming of truck logging, didn't it?

JAW: Yes.

ERM: That would have been when, in the thirties?

JAW: I think that was about 1935 or '36.

ERM: By that time you were no longer with Clemons.

JAW: I was at Snoqualmie Falls.

ERM: And you were superintendent of the woods operations there?

JAW: That's right.

ERM: It was at Snoqualmie, I believe, that Weyerhaeuser first put truck logging to the test.

JAW: Yes, in a big way; I think it was the first place. We switched the whole operation over to truck logging.

ERM: How did you come around to making that decision to switch from railroad logging to truck logging?

JAW: We watched the cost of the logging operation--what it cost to yard logs, load logs and what it cost for railroading and so. You compare those figures and you try it out and it works all right so you got a little stronger and the first thing you know, you've switched the whole operation over.

ERM: Did you see this done by anybody else in any other logging outfit before you went to it at Snoqualmie?

JAW: I don't think there was anybody who developed it that far at that time. I don't know of anybody.

ERM: There was some truck logging earlier than that in the pine area in the twenties. Al Moltke--did you know Al Moltke of Pilot Rock?

JAW: No. But there was a little truck logging done in several places in a small way in the early twenties.

ERM: I think Moltke's work with trucks was done over around Portland. I just wonder to what extent your decision to go to truck logging was motivated perhaps by what you had picked up at a logging congress or seen in another operation.

JAW: None. One reason was that when I came to Snoqualmie Falls, they were going to build a railroad on top of a hill where the timber wasn't much. At that time you could hardly sell that type of timber--hemlock--and it was a poor show. But they were going to build a railroad. They had a line surveyed and everything. They were going to buy some locomotives and more rolling stock and that was during the Depression, about 1932 and along in there, and nobody had any money. The company wasn't making any money, so I cancelled that and we didn't do anything about that area for about a year. It would have cost probably a couple hundred thousand dollars to have organized to log that by rail.

ERM: Whose orders were you changing?

JAW: I didn't change anybody's orders. I just did it the way I thought it should be done.

ERM: So in other words you were exercising a veto. You were slowing it up or stopping it.

JAW: It was costing too much money to think about logging by rail and after a year went by, times started to pick up and you could market that kind of a log so we built a truck road straight up the hill. In about a half a mile the truck road was in the timber and we rented some trucks to start with to haul logs off of these hills?

ERM: What kind of trucks were these?

JAW: One was a Mack and one was a Diamond-T truck. They were used for logging in some places and for some other things, too.

ERM: In other words these trucks had been used as logging trucks before.

JAW: Yes, they had.

ERM: This was not their first use for this.

JAW: No, that's right. And then at the same time we started to log, we developed a way to transfer the load from the truck to the railroad car. That worked very well and that was the first time it was ever tried.

ERM: What was the system, the new system you used in getting those logs off the trucks?

JAW: Well, we rigged a skyline across the landing and we had a lot of rigging on this skyline, lots of power on the rigging to hoist this eighty-ton load or what have you. And we used a pipe underneath the load to hold them in place so they wouldn't shift; so they'd switch them on the railroad car that way. That worked very well.

ERM: Then did you have two lengths of pipe, one at each end of the logs?

JAW: One at each end of the load, a spreader bar at the top that kept them apart, you see, kept them in place. That was the first time it was ever tried and it worked.

ERM: And that saved you a lot of time in getting the logs off the truck onto the railroad car.

JAW: That's right.

ERM: That's been used ever since I presume.

JAW: Yes, still using it.

ERM: Still using it. Essentially the same basic equipment. They've improved their machinery for transferring the load quite a bit.

ERM: But here again is a case where the search for more efficiency in the woods actually produced a new idea, a new device for log transportation that was more efficient.

JAW: Then it went from there to using more of this way of logging. Pretty soon we eliminated the railroad out in the woods entirely so we were

hauling them to a railhead and transferring all the logs to a railroad car. And then pretty soon we had two systems. We had to maintain a railroad and maintain a truck operation so we thought it would be more economical to cut out the railroad entirely and run the trucks all the way into the sawmill and that's what we did at Snoqualmie. That was one of the first operations of the company where that was done and that worked out fine.

ERM: Did this same transition take place immediately then at the other areas in which the company was operating?

JAW: Not immediately, no. It took some time for some of them.

ERM: In other words it was carried out first at the operation at Snoqualmie and then moved to some other areas.

JAW: Yes.

ERM: You say "we" did this and "we" did that. "We" made the decision to move to truck logging. I assume from what you said earlier however, that a lot of these decisions were made by you as superintendent of the woods operation.

JAW: Yes.

ERM: Who were you talking about as "we"?

JAW: That's my own idea saying "we"--saying "I" on everything; I hate that.

ERM: But fundamentally the responsibility for this had to fall on somebody's shoulders and if this was your responsibility, you took it.

JAW: I guess it was.

ERM: And if it worked out well, great; but if it turned out to be a lemon, you had to take the consequences.

JAW: That's right.

ERM: Is this the way the Weyerhaeuser Company worked all up and down the line?

JAW: I think so, yes. They would give you all the freedom that you could handle. And I never forget when Charley Ingram sent me out to Vail

McDonald. He said, "The operation is yours from here on out; do as you please."

ERM: Well, Charley, why did you do that? Why did you give him all that responsibility?

CHI: I had perfect confidence in him that's why.

ERM: Was it also because he'd pulled things off so well up at Snoqualmie?

CHI: Well, of course, he had experience. I think I told you the whole thing when I said I had confidence in him. You don't get confidence until you see what he's actually done. That about tells the story on it.

JAW: The cost was such a big item in those days when the profit was very small. I didn't have enough education to really understand cost, but I picked it up all I could and people helped me a lot. That accounting statement was very interesting, especially if you had the best cost.

ERM: You mentioned that at least once or twice a year, you got together at meetings with your opposite numbers in that same game for the Weyerhaeuser Company. Where were these meetings held?

JAW: Sometimes they were held here in the Tacoma office, and sometimes they would get together at one of the branches and maybe go to the woods and look over the operation and see what improvement had been made and how they liked the way I was doing it, or somebody else was doing it. And I think we all got a little benefit from it.

ERM: This was part of management's program in educating its own personnel.

JAW: That's right. And after that when I went to Vail that was quite a changeover. We had about 200 miles of railroad, fifteen or twenty locomotives I imagine. And I think inside of three years, it was all truck logging to the railhead at the two operations.

ERM: Well, now your going to Vail after having been at Snoqualmie, would indicate that whoever had been at Vail before you had resisted moving in this direction.

JAW: They liked what they were doing, I suppose, and they had bought a lot of machinery there and thought it was working good enough and they were willing to run along this basis.

ERM: Mr. Ingram, you were responsible for making a change of assignment here in this case, weren't you? What did you do with the man who had been working at Vail? Did you fire him?

CHI: No, he was taken ill. He was sickly and the situation had got to the point where he needed a change and he was pensioned off, and that was the story. It was all very peaceful and so on and so forth. It had just reached a point where a change was necessary.

ERM: Now, to stop on this line of enquiry and push on to something else here, I want to hear a little bit more about the growth in changes in technology in the woods and the machinery. Can you tell us anything more about truck logging? When did you start really getting to the big trucks? What was your first experience with a really big one and how did you get it?

JAW: The first experience I think was in 1940. I think that's when we got the first big truck--the company bought the first truck.

ERM: And that was before we got into the war?

JAW: Yes, I think so. And it was hard to get trucks--1939 or '40 I think it was. I don't know where they all went but you could hardly get a truck. There was a fellow by the name of Petterman, who bought a factory down in Oakland, California. He started making trucks and he came to me and asked if we'd have a use for one of these trucks if he built a big one and I told him we would.

ERM: Did he give you any idea of what it was going to cost you?

JAW: No, but he was so anxious for us to use one of his trucks that he didn't care. He sent me a bill for what it cost and I told him it was too damn much and he cut it down \$5000. So then he took me down to California to see the factory. By then we were into the trucking business pretty good and the first trucks we had were a bunch of Ford trucks. But when we were in California we went to some kind of nightclub--we went purposely to see this factory and to see the World's Fair on the island. We didn't see the World's Fair; we saw the factory and then wound up in a nightclub in San Francisco, down on the waterfront some place and there we met some other people in logging too. I told Al Petterman, "I'm looking for a shovel to load logs with and that's what they're going to need in the woods with this trucking business. The way we load logs now is just out of date. It costs too much to move the machinery around." You had to have sleds under the donkeys and all that stuff and on the

gravel roads you'd wear them out in no time. So I said, "I'm looking for a shovel." He said, "I've got a shovel; I'll sell you a shovel." He said he'd bought a shovel to load logs out of the Columbia River for a peeler plant he had here in Tacoma.

ERM: Who had?

JAW: Petterman. Petterman Manufacturing Plant. He said the boys wouldn't use it; they said it wouldn't work. He bought it from some salvage outfit. It was a big two-yard shovel. He paid \$6000 and he said, "You can have it for what I paid for it." I said, "All right, we'll buy it." I didn't even get a chance to see the manager to get an okay to buy it. It was in Portland scattered around in different yards and I went down and looked it over, and we put it on two flat cars and brought it home and worked it over, developed it so we could use it for loading logs, and it worked so darn good that that was the beginning of shovel loaders in the woods. That's the first time it was ever used. Then I told Al Petterman about it and he heard other people talking about it too, so he took his woods foreman who wouldn't use it the first time up to look at this thing load logs. So he had to turn around and buy a shovel for this guy that cost \$40,000!

ERM: That was another innovation.

JAW: Yes. That was the beginning of shovel loaders and it was a wonderful development.

ERM: Who do you think of as being the prime developer of the use of the bulldozer in the woods? Who deserves the credit for bringing the bulldozer into the woods?

JAW: I don't know of any individual. I think it was contractors building roads that started using bulldozers first. The first bulldozer the company ever had I believe was at Snoqualmie Falls. We bought that bulldozer in 1935. That worked so good that from then on everybody started buying them but we weren't the starter of it. The contractors, I think, had used bulldozers before on these big jobs.

ERM: One of the stories that I've heard was that Ed Stamm of Crown Zellerbach on a trip one time back in Chicago saw one of these things pushing rubbish around in a dump. And he thought, well, why don't we use that out in the woods back there at Crown Zellerbach? It looks like the sort of thing we can apply out there and he came back and started using it. Do you remember anything about that?

- JAW: Well, that could well be. Crown Zellerbach might have had bulldozers ahead of Weyerhaeuser. I wouldn't say they didn't; they probably did. But it was hard to get a bulldozer to work. You had to have the right kind of ground. The boys didn't know how to handle them and it was quite difficult to get them started. But everybody got them first for road building, and then they started logging with them. You could see the advantage of using them for logging.
- ERM: This is always a problem, isn't it, getting a new idea accepted and used by the men in the woods? How did you as a superintendent go about that difficult job?
- JAW: Oh, the men are agreeable if you show you know what you're talking about and can prove what you're trying to do is best. Once you've proved that you have no problem with anybody as far as accepting your ideas. They go over pretty fast.
- ERM: In other words, it's a matter of establishing your reputation as a leader among these men to get them to move with the times and the new methods that are coming along.
- JAW: Pretty much, yes.
- ERM: Can you give me an example of how you establish this authority? What do you do in relationship to the men to establish this kind of a good response from them?
- JAW: Well, you've got to prove that you are human first and think about what you can do for the men in the line of safety.
- ERM: Now, could you expand on that a little bit. How do you make your authority felt and build your strength among the men in the area of safety?
- JAW: I've been in the woods so long and I've seen so many serious accidents--as a matter of fact, I had one myself; I can't see out of the right eye.
- ERM: When did that accident happen?
- JAW: I was chopping. We had a skid road in the woods and I was chopping to make a piece fit. It had a knot and it formed a kind of a wedge and just hit me right square in the eye and split the pupil. One doctor would look at it and say, "You go back to the woods right away," and the other one would say, "Well, they might take you back."

ERM: But you never had any sight out of that eye.

JAW: There was a Dr. Wing here in Tacoma. I went to him after I settled with the state (the state paid me \$500 for the sight of the eye) and he said, "It will either get better or you might lose the other one." But it got better for a while and it's faded quite a little lately. I can just tell the daylight from dark.

Anyway, it kind of gets you that you have to have all these accidents and I undertook to do something about it. The company was very nice about supporting you on everything you did in respect to safety. I went to several meetings of an association that we have in regard to safety.

ERM: What was that association?

JAW: Pacific Coast Loggers Association. We talked safety and I told all the operators that belonged to it that unless we as top management of the logging operations take this seriously and really support it even if it costs some money, we're not going to get anywhere. Well, they finally agreed that's what had to be done and it worked out very well and went from there onto a lot of things that were improvements, for the loggers safety. For instance, that hard hat was one of the biggest things that happened.

ERM: How did that get started?

JAW: I think it started someplace else with hard hats--probably in the shipyard. But we bought hard hats for everybody in the camp and they could use them if they wanted to.

ERM: What camp? All the camps of Weyerhaeuser?

JAW: I think they were prepared because the safety men talked about this pretty much and so did I, and there were an awful lot of people being hit with limbs falling off the trees: timber fallers. That's where most of the accidents would come; if a limb big enough hit them it'd kill them. A timber faller, Pat McDonald I think it was, got killed.

ERM: Was that when you were there?

JAW: Yes, probably 1942 or '43.

ERM: During the war.

JAW: I think the war was over; I'm not sure. But anyway after this timber faller got killed, I made it a point that whenever anybody got hurt seriously or killed, the foreman in charge had to take a report to the family and tell them what happened. That's one of the best things we ever did I think because it made that fellow safety conscious. Then next day I gave orders that everybody had to wear a hard hat or they didn't work there anymore.

ERM: They got fired if they got caught without a hard hat.

JAW: Yes. That's right. They accepted it because this fellow got killed from the limb. If he'd had a hard hat, he probably wouldn't have got killed. They accepted it and that's when the hard hat went over.

ERM: What had been the attitude of the men and their union about this hard hat matter prior to this accident?

JAW: The union kind of resented it. Some of the boys said they didn't like the hard hats. They were pretty warm in the summertime and hard to wear so they were very reluctant in using them but after that accident we had no trouble. Everybody wore a hard hat. Some of them didn't like it and they quit. We didn't have to fire anybody.

ERM: But you made the rule stick?

JAW: Yes. I tried to.

ERM: But this man, Charley Ingram, is quite a character, isn't he? You've known him for a long time.

JAW: Yes.

ERM: And he's almost a legend in this company.

JAW: He is. By far, he is just outstanding. He used to be manager at Snoqualmie Falls before I came up there and I didn't meet him until I'd been there about four years. Before I left Snoqualmie, before I moved, he asked me to move to this other operation to be assistant manager at this Vail and McDonald operation. That's one of the biggest holdings he had or the biggest operation in logging. I went down there to talk to the manager and we couldn't see things alike at all and I turned it down. I didn't go. I stayed where I was and went on for four years and Charley called me from Tacoma and he said, "McDonald is going to retire. We are going to retire him

and he's retiring the first of the year and we want you to go up there and run the operation." So that's how that came about. That's when Charley told me, "You're the boss up there now and you run it from here on out."

ERM: That would have been about what year?

JAW: 1943.

ERM: Up until that time you had been at Snoqualmie.

JAW: That's right.

ERM: And all the time you were at Snoqualmie you were running the woods operation.

JAW: That's right.

ERM: Who were the men you were associated with at Snoqualmie that you recall. Who was your superior there?

JAW: Mr. O'Neil, Tip O'Neil.

ERM: He was another famous name in the company's history.

JAW: That's right. He was quite a man. He was a wonderful fellow to work with. He never interfered with the woods whatsoever. He hired me down at Clemons to come up there. He knew he didn't know anything about the woods so he didn't bother me one bit.

ERM: He was strictly a mill man.

JAW: Yes, but he understood lumber. He'd been at it ever since he was a kid and it was a nice combination. I enjoyed it very much. He left me alone and I didn't bother him any.

ERM: How did you coordinate the work of the mill and the woods operation so you would get out of the woods what the mill needed and what the market was calling for?

JAW: Well, that's between O'Neil and myself. If we were in timber that wasn't really suited to the current type of market, we'd switch over to another area where there was a different type of timber.

ERM: What did this do to your planned cutting practices? Or was this before you had planned cutting?

JAW: There was no interference to the plan of cutting to do a thing like that, if you moved to another area. You'd have several different areas opened up for logging.

ERM: I see, but they had different types of timber.

JAW: That's right.

ERM: There was always good communications between you and O'Neil.

JAW: Oh, yes. It had to be. You couldn't be at odds with the manager under any circumstances. I wouldn't be there if I was and nobody else would because there had to be harmony.

ERM: Well, this has been the source of a good deal of controversy in other places though, hasn't it?

JAW: Oh--in different ownership you mean?

ERM: That's right.

JAW: There's always been some conflict. But within the company, there was pretty good relationship between the branches.

ERM: The lines of authority ran from you to O'Neil to Ingram?

JAW: Well, O'Neil would report to Ingram.

ERM: That's what I mean.

JAW: Yes, I never reported to Ingram until I went to Vail.

ERM: I see. When you were at Snoqualmie you reported to O'Neil.

JAW: That's right.

ERM: And O'Neil reported to Ingram. And Ingram was working with. . .

JAW: Phil.

ERM: Phil Weyerhaeuser.

- JAW: But Ingram was the whole company you might say. He ran the thing. Phil never interfered with him.
- ERM: No, he had the same degree of freedom over the whole operation of the mills and the woods that you had in the woods of your own area.
- JAW: That's right. And he was so well posted, his mind was so keen on anything that came up. Supposing, after the company got bigger and we were doing bigger things like starting the operations down in Oregon, you'd ask for \$2 or \$3 million for trucks and tractors and so on. You'd be surprised at what a good idea he had about what you needed. He'd ask questions--why you needed them and so on. We always wound up without any argument about it and usually got what we asked for from Charley, but he wanted to know where it was going.
- ERM: How were budget items of that kind obtained? If you planned to do something big like that, how would you prepare your asking?
- JAW: We prepared our budget for the year.
- ERM: For the whole operation?
- JAW: Well, yes, we'd prepare the budget for logging, for the cost of machinery we were going to buy. That was the principal part of the budget. We also had to fix up a budget for what the cost was going to be for the coming year and the production we intended to put in, but the cost was one of the things that had to be on paper so the company could reject it or okay it. Sometimes they would reduce it a little bit but not very much.
- ERM: What was the procedure on that? Would you pass your budget requests to O'Neil first?
- JAW: At Snoqualmie there wasn't much of a budget during those days. The budgets were so small that there wasn't any big amount of money asked for. They had a budget for the sawmill of course and the cost of the logging. When we got to Vail, it was bigger things and we started to buy machinery in a bigger way. But we usually liquidated enough assets--material we didn't need like railroads and steel and all that stuff--and it pretty nearly paid for all the equipment we needed for the change over.
- ERM: I see. In other words you were buying your new stuff from the income you derived from the old.

JAW: That's right.

ERM: Because of the rising cost of new equipment that couldn't continue for any great length of time, could it?

JAW: Well, that's true but it held true at Snoqualmie and Vail in the change over.

ERM: This was about what time?

JAW: Up until it was changed over. After it was changed over there wasn't any expense except buying replacement equipment for the stuff. When we started in Coos Bay and Springfield, we had to prepare a budget for the equipment we needed for the company to okay and these budgets were pretty heavy--buying all this new machinery for these large operations in Springfield and Coos Bay.

ERM: Did you move on to those other operations after you'd been at Vail?

JAW: Yes. In 1948 they started to open these operations up in Springfield and Coos Bay so they asked me to take a trip with them down there. I think there was an assistant manager, Al Raught, and he asked me to go with them and go down to these operations and I did. And I'm quite outspoken and so I told them what I thought.

ERM: Which ones?

JAW: Both of these operations that we looked at.

ERM: I see. And what did you think of them?

JAW: Well, they had some contractors in there, for instance at Coos Bay, that I didn't think were accomplishing anything. They were spending too much money for what they were doing and I told them so. They had let the contract before I ran into it. So I said, "I don't know what you have in mind but if you want me to have anything to do with it, the first thing I'd do is let that contractor go and build our own roads." Charley spoke up and he said, "Well, go ahead, you've got the job, look after it. You can fix it." So he told me to get a manager for Vail and I moved to Tacoma to the office here. Then I took care of all these logging operations.

ERM: In other words you were general superintendent of all the logging operations.

JAW: Yes. Manager of the logging operations.

ERM: And that began in the year 1948.

JAW: Yes. I moved in in 1948. It was '49 officially but in '48 I spent most of the time at these other operations. Then they hired a man back East to be manager over the lumber division. His name was Frank Walling. You'll probably run into his name and he was my boss when I was transferred to Tacoma. He didn't know a thing about logging operations, or sawmilling either as far as that goes. He was hired back East to be a highly efficient supervisor manager, so he was my boss. He used to go out with me. He wanted to go with me to learn the business, which was all right. We went down to Coos Bay and it was hot weather just like it is now and operation up in this area was all shut down. This contractor was still there and they were blowing stumps and drilling up on the steep side hills, a bunch of kids smoking cigarettes. And I told them that they would have to cut out the day shift. They were working two shifts. I said, "You can run the morning shift up to noon but after that you should shut down because you can get a fire here and burn the whole country up." And the manager, his name was Conklin said, "Well, if you shut it down we'll lose the men." I said, "We're shut down up north. The whole logging operation is shut down and they have to take a chance on getting them back. I don't think there will be any problem." So Walling spoke up and said, "I think Bob Conklin is right." He said, "I think it's all right to run it." "Okay, you're the boss." So they ran it and it went on for a month or two I guess and Frank Walling wanted me to go with him up to Mountain Tree Farm. That was a settled area of the company here; they owned part of it with Scott Paper. He wanted me to go with him to a meeting they were going to have with the Forest Service in Seattle and by that time it had gotten a little hotter all the time. And I said, "I can't go today, Frank." "Well," he said, "can you go tomorrow?" "I'm afraid not." "You mean to say that you wouldn't go with me?" "Well," I says, "you might call it that." He hung up and that was the last time I talked to him. We had the same secretary. The next morning she came in and said, "Do you know Frank Walling quit?"

ERM: He just didn't feel he was up to the job.

JAW: He probably went in and talked to Charley and it was either him or me, see.

ERM: Well, how did he get the job in the first place?

JAW: I don't know. Somebody recommended him highly. You know the company was growing then and they reached out to get all the good talent they had heard about.

ERM: Well, had he been in the business before?

JAW: Not in the lumber business, no. He'd been in some business back there and had evidently gotten quite a name for himself.

ERM: In the East.

JAW: Yes. But that was taking quite a chance with my boss but it got so I didn't care. If I was going to do this job, I was going to do it. So I don't know just what happened, what came about that he left, but he left then and I haven't seen him since.

ERM: This fellow Ingram has backed you up all the way down the line, hasn't he?

JAW: Oh, yes. He has.

ERM: You've had a Scotch ally in him.

JAW: Ingram and Phil have been just wonderful to me between the two of them.

ERM: Tell me a little bit about Phil Weyerhaeuser as you remember your dealings with him.

JAW: Phil was the most pleasant fellow to visit with you've ever met and we used to visit quite a lot. He used to come out to the camp. Sometimes he'd come alone and he was very nice. He'd compliment you on anything that he thought was good, and he had done that so much that you couldn't help but appreciate that. I remember one time he came out to Vail after I had been there a little while and he said, "How do you manage to keep things looking so neat? There's such good housekeeping around the place." Some of these logging camps you'd go out to, you know, there'd be a little dab of something here and something else there, piles of junk, and no effort to make the place look half decent. So he noticed that. It shows how he noticed those things.

And he'd always encourage you in doing new things. If you talked to him and said you should do this or that to improve the operation, he'd say go ahead. And he knew that if I, or whoever suggested it, should be off base that Charley would check it before it went into

operation, you see. So he didn't worry about anything like that. He knew that Charley would take care of that part of it and as much as he could he'd encourage young people to try to put out something new. I always had quite a lot to do with getting the logs to the pulp mills and so on and there was always a bottleneck at some of these places where we had to dump the logs. There could be improvement in handling and some of the pulp mill managers wouldn't always like the idea and they didn't mind telling me that. But Phil would always say, "Keep on applying, John, you'll get it." There again was something that had been running that way for twenty years; why shouldn't it be good now? But the conditions had changed; you put in a different kind of logs and needed to handle them differently and there was a little problem involved. Once it was corrected there was no more problem. And that was that way in so many places.

For instance, down at Aberdeen when they started that pulp mill, the pulp manager wanted lots of storage room for the pulp logs in the water, which made sense in a way, but down there the river they had to store it in was flooded half the time in the winter and the silt and stuff would come down and pile on these logs, and of course he didn't realize that. I told him about that and I said, "You should make all the dry storage space you can because there is equipment out now where you can take the logs off of a truck and store them on dry ground if you have the space." LeTourneau equipment has a grab that will take the load and set it out and go and get it and put it on the log slip and you should develop this whole area as much as you can for that purpose of storing logs." I told Charley that and we had a dredge there to take care of this. It had to be done then or it wouldn't be done. Well, I worked so much on Charley, and he agreed with me that it should be done but the manager of the pulp mill, Morgan, he couldn't see it; he didn't like it too well. But I had to take him over to Spokane. There was a LeTourneau piece of equipment there that handled the logs for a saw-mill and I took the assistant pulp mill manager over there to show him how you could handle these logs. Well, they finally okayed it; it was all right. So they developed this area down there and I understand now they are using it 100 percent for dry storage for pulp. There again you tell it to some of these fellows and they don't believe it, but Charley Ingram, he knew all about it you see.

ERM: He was a party to the decision.

JAW: Yes, but he didn't want to tell the pulp mill manager, "This is the way it's going to be." He liked to have it come along with a

little diplomacy. But sometimes if you've got to get things done, you're going to get them done too.

ERM: Well, that gets to be more and more of a problem the bigger and bigger any organization gets, doesn't it?

JAW: Yes.

ERM: You're bound to run into situations where your authority begins to bump noses a little bit.

JAW: That's right.

ERM: But somebody's got to take the initiative and make the decision.

JAW: But Charley, he was respected so much among all the mill managers and all the other managers that you couldn't trip him up on anything. You couldn't find where Charley had made a bum decision. He had quite a reputation of being pretty sharp. He didn't make many mistakes and he got along well with the managers. There wasn't any quarreling and he picked them according to what they could do.

ERM: How did he and Phil keep in touch with what was going on out in the field? After all, they were based here in Tacoma. How did they keep themselves right up to scratch and informed on everything?

JAW: Oh, they were out in the woods quite often.

ERM: They were moving around the area, the whole northwest area?

JAW: Oh, they would come out. Every once in a while they would come out to the woods, and then they would have auditors from the Tacoma office that would go around, you know, and see how things were done so there wouldn't be any work going on in the office that wasn't up to par or up to their standards. If they found anything that wasn't right they'd naturally report it to the main office, so they knew all the time what was going on.

ERM: These men at the top always seemed to have, from what you said before, rather strong inclination for both conservation of the resource and safety toward the labor force. Can you expound a little more fully on these policies? How did they develop? How did they show their enthusiasm for them?

JAW: Well, you take for instance things like safety. They'd take all the frequency rates on accidents that came out on all of the branches and put it all on one sheet and send it to all the branches.

ERM: And this score card was made up once a month?

JAW: Yes, once a month. Pretty soon when the frequency would start to go down, the accident rate, the managers would start to show this letter. Dinners would be put on for the supervisor and the safety men and they'd discuss safety with anybody who had anything to suggest for it, and even gave prizes for the best suggestions for safety. The company paid for the dinner and everybody was there-- the management was there supporting this. And if a manager came along and saw something that wasn't safe, he didn't mind telling the foreman to shut her down and fix it and there was nothing said about it. So many places, so many organizations that make good speeches about safety forget to carry it out on the job when it costs a little money by stopping something like production for an hour or so. But you once show that you'll do that, the people know you're safety-minded.

Like I said it was a very good relationship with the management above me all the way through the time that I was with the company and I enjoyed it very much. This company is quite outstanding in the field of developing new ideas and safety programs. They welcome any new things that anybody knows how to promote. For several years here when safety ideas first started, everybody was interested in it because the lost time due to accidents was costing so much money that you had to do something.

ERM: In other words, it was just good business.

JAW: It was good business is right. When a man gets killed and he's got say seven or eight kids, there is \$80,000 chucked up against the company to pay off in time, and if it continued at the rate that accidents were going at one time in the woods, the cost would be so high for industrial insurance that it would be almost impossible to operate.

ERM: Because of the number of fatalities and bad accidents.

JAW: And lost-time accidents. But the accident rate dropped so fast it was hard to believe it could be done. But everybody realized they had to do something and they took after it. I mean the other companies as well as Weyerhaeuser.

ERM: And how did the labor force respond to this?

JAW: They responded good. There wasn't any objection. They enjoyed it. Some fellows hated to be told, "You can't do this," but the rest of them agreed it should be done.

ERM: How did their unions respond to it?

JAW: Their unions responded good. After they got organized and settled down, the union realized that they were part of the operation, too. There wasn't any confusion on that part. Safety was just as important to them as it was to the company.

ERM: Were you always the representative of your company in labor negotiations?

JAW: Just part. They had labor negotiators that took care of the negotiations but I was in on the negotiations and the meetings with the union and the spokesmen for the company.

ERM: What would you have to say about the general conditions of the relations with labor over the years? How would you characterize it?

JAW: I would call it good. There were some strikes but not of any importance. The union won some and the company won some. That is, when there was something the union asked for that was really unreasonable, the company would point out their side of it, and there were times that the union realized that they had to give a little too. The main thing is that you tell the union what you can do. If they know that then they're pretty reasonable to get along with.

ERM: Have you had the feeling that the labor unions out in this area have had pretty good leadership over the years?

JAW: Well, on the average I'd say yes. There are always some leaders that are not as good as the others but a lot of the leaders out here have been pretty reasonable, pretty responsible.

ERM: Who among them do you think of as being most reasonable people and people who have been willing to compromise and at the same time represented the interests of their members? Who do you look upon as being the men in the labor movement as being most outstanding of the people you've dealt with?

JAW: Well, I believe that a fellow by the name of Nelson who lives in Kelso or Longview has probably been more reasonable to deal with than most union leaders have. I can't think of anybody that would be more fair than he has been. He has been tough too about some things that the boys wanted; he stuck up for them.

ERM: You mentioned a little while ago when we weren't on tape about some comments that were made in the book Timber and Men regarding who is responsible for certain things in this field of safety.* Would you like to repeat what you said there? Do you remember what it was?

JAW: I said something about the gains that were made for the employees. Some people got credit for it but I think the company needed a lot more credit than they got for it. They did a lot of things when they were making money. They could really improve things for the men in the woods in the camps and that stuff, but it couldn't be done when there was nobody making any money. But the companies that were up and coming, when there were improvements to be made, they made it for the boys in the woods. And also there was a lot of increase in wages, raised without any negotiating from the men. Back in 1921 I think there were probably five or six increases in pay during that year when there was no demand for it--no negotiation with any union whatsoever. The prices got better for logs and they could pay more money. That's what it amounted to.

ERM: Did you ever have anything to do with the 4L?

JAW: At one time they all belonged to the 4L until that played out.

ERM: Well, were you in it from the very beginning back in the early twenties?

JAW: Yes. I think it was down at Clemons where we joined it or before that. It was organized to get everybody patriotic and get lumber cut for the war effort; everybody in the woods joined.

ERM: World War I.

JAW: Yes.

ERM: And then it continued on after the war.

*Ralph W. Hidy, Frank Ernest Hill, Allan Nevins, Timber and Men: The Weyerhaeuser Story (New York: The Macmillan Company, 1963).

- JAW: It continued for quite a while and when the union came in and labor and all started to function, it kind of petered out.
- ERM: Did management begin to loose interest in participating in it after a while? How much do you think it's decline was due to the diminishing interest of management?
- JAW: No, it wasn't due to that. It was due to the union coming in and the men had to join the union naturally, after Roosevelt got in.
- ERM: The Wagner Act?*
- JAW: The Wagner Act, yes. And then when they left there wasn't anything left but the management to belong to it.
- ERM: That's right but the Wagner Act didn't come until the thirties, and all through the twenties the 4L had been going along. Hadn't it been kind of petering out in its influence?
- JAW: Yes, it would peter out in some places where the men didn't think it was anything anymore. After the war was over some of them just quit it and then when they started to organize the unions, why then naturally they all dropped out. So there wasn't much for the management to continue alone in that organization.
- ERM: But you feel it was more the laboring man's turning away from it than it was management's turning away, that killed it off.
- JAW: I would say so. There would be no object for management to discontinue it if the men wanted it and wanted to belong to it.
- ERM: You were a member of it as part of the management team, I suppose.
- JAW: Yes.
- ERM: What things did you do to build up a spirit--team spirit or family spirit within your area of the Weyerhaeuser Company? This family idea seems to be rather a big thing in the Weyerhaeuser organization.
- JAW: Yes.
- ERM: I just wondered how you as an individual superintendent in one section worked at this job.
- JAW: With management you mean?

*National Labor Relations Act of 5 July 1935 (Wagner-Connery Act), 49 Stat. 449.

ERM: With the men under you principally.

JAW: Well, like I said before, you show that you have some feeling for people; that you hate to see people hurt and you like to see them do better; you like to help them to improve their jobs and get more pay and better jobs, and prove that you're fair in that respect. That's one of the main things. And also visit and talk with them. So many just forget that--to visit with the lowest paid man if you've got a chance--stop and visit; he appreciates that.

ERM: That was on the job mainly?

JAW: That's right. And for instance, at Vail now when I came down there, and at Chehalis and Centralia, I wasn't well acquainted at all around there but I joined the Elks Club just for the purpose of getting acquainted. It's just as important to be acquainted and be on the right side with the people that don't work for you, that are in business in these towns, as it is to be friendly with your own men. These men, your own men, visit with the businessmen around town; they buy from them and they always talk about their boss and what kind of a guy he is and all that stuff and so to me that was an important thing. I joined this Elks Club for that purpose--to get acquainted with the people around town. And it worked out very good. I got a good reception from that and invited the businessmen from around town to come out to the woods and see what was going on. Like the service clubs there and the Kiwanis and the Rotary Club and invite them out and take them out to the woods and show them around. And it made all the difference in the world in their relation toward the company.

ERM: How did you react to the beginnings of the Weyerhaeuser's forestry practices and when were they first initiated up there in Snoqualmie?

JAW: I think the forestry was initiated along in the thirties, in the early thirties, and Phil Weyerhaeuser was a spark plug in it. He's the one that hired a lot of foresters too. Of course, he realized what had to be done.

ERM: In other words, it was this whole concept of sustained yield.

JAW: It was the talk of cutting and moving out, you see. When the timber was gone there was no more sawmill, no more town in this little area and so on. And then as forestry came in, there were a lot of people then being graduated from forestry school that could come

out and make a good talk and make a good showing. Phil hired quite a few. And I think way back in the early thirties is when it really got going. And then this tree farm setup came along. That was developed in 1940. It was called a tree farm and I think the first one was established down at Clemons where I used to work.

ERM: Do you think that was the first tree farm really?

JAW: Oh, yes. That's where it got its name. Somebody thought of that name. I don't know who it was but it went over big all over the United States.

ERM: Yes. But they had been practicing principles of tree farming before that, hadn't they?

JAW: Sure they practiced and they planted some trees before that in a lot of places and it was pretty well along, but then when this tree farm was organized and called a "tree farm" then it went like a snowball. The company got them all over right after that.

ERM: You were a member of many associations during your career. Would you tell me a little bit about these? You mentioned the Pacific Northwest Loggers Association awhile back and we didn't get into that very deeply. I wonder if you'd tell me a little bit more about that. Were you in on its organization?

JAW: No, I wasn't. I was its president for a couple of years but that was after I came to Tacoma here. It was principally organized for the purpose of establishing log prices and scale so that it would be a uniform system. They organized a scaling bureau that was the same system for everybody, and they all had an inventory of logs on hand. Mostly commercial loggers belonged to it and in those days there were more commercial loggers than there were companies logging themselves, you see. They were logging and selling the logs to the sawmills and that's how it came to be organized, I think. Then a lot of loggers quit or got through--couldn't buy any more timber or something and they quit--and it kind of tapered out. This safety work was the last thing I think they accomplished, and they did a swell job on that. That was worth the effort. About five years ago, I think, it was dissolved, but it answered its purpose at the time.

ERM: Do you remember Clark, the man who headed it?

JAW: Yes, E. T. Clark. And the other thing was the Pacific Logging Congress, and I was director of that for several years. That was a good association and still is and the boys enjoy going there.

INTERVIEW IV

Edwin F. Heacox
Tacoma, Washington
August 11, 1967

Elwood R. Maunder: Let's just kick off this interview with you with a few comments you might have to make about Charles H. Ingram and John Wahl and their role as you saw it in the Weyerhaeuser story. Would you just spin out a little bit about that?

Edwin F. Heacox: Yes. I think John Wahl first started working for the company in the old Clemons Logging operation down in Grays Harbor. He worked there for several years and then went to Snoqualmie Falls and eventually became logging superintendent at Snoqualmie Falls under the general manager there whose name was Tip O'Neil. He subsequently moved to the Vail McDonald operation and became logging superintendent and manager of the operation and then, I don't know the year, but he later came to Tacoma as an assistant to Charles Ingram in the general area of woods and timber and forestry matters. Mr. Ingram, as general manager of the company, had no staff at all in Tacoma. Of course, there was the usual run of supporting departments in accounting and law, and after 1936, industrial relations and public relations but they were relatively small and didn't operate too closely with the general management of the company. They had their own functions to perform. So that after Mr. Ingram brought John Wahl into Tacoma, he relied very heavily on John and there was a very close personal relationship between these two men. You might almost say that Mr. Ingram being in sort of a on-man-show felt the need to have someone to whom he could talk about a lot of matters and on whom he could rely for information and judgment with respect to all things pertaining to the woods operations, and probably even going on over into some of the other business affairs of the company. In any event this relationship placed John Wahl in a unique position which carried probably considerably more authority and responsibility, or at least influence, in logging, forestry, and timber matters in the company, than would normally be the situation in that kind of position.

ERM: He was a remarkable and almost legendary figure in this field. What made him so?

EFH: Well, John was one of the innovators in the logging business. He was a man who, like most logging superintendents of the day, was relatively uneducated but still with a very high degree of native intelligence. And in contrast to many other logging superintendents, he was always looking for something new to try and he could very well be classed as one of the leading innovators in the logging industry during his era.

ERM: What innovations do you associate with the man?

EFH: For example, he was one of the first men in the logging industry on the west side of the mountains, particularly up in the Cascade Range, to go into the truck logging business. There had been some other truck operators mainly in the smaller timber down along the coast in the Astoria area and in other areas, and there had been truck logging in California. But, so far as going into the rugged Cascade Mountains and developing truck operations, I think John was one of the real pioneers in the business. He tried some things that didn't work and some that did. For example, when he first started in the trucking business, he had trucks with 4-wheel trailers behind them, so he would haul a load of logs on the truck and another load of logs on the 4-wheel trailer behind the truck. This turned out to be not quite so successful but nonetheless he did pioneer the truck logging business certainly in Weyerhaeuser and probably to a high degree in industry in general here. The transfer of truckloads of logs directly to railroad cars--I'm not sure that John was the first to do it but I think he was. And in any event, within the group of Weyerhaeuser operations, he was certainly the leader in developing this technique and was doing it long before our other branches were, and he developed his own novel ways of doing this which in later years most of the other companies copied.

He was one of the first to use power saws in the Douglas-fir region, when most people were saying they're fine for the redwoods and they'll work fine in the pine country east of the mountains, but it will never be successful here in the steep, rugged Cascade Mountains and these great trees we have here; well, maybe we can use them to fall with but we can never use them to buck the trees into logs. John said, "We can use them," and he did, and so this was another area in which he pioneered in the Douglas-fir region.

ERM: This is always one of the toughest jobs, isn't it, to overcome the resistance of men to change?

EFH: Absolutely.

ERM: Wherever you find it: in business, in management or out in the woods. And what was it about John Wahl that made it possible for him to overcome this resistance to change?

EFH: Well, that's difficult to answer but John was a very forceful man to begin with. He was a very likable man. Like most of the men of his day, he rose to his position by fighting and clawing his way to the top but he was resourceful, he was energetic, he was respected, and I think he was always looking for a better way to do the job, whereas so many of the men, particularly in an industry which is dominated by relatively untrained and uneducated people, are more content to do things the way they have been doing them. They develop a system that works and they hate to move on to something untried. But John was really always looking for a better way to do something.

Another thing that he tried in his operations at Snoqualmie was to abandon the big old sleds that were typical of the high lead yarder arrangements here in the Cascade Mountains. He used old railroad axles and railroad wheels and cut the flanges off with cutting torches and in this way made up real heavy parts out of four or five axles of railroad wheels. This gave the weight to hold the yarder down so they could pull the logs and at the same time made it more mobile than the sleds which were seventy or eighty feet long. They could be maneuvered around the spar trees easier and moved from one landing to the next much easier. Of course, there were many improvements made on it in later years but this was the start of it; of abandoning the sled and going to the wheeled type of yarder base. So these are some of the things that John developed while he was actively managing logging operations both at Snoqualmie and at Vail McDonald.

ERM: Isn't there a gadget on a spar tree that's known as the "John Wahl"? Do you know what I mean?

EFH: No, I don't. I don't associate that with John Wahl. I don't know.

ERM: I have heard it referred to as a "John Wahl." It has something to do with the hanging of a block on a spar tree, making it safer to operate. I can't exactly describe it. I just know that in the field there are some people that refer to this as a "John Wahl."

EFH: This I didn't know but it could very well be. I think another matter of importance in this connection is that when John came into the

Tacoma office, into the corporate office of the company as a sort of a general woods manager, although the actual logging operations were still under the direct control of each one of our individual branches, John brought with him this interest in trying something new. He spent a great deal of his time encouraging and taunting our other logging managers into trying these new things--whether it was partial cutting, or pre-logging, or falling by stages to cut down the breakage, or putting cables on some of the big, very valuable trees that were leaning badly so that they could let them down easier and reduce the breakage. They even at one time put metal bands around the butts of the big cedar trees and cinched them up real tight so that when they fall these large cedar trees that tend to shatter, they reduced the breakage. These were other things that John had a hand in developing and that were used quite extensively. So John carried his inventiveness and interest in trying new things over into his work here in Tacoma which then expanded, of course, into all of our operations.

ERM: Well, I don't want you to spend all of your time here this morning talking about John Wahl and Charles Ingram because one of my aims here today is to get you to talk about the history of forestry, industrial forestry in this company and in the region itself. And I think it would be a good idea if we'd start out on that by sketching a little of your own personal history to give us a background.

EFH: I was born in a little town called Britt in Iowa, up in northern central Iowa. It's near Mason City. That's the way I generally describe it, and my father was a dentist in this town, and I grew up in this small town and worked on the farms in the summertime and during vacations. I graduated from high school there in 1924 and that fall I started school in Ames, as it was known then, in the Department of Forestry and after about six years in and out of school, working in-between, I was graduated from Ames Forestry in 1930. In those days there was really only one outlet for foresters and that was in the U. S. Forest Service, the rare exceptions being the one or two who went into the state forestry department. But by and large, the Forest Service provided all the job offerings.

ERM: You came out right in the Depression period, didn't you?

EFH: I came out in the Depression period right. And I finished school in March and there were five or six of us who graduated at that time off-season.

ERM: March of 1930?

EFH: 1930. I think it's of some significance that all of us who graduated at that time got work and of those who graduated in June of that year, very few did. I mean, the economics of the situation were deteriorating that rapidly--in a short three-month period the jobs just disappeared. But I was somewhat of a maverick in the forestry school in that for reasons that I can't really understand or explain fully myself, I didn't want to work for the federal government. I wanted to work for business and the whole forestry course was designed around training men to go into the Forest Service. One of the major courses in the senior years was a long seminar which was a review of all the civil service examinations to prepare us for work in the Forest Service, and it caused some small furor in the school when I refused to take this course or to take this examination. They threw up their hands and said, "Well, where are you going to go to work? You've just wasted your time here." And it looked for a long time as though I had, but somewhat as a last minute occurrence, an earlier graduate of Ames (and I don't know his name) came from Alaska and stopped in Spokane in the Weyerhaeuser Sales Office there. Then he stopped at Ames and then he went on his way to Washington, D. C. And in the process he said Weyerhaeuser was going to start what they called a sales training course and take some young men out of college and train them to be salesmen. So to make a long story short, I got in on this program and came to Longview, Washington the week after graduation and started in with Weyerhaeuser and this is the only place I worked all during my career.

ERM: Who is the man who interviewed you for the job?

EFH: It was I. N. Tate.

ERM: In St. Paul.

EFH: In St. Paul. He didn't interview me but I had correspondence. He was in Spokane at that time and later was in St. Paul. But all of this was handled through correspondence and my recollection of the correspondence was that each time I'd write to Mr. Tate, I'd say I'd like a job and he'd write back and say, "Well, you can have the job but we don't really recommend that you take it because business is so bad and getting worse; the future is very dim in the lumber business and we think you're making a mistake to take the job but if you want it you can still have it." This went on three or four times. And so, in any event, I accepted the job and

was assigned to the Longview Branch of Weyerhaeuser which had just started up. The mill had been completed I think in November of 1929 or about that time and I arrived there April 1, 1930.

The idea at the time was that I would work on some of the fir operations on the coast and then go into the Inland Empire and some of the associated companies of Weyerhaeuser: Potlatch, Boise and work in the pine mills and in the process be training myself to be a lumber salesman. It didn't work out that way. I arrived on the job and reported to Mr. Sam Johns and I thought this over very carefully and I told him that I'd taken the job under false pretenses because I had no intention of ever becoming a lumber salesman; I wanted to get into the forestry business and I thought that this was a way of doing it. I decided that I'd better make a clean breast of things right at the outset rather than to try to delude him any further. So he hemmed and hawed and said, "You'd better wait until some of the other managers come in," so in a few minutes Harry Morgan, Sr. and Al Raught, who was the general manager, came in and Mr. Johns said, "Here's a young man who took a job as a lumber sales student but doesn't want to be a salesman. What are we going to do with him?" Well, both Mr. Raught and Mr. Morgan said, "That's just the kind of man we need." So this gave me some relief because I had visions of not even being able to get a job to begin with. So I went to work in the mill on loading shifts just doing common labor and about a month later Harry Morgan came by and said, "Are you the young man who didn't want to be a lumber salesman?" and I said, "Yes." He said, "Why don't you go into the purchasing department. We're going to be building a new pulp mill here and we're going to have to have some extra help in the purchasing department, and we're looking for a man. Maybe you could fit in there." So I have vivid recollections of that.

I went in and applied to Mr. McFail for the job and he said, "Well, you'd better think about it and let me know in the morning what your answer is." And in the meantime he told me that the pay would be \$110 a month and I had made up my mind if I could get \$90 I would take it. So I said I could tell him right then I wanted the job and he said, "No, I want you to think about it tonight and come back in the morning." And I said, "No, I want the job." I was afraid somebody else might get it. But he wouldn't accept my answer right then so I came back at 7:30 the next morning and said I wanted the job. And he said, "Okay, you can go to work." So I worked in the purchasing department at the Longview operation for about two and one half years. The pulp mill was completed, it was right in the depths of the Depression and they were laying off men right

and left. The men in the mills and the woods were working one and two and three days a week. The work was prorated out to them. Men with years of experience were looking for jobs and in the meantime I had been able to stay on but when the pulp mill was completed, I could see the end coming to this.

ERM: What were you doing in the purchasing department? Can you give me a little detail of the kind of work you were doing?

EFH: Well, I'll have to say when I went into that office, I had probably less business knowledge than any college graduate that ever hit the industry. I didn't know an invoice from a voucher and I didn't know anything about cost accounting. Nobody could have known less about it than I did and I had a real hard struggle making the grade at all but eventually I began to catch on to what was wanted, and first it was just handling the so-called pick up purchases of the nuts and bolts and screws and stuff that was fairly stereotype purchasing. The salesmen came in and we gave them the orders based on the requisitions we got from the millwrights and the warehouse and so forth. Later on I combined with the woods which included the cookhouses and the logging equipment and all of the general run of the purchases for the woods operations.

ERM: Which was quite a bit of responsibility.

EFH: There was quite a bit of responsibility. There were four or five of us in the department and yes, I'd say there was quite a bit of responsibility. As the pulp mill was completed they began to reduce forces in the purchasing department. Being one of the last men to go in there, I could see the handwriting on the wall and was reading the classified ads in the Oregonian every day but not with much success. But again good fortune stepped in and having been doing the buying for the woods, I had quite close contact with Ed Baker who was the general woods superintendent. So as my job in the purchasing department began to vanish, he said we had to set up some kind of organized method of handling our materials in the woods. We didn't have a warehouse, we didn't have a storehouse so the materials came up there and they were scattered all over the woods and there was a big woods operation--about eleven or twelve hundred men in several different logging camps. So he said, "Why don't you take a whirl at coming up and setting up a system for us? This will at least take a year or so and that will give you at least one more year of work."

So I took that job and this was the time when not salary increases but salary cuts were coming along fairly regularly and so by virtue of moving from one job to the other I at least held my own. I'd get a salary cut of 12 1/2 percent and then maybe a couple of months later I'd get a little increase and so I weathered the Depression in that fashion taking alternate salary cuts and increases. I went up to the woods then and I spent about two years gathering together all the spare parts that were scattered all over the woods buried in the mud and in the bunkhouses, scattered around the different camps and construction camps way out beyond the end of the railroad. I got all of the machine parts and brought them into the warehouse and set up a system for handling the maintenance and equipment and supplies.

ERM: This was an area of great inefficiency.

EFH: Well, it couldn't have been any more inefficient. It's hard to describe but here was an inventory of, even in those days, a couple of hundred thousand dollars of spare parts: brake lining for skidders, everything from rig sprockets and gears and drums and wire and rope down to nails and bushings and nuts and bolts and rivets for brake lining were just scattered all over the woods, much of it lost, buried in the mud and probably a lot that we never did recover. But the operation was just getting going and it was a swashbuckling, fast-moving thing. But the need was great and it was easy to see what was needed and we simply went out with trucks and with cats out in the mud and got these pieces and spare parts and got bunkhouses and flatcar loads of stuff that was scattered around all the camps. We brought it in to one central point at headquarters and set up a storehouse and a method of receiving and disbursing and ordering and buying and selling.

ERM: This was a major innovation for the men out there in the woods.

EFH: Oh, yes.

ERM: How did they respond to this?

EFH: Oh, I can just give you one instance as to how they responded to it. At one of our logging camps, there was a bunkhouse that was being used by the donkey doctors. It was full of spare parts and little pieces, boxes of rivets and nuts and bolts and nails and big pieces of equipment and they liked to have that right there with them. They didn't like the idea of having to order things from the storehouse at headquarters. Anyway we decided to bring that down

to headquarters and make it a part of the store. So they talked to the people who were going to bring it down. They got an old steam locomotive train and they came in and lifted this big bunkhouse up onto a log car and brought it down to the warehouse headquarters and when they got it down there, they lifted it up and pulled the car out from underneath it and then they just shook it. All the stuff came down. Tons of material just came down in a great big pile on the railroad track beside the warehouse. So I and my helpers had the job of sorting it out piece by piece. But there was the normal amount of resistance to bringing this equipment together and developing some kind of order out of chaos. But it was over very quickly and once they got it set up and all they had to do when they wanted something was to send in an order and it came to them on the next feeder, they liked it better of course than having to go out in the mud and dig it up themselves and wonder if they had it.

ERM: So the system recommended itself rather quickly.

EFH: So I did that work for a while and after we got the thing going, it happened that the master mechanic at the headquarters shop there was in poor health and was off the job a good deal. So Ed Baker called me down one day and said, "Ed, you're doing a pretty good job on this warehouse, now I'm going to put you in charge of the whole works up there: the shop and the warehouse and the whole works. You're the boss of everything on that side of the track, the carpenters and the whole deal."

Well, I was a pretty young man and we had about forty men in the shop crew divided into two shifts; they had night shifts and they were working all the extra time they could get. They were overworked to the point of being worn out just to try to make enough money to live on. I mean, everybody worked as much overtime as he could get. It was all straight time in those days. So to put a young fellow like myself with absolutely no background and experience in mechanics in charge of that machine shop where we were overhauling those big skidders and overhauling and so forth--caterpillars, diesel shovels. It was quite an undertaking for me and obviously didn't meet with the wholehearted enthusiasm of the crew. But I made it work by getting the crew together and saying, All right, I don't know how to change the flues in a boiler. I don't know how to time the valves on a locomotive. I don't know how to rebore an engine for a bulldozer or for a diesel shovel. You men know how to do these things. All I'm here to do is to try to get some order to it and to help you do your work and if we can work

it on that basis it will work fine. If it won't, then one of us is going to have to go and I don't intend to go." And so we went along for a period and one instance came up, a man who was a very highly qualified man got me to help him on a job with riveting a frame for a tender on a locomotive and the next day he came in and said the rivets didn't hold and I hadn't done a good job and he was going to tell the boss and get me fired. I said, "Go right ahead. But," I said, "I'll tell you first of all, you're fired. You're not playing the game. So when you go down and talk to Ed Baker, you just tell him you lost your job and I'll take my chances." So he did, he went down and he said, "Ed, that young so and so up there fired me. Can you imagine that?" And Ed said, "Is that so? I guess you're fired." And so with one experience in an area in which I was green as a person could be, it worked out satisfactorily and from that time on we got along fine.

ERM: It didn't take long for a story like that to get around a camp.

EFH: Not in a small camp like that. So I continued on then as master mechanic until our Vail operation closed down due to the lack of business. It was during the Depression and they brought the man who was a very competent master mechanic and shop foreman superintendent down from Vail to take over and he was obviously so much better qualified for it than I was that it was a good move on the part of the company. He was more entitled to the job than I was. He knew the job. I didn't. So I was master mechanic there for a year or so.

Shortly after that Mr. Raught called up and said, "There's a job coming up in Tacoma and I don't know anything about it but you told us when you came here that you wanted to get into the forestry business and we're not in the forestry business but they've got a job in Weyerhaeuser Logged-Off Land Company in Tacoma. I don't know anything about it but they asked me if we had any possible candidates for it and I thought of you and so if you're interested in it, why don't you go and talk to them about it." So I came to Tacoma and talked to a man by the name of Mr. A. F. Firmin who was the manager of the Weyerhaeuser Logged-Off Land Company which was the wholly-owned subsidiary which took over the land after it was logged. Their main objective was to sell it off to agriculture or for some other purpose--grazing land or suburban property or whatever we could do with it. So I came to Tacoma and I talked to him and it turned out that in connection with the NIRA which had been passed some time previously, they had to have some additional

help in the Logged-Off Land Company which was the department which was in charge of encouraging the company to comply with the woods requirements of the National Recovery Administration in order to enable us to get the addition bonus cut in our mills.* So the job was not really very clear cut. As he described it to me, it was appraising land for sale, examining land for forestry possibilities, doing some land selling, doing some surveying, doing some subdividing and also helping out on this NRA Code work. In the process of applying for the job, I decided to talk to a couple of other men.

I talked to Mr. Chet Chapman whose title was chief forester of the company and who had been the first U. S. Forest Service regional forester in Portland, Oregon, having graduated from Yale Forestry School and who was probably as close to the general forestry situation in the region and in the country and certainly in the company as any one man could be. And his comment to me was simply this: He said, "If you're interested in outdoor work I'd suggest you take that job; but if you have any illusions about getting into the timber growing business in this company I can't recommend that you take it because our main job here is to liquidate this timber. This is what the owners want and I don't see very much chance of this company going into the timber growing business for a long, long time if ever." Well, this was as I say probably the most knowledgeable man. He wasn't saying what he wanted to say. He was trying to say he was facing the facts and trying to tell me what I would be facing if I took this job. So I talked to Mr. Raught after I came back to Longview and he said the same thing. He said, "If you like outdoor work I think that would be a good job for you, but I don't think you should take it with any feeling that you're going to get into the forestry business because we're not going to do it." He said, "We're going to try to do a better job of protection against fire and all these other things but the time just isn't ripe."

ERM: There wasn't the degree of profitability yet in the industry.

EFH: This was in 1934 and if I'm not mistaken this was financially the poorest year that Weyerhaeuser had ever had up until that time and has ever had since. It was right in the depths of the Depression so far as the lumber industry was concerned.

ERM: You mentioned doing some work at this time in relation to the NRA and the Lumber Code Authority. What exactly was that work and

*National Industrial Recovery Act of 16 June 1933, 48 Stat. 195.

what contacts did you have with the regional representatives of the Lumber Code Authority?

EFH: The part of the NRA that I'm talking about as you well know is Article X of the Code and incidentally Mr. Chapman was one of the men who helped formulate Article X of the Lumber Code, he and a number of other people in the region. So he was thoroughly familiar with the situation. But under the Lumber Code, there was a committee set up in Seattle called the joint committee that was jointed sponsored by the West Coast Lumbermen's Association and the Pacific Northwest Loggers Association. This committee was given the responsibility of policing the lumber industry for compliance with Article X of the Code. A man by the name of Russell Mills was the first, you might say, officer or agent of this joint committee. His job was to go around to the logging operations and to determine whether or not each logging operation was complying with the standard setup under Article X of the Code because there were different ways an individual company could get an addition to its allowable production quota and one was to conform to Article X which set up minimum forest practice standards--and they were a minimum. It also had to do with a prompt and controlled slash disposal, with leaving seed areas to reforest the land, and with minimum provisions for protecting against fire, such as having tool boxes and building trails, and so forth in advance. So any company that was seeking a bonus production quota for his mill had to conform to Article X of the Code, and the joint committee was the policing agency. It was an industry committee but they had to police it and some companies were not allowed--I mean some branches were not allowed--the additional quota because they did not comply with this. So it was a self-policing idea. Well, of course, the Code was very promptly deemed to be unconstitutional by the Supreme Court.

ERM: In 1935.

EFH: Yes, 1935. When it went out, the industry then decided to continue to promote the minimum forest practices standards that had been set up by Article X and so the joint committee stayed in existence and a group of people were doing this policing for the joint committee. Warren Tilton followed Russ Mills and then later on Bill Hagenstein and this joint committee eventually evolved into what is now the Industrial Forestry Association. The Industrial Forestry Association is a direct offshoot of the old joint committee.

But we were doing the same thing, you might say, within the company that the joint committee was doing for the industry. In other

words we had one or two men from Tacoma who were making the rounds of our operations and were trying to encourage and cajole and persuade our logging superintendents in every way we could, to live up to these minimum standards and even get them to do more--whatever we could get them to do in the way of leaving seed sources and doing something positive and concrete and direct with the objective of maintaining timber on the land, growing more trees. Looking at it from today's standpoint, it was a minimal effort but it was an effort in the right direction.

ERM: Do you think this was generally true throughout the industry or was it more true in the Weyerhaeuser Company than in other companies?

EFH: Well, I would say that there were a number of companies who were leading the way both in keeping the joint committee active in the policing role--not so much in the policing as in the encouraging role. The joint committee ceased to be a policing body and became a group whose function it was to encourage industry, small and large, to live up to these standards. And so it was in our company (the one or two or three of us who were working at different times under Culmare had no authority) when we went into our branch we couldn't say to our logging superintendent, "You've got to burn slash, you've got to maintain fire tool boxes, you've got to leave seeders." We could only encourage them to do it and try to persuade them to do it which is what we did. Now, I got off from your question.

ERM: What was the attitude in other companies of the region toward this portion of the Lumber Code? Who were those who seemed to be pursuing the same course that you were and who were those who were not as active in pursuing it?

EFH: I would say that my recollection was that the ring leaders in pursuing this in addition to our own company were St. Paul and Tacoma, Simpson, Crown Zellerbach, and Booth-Kelly down in Oregon. It's a little difficult to draw the line.

ERM: It fuzzes out.

EFH: It fuzzes out but there were a few companies who were really pushing.

ERM: These were the companies that now, thirty years later, come back to you as being the leaders.

EFH: Yes. Those are the ones.

ERM: We recognize here that you could be forgetting somebody who ought to be included in the list.

EFH: That's correct.

ERM: Now, there were other areas which were definitely not cooperative.

EFH: I would say it ranged all the way from the few of the companies that were trying desperately to get this thing going to those who couldn't care less and it depended a lot on their situation. Obviously a company like Weyerhaeuser who owned at that time (I'm guessing now) probably 2 1/2 million acres--probably 2 million acres of land had a real problem facing them. They had a very substantial acreage of cutover land and they didn't really know what its ultimate use was going to be. And I might say at this point, say along about 1933, '34, '34, '35, '36--say 1935--was the point at which I think the forestry program began to really take root in the Douglas-fir region and there were enough leaders in the industry who began to say to themselves, "We've got to do something. We can't just cut out the Douglas-fir region and leave it like the southern pine region or the Atlantic states have been left for many reasons." For one thing at that time the federal government, of course, was making absolutely no bones about the fact in public statements; the Forest Service representatives and the Department of Agriculture representatives were saying this industry is going to have to be policed. The government is going to have to own a lot more of the forest land than it now owns, so part of the New Deal program was to substantially increase the percentage of federal ownership of forest land and to control and regulate all of the forest land that was left in private ownership.

ERM: It failed to accomplish that end in the Lumber Code, didn't it, because the Lumber Code Authority was in a sense industrial self-government under federal regulation. And the lumber industry had a great deal to say about what the Lumber Code was going to be.

EFH: Oh, yes, the Lumber Code, Article X of the NRA Code was written by--oh, Colonel Greeley played a large part in it, Chapman, Dave Mason was a big factor in it, George Drake, Simpson, and many other people. There were a lot of people involved in it but it was industry conceived and sponsored and developed and policed.

ERM: And it seems to me as a long-time observer that it broke down not so much from a failure to comply with the regulations under Article X, as it broke down in other areas of the Code having to do with prices that were maintained and the volume of the material manufactured; the refusal to stick by quotas and the refusal to stick by price controls.

EFH: I think that the Code, I mean the NRA, went out of existence purely on the basis of the Supreme Court decision that it was unconstitutional. Now, while the Code was in effect, there were violations of production quotas. I mean the West Coast Lumbermen's Association was the policing agency for the manufacturing end of it. I mean each company is given a quota and they can only produce certain quotas based on historical production records and so I don't think it did break down. I think it was just purely declared unconstitutional and when it was declared unconstitutional, the whole thing fell by the wayside except Article X which the industry voluntarily said, if this was good--we wrote it, we developed it, we think it's good--we think we ought to try to encourage all segments of the industry to continue on this basis of minimum forest practices. This is a start and we ought to keep on, and so this is what happened. This is the birth of what is now the Industrial Forestry Association. The joint committee stayed in existence and was financed by the West Coast Lumbermen's Association and the Pacific Northwest Loggers Association; E. T. Clark of the Loggers Association and Colonel Greeley was the manager of the West Coast Lumbermen's Association and this carried on of course until the war.

But the main function of the joint committee and the people involved in it was to make the rounds of these woods operations and encourage compliance with these minimum standards. And they kept changing the standards, raising them a little as time went on. Now, the association, that is the joint committee, also began to get involved in national policy matters of forestry which was an important part of it, and Warren Tilton spent a good deal of his time on that end of it. When the war came along both Tilton and Hagenstein were off on military affairs. They came back in 1946 and picked up where they left off. Warren Tilton had a heart attack shortly thereafter and Bill Hagenstein who had left just a few months before, came back and took over and he's been in charge. There have been some name changes and reorganization pulling away from the West Coast and so forth but it's what is today, the Industrial Forestry Association.

Going back to the thirties, the question comes up frequently: what were the factors that brought about the development of the forest

growing business in the Douglas-fir region? One of them was the NRA. It was the industry written code of minimum practices. Another factor, and I think a very important one, was the threat of the federal government.

ERM: Threat of regulations.

EFH: Of both regulations and increase in federal ownership. And, of course, they were increasing federal ownership rather drastically in those days in these Forest Service purchase units and so forth. And this threat of federal regulation and increased federal ownership was also quite instrumental, I think, in the thinking of the leaders of the day in putting industry in the position of wanting to strengthen the state forestry organizations. So much of the legislation in the states of Washington and Oregon, at least, during the last half of the thirties, from 1935 until the time the war started which was passed to strengthen the state forestry department was industry sponsored. Industry felt that it was much better to have strong state forestry departments and they were woefully weak in those days, as you know. At best, you could say they were forest control organizations and quite ineffective. But industry felt it was to everybody's advantage to strengthen the state forestry organizations, to make them really powerful and effective organizations. And so the industry played a strong part in developing this, again as somewhat of a counter-measure against increased federal ownership and control.

ERM: Well, it's always been argued that an industrial group can more easily influence a state agency, whatever it may be, than it can a federal agency. Is that a part of the picture?

EFH: That's one way of saying it. I think probably a more accurate statement is that obviously, I don't care whether it's in social welfare or forestry, you can do a better job, I mean you know the problems better if you're doing it through local people who know the problems peculiar to that particular region and that particular situation. So a good state forestry organization can obviously do a better job and is more responsive to the needs of a region than a federal organization no matter how well intentioned they may be. They simply are looking at it from a broader, less knowledgeable viewpoint.

ERM: So, in a sense, even in the midst of what were the poorest years from a profit standpoint there came now a new acceptance of the practice of forestry within the industry and an expenditure of more money to accomplish this work. Now, this tends to belie the argument of industry which had always been used before that you can't practice forestry until it's profitable to do it. Yet, here at a time

when it was very unprofitable to be in the lumber business at all, they started practicing forestry. Now, was this just purely out of fear of regulation?

EFH: No, it was not. I say these were important factors that helped tip the scales but there had been a number of leaders in the industry who had--well, take Western Forestry and Conservation Association. In the companies who belonged to that association in the Northwest states--you can go back and review the records and the minutes of the proceedings of these meetings--there was a lot of interest in trying to develop a forestry program, and by forestry program I mean there was interest in maintaining the forest resources of the West and not just to continue to cut the timber off and move on and forget about it or hope that it was going to go into agriculture or something else. It was an awareness among a lot of people that this was what had to take place in some way at some time. It had to take place and the old records are pretty full of this. But it was elementary. I mean, they didn't know what to do; they didn't know how to go about it. They didn't know what they could do and obviously with the Depression upon them, they had this extra burden of trying to figure out how they could do it when they couldn't even make money cutting the mature timber. They were losing money running the mills and cutting the timber that was three hundred years old, the finest timber in the world. And then they say to themselves, we ought to be starting the little seedlings here that weigh a half an ounce and would take--in those days they figured they would take at least a hundred years to mature. I think in summary on this particular point, there were obviously a number of reasons that led the industry into embarking upon a forestry program which included pressure from the federal government but certainly in back of it all was a desire to go into the forestry business and an awareness of the fact that they didn't really know how to do it or when to do it or what was involved in it.

ERM: You were beginning to get some pretty good advice, though, from people like Dave Mason and his partners down in Portland, weren't you, at this time?

EFH: Yes.

ERM: About specifics. What sustained yield operations were all about and. . . .

EFH: Yes. As a matter of fact, prior to the time we're talking about, prior to 1935, Weyerhaeuser Company had employed Mason, Bruce & Girard. At that time it was Mason and Stevens and other names but it was

the same firm). At this time Weyerhaeuser had employed this company to make rather comprehensive analyses and reports on various portions of the company ownership to try to find a way of managing this property for continuous timber production. So Dave Mason's company obviously played a very important part in influencing the company in the way that it was going.

I think it's typical in any situation like this, whether it's in forestry or any other situation where an industry or a company is involved in embarking upon a new and unproven undertaking, that in looking back on it it's easy to see that the situation was very fluid--that at one particular time, there would be a half a dozen people in influential positions who were promoting and supporting it very strongly, and that there were just as many people who were as strongly opposed to it. In the course of a few months, some of the people who had been strong adherents would begin to waver and some of the people who were opposing it would become more sympathetic. So it is very difficult to say that a certain group of people were the ones who were strongly for it and others were opposing it, because among themselves, even on our own board of directors, or within our own management groups, within a branch or within the company, there was this changing attitude of people backwards and forwards. I suspect that some of the people who were most interested at any one time, probably as they got into it further became disenchanted and would say, "I guess there isn't much chance after all." And the people who were less enthusiastic at one time in their ignorance, would begin to get more enthusiastic and so the thing changed back and forth.

Again looking at the economics of it, I would be forced to say that the people who were the most solid from the standpoint of good business and economics would probably be the ones to find it most difficult to justify embarking on a forestry program under the conditions that existed in the mid 1930s. In the first place, there were more acres being burned every year than were being logging in the region. With the type of fire control and fire prevention and fire suppression that existed at that time, with the equipment that we had in those days, and with the public attitude, the chances of a seedling surviving to maturity were so slim that I think anybody in his right mind would be forced to say that you'd be crazy to invest a dollar in a seedling at that time. Another reason is that in those days you could go down into southern Oregon and you could buy all the mature timber you wanted for fifty cents a thousand ready to cut. There were no roads in it, no railroads. It was in Coos and Curry counties, but the timber was there. Anybody could buy it. Mature timber, fifty cents a thousand, and then you are talking about going out and

spending ten dollars an acre to plant seedlings that won't be ready for harvest for a hundred years and that have little or no chance of reaching maturity before they get burned up. So the hard-headed businessman who is looking at the profit and loss statements and trying to make a sound business judgment had more difficulty in coming to a decision to go into the forestry business than the man who was a little more emotional and less tough minded.

ERM: And less economically involved.

EFH: That's correct. And this went on--jumping ahead a few years in the early 1940s. 1940, '41 and '42, there were very substantial acreages of tax-delinquent land that were put up by the counties in those years. There were several hundred thousand acres in a number of different counties.

ERM: Here in Washington?

EFH: In Washington. And those tax sales were well attended. I can recall in Cowlitz County, for example, at the Kelso courthouse, they had three tax sales. I think three weeks apart in the summer of 1940 or '41 or about that time. There would be 150 people attending those sales--the stump ranchers, the people who lived in the country; the small gyppo loggers; the real estate dealers from Portland, Tacoma, Seattle, Chehalis, Longview; substantial loggers; timber-owning companies; bankers were represented; and at that time there were thousands of acres of fifty-year old second growth in Cowlitz County that sold at prices ranging from seventy-five cents to four dollars an acre. We bought some (other people bought more than we did) but in that same year that we were paying \$2.50 an acres for fifty-year old second growth, we were spending \$10 an acre at Longview to plant little seedlings that were two inches tall and were satisfied if we could get 50 or 60 percent survival after the first year.

Now, this is the economic hiatus that existed at the time that we were talking about developing a forestry program for this region. So it took some real farsighted people who could look beyond the present economics, who could look way beyond the existing economics and say this may be the economics today but someday the economics of this industry are going to be different. We're going to be able to make more money on the lumber and the pulp that we produce; and stumpage is going to have higher value than fifty cents a thousand; and a lot of things are going to have to take place, and there's going to be a need for our products that we can't fulfill unless, by hook or by crook, we can grow timber because we

will eventually run out of timber. So we have two choices: are we going to try to grow this timber on private, tax-paying lands or are we going to be content to let this all go tax-delinquent and then depend upon state or federally owned stumpage .

These were the choices and there were just enough people in the industry who were farsighted enough to look beyond the current economics and say that at least we want to protect our right to stay in business. And if we're going to protect our right to postpone the decision so that twenty years from now we can still decide do we want to stay in business or don't we, then we've got to do something. And again we don't know what to do. So it was at this point that the industry began to look more and more at the young group of foresters that were coming out of forestry school and to hire a man here and a man there and put them to work and listen to them part of the time and argue with them most of the time. But to rely on them to some degree to help them solve the problem.

ERM: Who were some of these young foresters who were coming into Weyerhaeuser?

EFH: Well, at that time Bill Price was one of the--he had been working for the company for four or five years. A fellow by the name of Bill Grogan was with the company. I was one of the earliest ones. Then we had a number of young people who are still in there. Paul Sanders worked for Weyerhaeuser around 1940 or the late thirties, I think; he came to work for the company in various positions. And a fellow by the name of Charley Reynolds and a lot of them came and went. Some of them are in other places in the industry today; some of them have moved on to other parts of the country.

ERM: What was Clyde Martin's role?

EFH: Clyde Martin came to the company along about 1906 or 1907 as a young engineer right out of Yale Forestry School. He came here as an engineer rather than a forester because, who wanted a forester in those days?

ERM: They needed engineers.

EFH: Well, they didn't even want engineers. They frowned on engineers in 1907 to '14 as much as they frowned on the foresters later on. I mean they didn't need engineers (or so they thought) and so they built all kinds of inclines and declines to get the logs out of the woods and they never made any money on those but they were paying for the engineers that they didn't have. But Clyde Martin worked

then, I think, from along about 1907 to about 1920 and then went to India and was in India for ten years. But during the time he was here he worked at Yacolt, which is where he started. He worked out of the Tacoma office, he worked down in the Grays Harbor area in various places mainly as a field engineer. Then he went to India for ten years, and in 1930, after he came back, the Depression hit him pretty hard. I think he had the first CCC [Civilian Conservation Corps] Camp on the West Coast here, and then I believe he went with the Western Pine Association. But then, when Chet Chapman died rather suddenly about 1940 (I'm a little hazy about the date, 1939 or '40 or somewhere around there), the company hired Clyde, in part, to take the place of Chapman. Clyde stayed here until he retired, at about age seventy or something like that.

ERM: Was he more of a public relations forester?

EFH: Yes. For most of the time he was here after he was rehired, he was mainly involved in forestry-industry relations. I mean he was the company's representative in most of the forestry associations.

ERM: Western Forestry?

EFH: Western Forestry, and the fire associations, and the National Lumber Manufacturers Association, AFPI [American Forest Products Industries].* All of those things. He gave quite a lot of leadership within the company, too, on various things but he evolved more into the outside activities than into the other.

ERM: Was your own role as a forester similar?

EFH: Well, different, in that the first five years I was with the company I wasn't in anything involved in forestry. I was in the purchasing department, the machine shop, the warehouse, Longview; then I came into the Logged-Off Land Company in Tacoma. That was in late 1934 and from then until 1940 (the Logged-Off Land Company was dissolved in the meantime and we developed a reforestation and land department) on the one hand I was involved in the management of cutover land primarily--that is, buying and selling, appraising, subdividing. I spent about half my time on that. The other half I spent working with our branches going from branch to branch on more or less regular tours and trying to promote and help and encourage

*Now known as the American Forest Institute.

the branches to do a better job of forestry. Then in early 1940 I went to Longview as, I think, the first real industrial forester attached to a going logging operation in the West, as far as I know. Now there were men like Norm Jacobson and Chet Chapman and Clyde Martin who were foresters employed by industry, but they weren't involved in practicing on the ground in connection with an active logging operation. When I went to Longview in 1940, I think this was a first. Shortly after that, our Klamath Falls branch hired Tom Orr, Sr. and he went there as branch forester.

ERM: You have witnessed in your career as a forester a change from a situation of deficit timber cutting to one in which total growth exceeds total drain for the country as a whole. That is a pretty well established fact.

EFH: That is correct.

ERM: I wonder as you look back in time over this career of yours and this particular phenomenon which has taken place in the forest, whether you assign any particular importance to the role of any particular person, persons or events leading to this accomplishment. Now I know this is a very big thing and it's difficult to say this man or these few men and this event and that event but I think there's something to get your teeth into here a little bit if you just look at it in the broad picture. Who stands up the biggest and the tallest in the whole thing. Do you recognize anybody?

EFH: Well first, without talking about any individuals connected with it, I don't think there's any question but that the development of the pulp industry in the South was probably the one most important event that has been responsible for this change from a deficit timber supply to a potential surplus. And of course, this in turn probably goes back to some research of Dr. Charles H. Herty down in Georgia and some other people who first of all were able to make good kraft paper out of southern pine. And secondly, when they learned to bleach kraft paper so it began to compete with the sulfite type of pulp, and then when they developed newsprint out of southern pine. Those three things really just revolutionized the biggest, most extensive forest area in the country. So the South developed this short-rotation wood supply in anticipation of meeting all the needs of the exploding, mushrooming pulp industry. And this to me has been one of the biggest factors.

Now, this had repercussions, too, because as that developed in the South, it had an influence on what happened here in the West.

I mean, first of all it had an influence on the people who just saw what was happening down there when land went from two bits or fifty cents an acre, when land went off the tax rolls and began to be sold and picked up by these pulp companies in large quantities and they began to spend a little money on it and grow their own pulpwood. Actually, while they were growing their own pulpwood they were still buying most of it because there was plenty of it to be purchased so they were building up their own forests and not using the growth on their own forests to any degree at all but continued to buy wood from other people. And then they had the SPCA [Southern Pulpwood Conservation Association] and other organizations down there who were trying to encourage the other owners, the 500,000 small owners, to do a better job on their properties. And while the soil bank program and some of these other government programs under the Agricultural Adjustment Act and so forth, undoubtedly had some influence--as did the plantations of the Forest Service and others down there--really, the big thing was this potential market that was provided by the pulpwood industry.*

ERM: In other words, it was a completely reoriented situation.

EFH: Completely.

ERM: Lumber oriented to a fiber plant situation.

EFH: Yes. And during that period, and even today, I mean the relationship between the value of a (I won't say cord or a thousand feet) but a unit of wood in the form of pulpwood and the value of that same wood in the form of saw logs or now, going into the next step, into the peeler logs, is a very, very unstable thing. In other words, for a while the same cubic feet of wood in the form of pulp logs might have been worth six dollars a cord or say roughly twelve dollars a thousand; and that same quantity of wood in the form of saw logs, maybe no larger pieces--twice as long but no greater around, might be worth forty dollars. Even today I think in certain areas of the South you find these dislocations in the actual value of the unit cubic volume of woods grown whether it goes in the plywood logs now or saw logs or pulp logs. These things take a long time to get straightened out but they certainly were no deterrent to the development of the industry down there. The people were buying cord wood for four dollars, five dollars or six dollars a cord and they were paying thirty-nine dollars a thousand for saw logs

*Agricultural Adjustment Act of 16 February, 1938, 52 Stat. 31.

which was roughly five times as much for the same character and quality of wood.

ERM: What have been the implications of this change in the full resource inventory picture on long-term policies out here in the West, policies that were made back in an earlier time before these new factors were recognized?

EFH: Well, this is a complicated subject and question obviously. But when you look at the total woods supply of the country, the growth exceeds the drain. All the statistics indicate this. Still, in the West here, the cut or the drain still exceeds the growth. This is mainly due to the fact that as long as you're cutting in virgin timber, the cut is bound to exceed the growth. I mean as long as you've got as many acres tied up in virgin timber as there are in the western states, it's awfully hard to get the growth and drain in balance. You have to reduce the cut to way below where any sane man would want to put it. So the fact that the total timber volume and the total allowable cut in most of these western states is still going down, I think, has ameliorated any fears that the industry might otherwise have had that there's going to be a surplus of timber which would have a deleterious effect on the market. Was this your question now?

ERM: Yes. You wouldn't go along, then, with what Ken Smith from San Francisco had to say here a couple of years ago in his article: "Saw Timber, A Contrary Opinion." His thesis in that article was that the real problem of the lumber industry is not scarcity of saw timber, but how to preserve enough market for timber to make growing trees to saw-timber-size an economically sound venture.

EFH: I remember that article. I think that when you look at the future of, say the timber growing industry in the Douglas-fir region, you simply have to realize that the southern pine industry did not and probably could not have propagated itself on a completely saw logging economy; it took the short rotation pulpwood to bring the thing close enough into focus to develop it. So too, out here-- just to go to the extreme--we could never plan to reproduce Douglas-fir peeler logs. It's the same way with the yellow birch in the Northeast. It takes 120 to 160 years to produce a yellow birch plywood log, nail logs as we know them today. In the Douglas-fir region here to grow the trees that produce the kind of logs that the plywood industry developed and grew on would require such a long period of time you couldn't possibly do it on any kind of a financial basis.

I'm going to the extreme; so when you go to the other extreme, you begin to ask yourself what are the smallest size trees that you can think of as having commercial value at the time that they reach this age. In other words, if you started in 1967 planting trees or reforesting, you ask yourself, "If I operate on a forty-year rotation, by the year 2007 what kind of trees are going to produce a profit? Will forty-year old trees do it? If not, will sixty-year old trees (which will be in the year 2020) do, or do I have to wait eighty years, which would be the year 2040?" I think you almost inevitably come to the conclusion that what we're really talking about is producing fiber and expecting that the wood which will be available decade after decade is going to have a market. You've got to have a little confidence in the fact that if we grow wood here, there will be a market for the kind of trees that we are growing, and that market does not have to be for fir peeler logs or for even Douglas-fir saw logs as we know them today. As a matter of fact, we know--and I think you can just say categorically--that you're going out of the clear business for one simple reason, barring a minor exception, and that is that Douglas-fir, just as a species, does not prune itself well. I mean, stands of Douglas-fir a hundred years old really have very little clear lumber on them as we saw logs today--almost negligible. That means that with the exception of what little pruning might go on (and this isn't going to be very much), you're not going to produce clear lumber out of Douglas-fir. One thing that you can do, one thing that Douglas does have over other species, is that you can produce long lengths in relatively short periods. In forty or fifty years you can produce trees that have one and a half to twice the length that southern pine does, for example. And to the extent that that gives you a little extra market, that's an advantage.

But I'd take this as an axiom: that through advances in technology, by gluing and laminating and in many other ways, we can produce in the manufacturing process the quality and size and strength we want a lot cheaper than we can try to grow trees to meet these specifications in this region or any other region.

ERM: And this means that the concept of sustained yield is undergoing certain changes.

EFH: Certainly. Go to the southern pine region again. The old line, the old family lumber companies down there (and you know them as well as I do without mentioning their names; there were maybe a hundred of them), they grew up on an economy of saw timber and they profited on the economy of saw timber. Some of the last ones to go on to it are still hanging on to that, the W. T. Smith Lumber Company

and the Crossett Lumber Company to name the two. There were maybe a dozen others smaller who are still cutting timber primarily to saw.

ERM: Southern pine operators.

EFH: Southern pine lumber operators, and the southern pine region still produces an awful lot of lumber. But they were cutting timber primarily to saw and they were managing their forests primarily to reproduce on an uneven-age basis; primarily to reproduce uneven-age stands of southern pine timber, the ultimate crop tree of which was a saw tree. Well, then such outfits as Union Bag and others--I could name a dozen of them--came into the picture and started growing forests primarily to sustain and back up a pulp mill. Hell, they weren't on uneven-age management anymore. They went strictly to even-age plantations and they've got, what is it, 50 million acres of plantations in the South that are all producing even-age forests. And all their projections, and so forth, are based on the production of pulpwood in relatively short rotations--fifteen, twenty, twenty-five, thirty years--which isn't going to produce very much saw timber. And an outfit like Crossett continued even in the face of all this, as did W. T. Smith and several others; they continued uneven-age management to produce saw timber. Well, with regard to the sales of these properties, I think you could prove without any question that when Crossett came on the market--and when anyone of the other fifty big properties came on the market--what did they sell for? They sold at a price that absolutely precluded the continuation of this uneven-age management. They sold at prices which required an early liquidation of practically all of the mature timber and the prompt replacement of it with plantations of even-age trees that would produce pulpwood projected out to twenty, twenty-five or possibly thirty years. Now a third thing has entered, you see, with the advent of the plywood plants, primarily sheathing. Now the pulp mills are going to have to compete as the plywood industry expands down there; the pulp mills are going to have to compete with the plywood industry, not with the sawmills.

ERM: So you can make plywood out of smaller logs then?

EFH: What I am saying is that many of these uneven-age forests were planted with the idea of bringing them up and cutting them by mechanized machinery. There will be a tendency, I think, on some of those better sites to go on uneven-age management again in order to raise a few trees a little bit larger to supply the plywood

industry. And the plywood industry will be able to pay some small premium over pulpwood prices to get those logs that are going to be, say, eleven or twelve inches instead of eight or nine inches. So by way of reinforcing your statement that your ideas and the ideas of industry have to be flexible and change with the changing times, this idea of a sustained-yield philosophy that you adopt in 1935 and never change is ridiculous.

ERM: You were operating for quite a long time on an eighty-year rotation out here, weren't you ?

EFH: Well, yes. I mean this is probably a pretty good generalized statement. Actually most of our projections were not made on the basis of our starting out to say, "We're going to see how much we can cut on an eighty-year rotation. Instead, we started out to say: we're going to see how much we can cut and get timber back up to a merchantable size before we run out of timber." In other words our projections were made on a declining basis. This is the way it usually worked out in our Weyerhaeuser operations, as I know it did in several other companies. We didn't have a formula that started out with a fixed rotation. We used a formula of a kind of "cut and try" basis, with a trial cutting budget. Really, the key to it was trying to keep the age of cutting in the current stands up to a point that we thought industry could stand.

Let's take one of our own plants, for example Plant X, and say we had a hundred thousand acres back of this mill and we had so much old growth timber--some eighty, some ninety, some fifty, some forty, and so on, down to reproduction. We would try trial cutting budgets on that property and we'd say to ourselves, "Well this particular branch of Weyerhaeuser can't really compete in the market with timber that is smaller than seventy-year old stands will produce given the average site and the conditions of this Branch A. Now this would come maybe at a period twenty-five years from today. Say in twenty-five years they're going to be in seventy-year old timber. Now in twenty-five years can they continue in operation on seventy-year old timber?" If the answer was yes, then we'd say, "What can we do on sixty-year old timber?" We'd say, "Well, from what we can see today and keeping in mind that we've got a board of directors that can't think that the industry can ever operate on anything except virgin timber, we aren't going to get this down to the sixty-year point at the present time." And then we'd say, "If instead of cutting 100 million feet a year, if we cut 150 million feet a year that means that in twenty-two years we'll

be down to forty-year old timber. It will be forty years at that time." And we say no. In the light of what we see here today to try to sell this to the company and to the industry would be ridiculous. Granted we might think that twenty-five years from now that might be pretty practical, but there's no use trying to sell something that nobody is going to buy.

So we worked on this sort of flexible rotation period. But to generalize I would say that in the thirties when we started working out these allowable cuts for various pieces of property, we were thinking in terms of eighty to ninety-year old timber. By right after the war when we'd had more experience seeing many younger stands being cut during the war, particularly during the Korean War, we could see a lot of timber being sixty-years old being operated--small gyppo outfits but they were making money, making a living cutting these small stands of second growth--and there were hundreds and hundreds of thousands of acres of sixty-year old second growth cut in Washington and Oregon during the Korean War.

More recently, we've been saying to ourselves, "Well, we really don't know what kind of a product we're going to have to produce." And we have asked ourselves, "Is an eight-foot two by four the minimum manufacturing unit? Is it an eight-foot block that will cut out so many linear feet of veneer, or is it the chip?" You can even go down further and say, is the particle the minimum manufacturing unit? Look at the expansion of the particle board industry, I mean the ground-up flakes. So I think that the people--and I'm talking about a lot of people now--who are dealing in these problems, the foresters and the manufacturers are thinking in the terms of where the industry is going on this sustained-yield basis. No one wanted to say all we want is just the fiber, pure fiber; it's all going to be manufactured chemically anyway. Nobody wanted to say that. On the other hand, nobody wanted to say that saw timber was going to be the backbone of the economy, either.

So what we're really talking about is trying to get the land reforested quickly, following logging. We make sure we keep the land working; this is number one. Then we protect the stands from fire and insects and disease; this is number two. Make sure that they're restocked to the point that the growth potential of the soil is going to be absorbed by the trees. And then we feel that there will be a lot of timber that will find a market when it's twenty-five or thirty years old, some of it at forty, and maybe the bulk of it will still be up in the sixties; but we can't plan that far ahead anyway. Take the sixty-year life of the stand. Just look back sixty years and see what's happened in

worldwide politics, economics, social changes, technology; no one can predict that.

Crown Zellerbach, for example, with far less timber behind their mills than Weyerhaeuser had, far less acreage, far less volume and with much smaller timber generally speaking (most of their stands were in the hemlock belt) were always thinking in terms of shorter rotations and more intensive management and higher yield than Weyerhaeuser in their projections. In other words, they were always willing to stretch the point, saying, "Look, our figures show that we can grow sixty thousand per acre in sixty years, a thousand board feet per acre; we think that in the next sixty years we can grow at least 15 percent more and so we're going to project our cut on that basis." Whereas Weyerhaeuser, looking at the people, and at the board, and up and down the management, was a little bit more conservative. With a hell of a lot more timber behind them and not being under the same pressures, Weyerhaeuser was always a little bit more conservative. I think this is healthy having both sides.

And the Forest Service, as you know, has been far and away more conservative in the business of land management. Without mentioning names, I chided very severely some of the people in the Forest Service as many as twelve or fourteen years ago about the rotation. I didn't say, "You don't know what you're doing"--and I was kidding them obviously--"but you're behind the times. You're talking in the terms of a 100-or 120-year old basis on some of the national forest working surveys. That's ridiculous."

ERM: Of course, they've made a rather radical switch on that.

EFH: Well, that's why I say this was several years ago.

ERM: How does their change of attitude and their implementation of a much more rapid rotation cutting program affect your own policy on this?

EFH: This was something we thought about quite a bit. At least when I say we, I know I have. A company like Weyerhaeuser that owns a lot of land is obviously going to be affected by Forest Service cutting policies in several ways. One is that if we have a lot of timber today that can be marketed profitably, then the more timber that comes on the market in competition with that, the less favorable the market is going to be for us. In other words--and this is looking at it real selfishly on either side, either the Forest Service side

or our side--the Forest Service could say, "We're going to hang onto our timber until everybody else's is gone and then we can get the real fancy prices for it and the interest rates don't bother us." On the other hand, that might be good for Weyerhaeuser; it might be bad for Crown Zellerbach; it might be good for one and bad for the other. But certainly, to answer your question, the rate at which the Forest Service, the Bureau of Land Management, and the other public agencies release timber into the market has an effect on all operators and the effect can be quite different on different types and classes of operators. Go over into the Montana area, for example, where practically all of the timber is publicly owned, or down into southern Oregon where, aside from two or three big private ownerships, most of the timber is also publicly owned. The policy of the Forest Service is really setting the economic pace at which those areas develop.

ERM: Has that policy provoked the Weyerhaeuser Company to speed up the cutting of its own timber?

EFH: No. I think I can honestly say that, to the best of my knowledge and to the best of my powers of observation, neither Weyerhaeuser nor any other big land-owning company has been influenced even slightly in its rate of cut by Forest Service timber harvesting policies.

ERM: Your own rate of cut was influenced to some extent by the blowdown, wasn't it? In other words, you got beyond your sustained-yield limits in that period.

EFH: We had a very substantial volume of distressed timber, timber that had a very short life of usefulness; we had a lot of it. We had it in the Grays Harbor and Pacific County areas; we had it at Longview (those were the two worst areas); and we had some at Vail McDonald; a very substantial amount of timber that had a very short life of usefulness. In other words each year that it was left--well, after two or three years the hemlock would begin to deteriorate. In two years the sap went in the fir left on the ground, much of it at least, and that's two inches around the outside of each big log. Then the deterioration was much slower but there was just no question what it would have been.

ERM: But all that's been mopped up now, hasn't it?

EFH: Yes, all that, from the big storm, has been mopped up. But I would say that there's a certain amount of attrition that's been going on on

public land and private land all the time. There's a certain amount of timber that isn't always as dramatic and as easily observed as the big blowdown but it would take a pretty substantial cut in the Douglas-fir region just to keep up with the normal insect and blow-down (fire is negligible in recent years) but just to keep the forest cleaned up. I mean, you're still dealing with virgin forests in which there is a lot of timber which is poor, overmature, and as logging progresses there are more and more timber edges exposed to the wind. We're in an area where we get winds off of the ocean; the timber is tall, the roots are shallow, and the heavy rainfall softens the ground so that this is going to be a continuing problem in this region. However, your point was that this big blowdown produced enough of this distressed timber so that we had to exceed our normal allowable cut in order to salvage that timber, and that's true, but it's only that kind of a catastrophe in which this is true, because the normal losses do not exceed the cut. The problem, however, is that the normal annual losses that you get in blowdown and in insect and disease never occur where it's real handy to get at, you see. You're always having to change your plans, build new roads that you haven't planned on, and it's very costly; fifteen or twenty thousand dollars a mile to get over and get a little patch of timber here and a little patch there. So this is a continuing problem to the whole region.

ERM: Do you anticipate that the liquidation of old growth on your lands is going to go forward at about the projected pace that you've had in mind for some time, or are there new factors coming into your view which seem to push you in another direction--either more rapid cutting of that old growth or slower cutting?

EFH: Well, I can't really speak for the company on that; but I would say this, that from 1935 up until the end of World War II we had ten or twelve years of really good intensive experience in the harvest of timber on a silvicultural basis--just the physical harvest of timber on triangulate seed areas--and in keeping the fires down and in reducing losses from slash fires, and so forth. So we had a lot of experience then; we had an increase in our utilization. Then, starting right after the war, we embarked on a fairly intensive forestry research program starting about 1946, '47, '48 and we've been carrying that on at an accelerated pace right up to today--research and intensive management of the types that occur here on our property. Along with that, we have greatly intensified our inventories. We really have very good information on almost every acre of land that we own in the West because we've been using up-to-date techniques

which combine aerial photography with prism-type cruising and computerization of the data.

The other thing we have--and this is something that most other people don't have--is an intensive soil classification. In fact, I think I could say categorically that no other company or other agency has it. We don't have it upon all of our land yet, but we have embarked upon a very intensive soil survey. We've completed two of our operations and we are working on two more. In another three or four years we should have covered all of it. I am talking about a really intensive soil classification: soil survey combined with other information we have on growth yield. We figure that we are going to be in a position to know more about what can be grown on different soils, under different conditions, on different slopes and sites and aspects. We'll be able to compute the growth more accurately. We'll be able to diagnose the needs of these lands from, say, the standpoint of fertilizer and prescribe correct dosages of fertilizer, combining this with thinning techniques. In other words, I'm sure that Weyerhaeuser is going to be in a position to intensify its forest management, which means the production of forest crops, way beyond what we are able to do today and what we were able to do ten years ago. And there's nothing secret about this intensification; there's nothing mysterious about it at all. It's simply a matter of combining our fifteen or twenty years of logging experience, silviculture, logging, with our research, with our soil surveys, with our inventories, and with our computer know-how and using that to make some sense out of all of this. I think that we'll be able to do as good and as intensive a job of forest management as anybody else, probably better than most people. (When I say better than most people, I'm thinking of the Douglas-fir region.) This is going to put us in a position, obviously, to maximize the growth on our forest land and give us a good sling at keeping our cuts up pretty well.

ERM: What about the analysis of external factors, for example, the growth situation across the border in British Columbia and the potential of its impact on the market? Does this crank into your data system too?

EFH: No, I wouldn't say that we crank it into our computer system but we certainly take into consideration southern pine, and British Columbia, and Alberta timber. These all come into our thinking but I think--maybe erroneously, I don't know--I think we kind of stop at this point. Maybe we're wrong but we say, "So far as we can see, we're going to be able to market all the wood that we can grow." Now, right today, you or I, or anyone else, can say, "Well, why

should any company today be trying to keep their cut up at a very high level at a time when the market has been completely depressed all year long?" I think it's a good question; I asked the question. Why should Weyerhaeuser or Crown Zellerbach or anybody else try to put more timber on the market at a time when the market is flooded with timber and it's temporary? So I think this is one of the places where there's room for looking at it from the individual, any individual company or landowner's viewpoint. There is room to do quite a bit more work to fit your production schedules to market requirements.

But you know the situation in the pulp industry; it's been this way since I've had any recollection of it. There becomes a gradually foreseeable shortage in market pulp, or in linerboard, or in medium, or in something else. The industry sees this coming and they all jump in and start putting in mills (and when you are talking about a plant you're usually talking about 35 or 40 million dollars). They all build new plants at once and about the time they get them built, they're all as over-produced as they are right now. And this isn't anything they do with their eyes shut, I mean, they know this is what takes place but it has been very cyclical. I'd say this hasn't been quite so true in the lumber industry. But I think that the lumber industry itself--I'm really discussing areas now that I'm probably not competent to discuss, but I just can't visualize crude sawn lumber continuing to compete in the marketplace on a basis which will maintain stumpage values in relation to other commodities the way it has in the past. In other words, looking at stumpage prices historically, they have been coming up fairly constantly and they made a big swoop in the forties.

ERM: You think stumpage values are going to flatten out?

EFH: I think they have flattened. They're very slow to reflect it, but I think that the price of stumpage in relation to the dollar, in relation to the price of a loaf of bread, is not going to get much higher.

ERM: Well, then, how can you afford to hold on to old growth over a long haul if its increase in value is so low per year?

EFH: I don't think you can.

ERM: You can't financially?

EFH: No.

ERM: From a business point of view that would be a dangerous policy, wouldn't it? You can use the same amount of money and invest it somewhere else and make a better return.

EFH: Well, you have to keep this in mind, too. Pursuing that, you can say, "All right, you and two other people own 100,000 acres of mature timber. Now with that 100,000 acres of mature timber you could build a sawmill, for example." And you say, "Well, we're going to cut 5,000 acres of that a year so that's a twenty-year timber supply." Now this is the way the industry grew up all over the country, probably all over the world. And you bought timber as a reserve supply to go through the mill and you prorated it out. Well, then you get into the forestry picture. Now you say, "This 100,000 acres, I can cut 5,000 acres a year and at the end of twenty years, I'm going to have 100,000 acres of land in reproduction, the growth of which will be twenty years." Then you can say to yourself, "Well, that's not big enough, so I'm going to have to cut this not in twenty years but in forty years so I'll have forty-year old timber." Well, you see, what you're doing is just what you say. You cannot carry a commodity which has no economic growth beyond a certain point, otherwise it becomes economic suicide except for the fact that if you want to be in that business, you've got to keep getting timber supply ahead--and this is the way the industry grew up--now, when you're in a far more competitive situation. The stumpage that was bought in 1900 for maybe fifty cents a thousand, or ten cents a thousand, or two dollars an acre--whatever it was--that's been coming up in price. There have been losses; there have been tremendous losses: there have been the Tillamook fires; there have been the Yacolt fires; there have been insect infestations. Thirty billion feet of timber in eastern Washington and Oregon were killed in a ten-year period by beetles. So all of these things have been taking place but they are at a situation now where it appears obvious that each individual timber property has got to be really carefully analyzed, not from the standpoint of how much timber have we got and how long will it last, but how do we manage this piece of property on a financial basis. And this is what everybody is doing. We've reached the stage where we just simply can't talk about timber reserves being static reserves. But I think that in this projection, my own opinion is that right today--at least in the Douglas-fir region, and I'd say probably generally--there is not nearly as much chance of stumpage prices increasing in relation to the value of the dollar or in relation to a sack of cement or a ton of steel, glass, or any of the other commodities; there is not nearly as much chance of its increasing in value in relation to those, as it did in 1940, because in 1940 when stumpage was selling for two

dollars, or three dollars, or four dollars a thousand, it went from there up to forty-five dollars or fifty dollars a thousand and caught up with these other building materials.

ERM: Now it can't afford to go any higher; it will price itself out of the market.

EFH: That's what I think; I mean, this is one man's opinion.

ERM: This is one of the things that your data collection and your computerizing indicates is the long-term trend.

EFH: It indicates that to me. Now, some other people look at the same figures I do and they say, "Oh, well, the prices are going to continue to go up." I think there will be some technological advances, but I think these are mainly going to result in reduction in the cost of processing, and most of that saving in the cost of processing is going to be needed to keep us competitive in the market rather than to pay a bigger premium for stumpage.

ERM: Yes, because where was all the lumber going in the past, for example? Most of it was going into home construction and home construction is now altogether different than it used to be. The houses that are being built today are being built on mass basis, prefabricated a lot.

EFH: The mobile and portable home. In my grandfather's and your grandfather's time, a family built a home and it was to last not only for their lifetime but for their children and grandchildren. This was the concept: the stable, immovable, well-fixed citizenry, you know. But, my gosh, today!

ERM: We're all peripatetic.

EFH: Yes, we're all living on rubber tires and moving around at will. And companies are moving their employees--not by accident, but by design to make sure that this young man gets experience in this factory, and then he goes to San Jose, and then he goes to New York, and then he goes to France for a year, and then he comes back. You know, they move them around to broaden their experience in the business. And that's to say nothing of the people! If today you could build a wooden home of the type that was built ten years ago for every mobile home there is in the United States, the lumber industry couldn't keep up with the business. I haven't any statistics;

I'm just saying this, but I would guess that it would provide a tremendous volume of business for the lumber industry if every aluminum mobile home were to be replaced in the next twelve months with a home, say a five-room house.

ERM: There is a big anticipated boom in housing to which the lumber industry is looking with great pleasure.

EFH: That's right.

ERM: And that is now almost--or is it already on its way?

EFH: Well, I think it's improving.

ERM: This summer it seemed to jump.

EFH: I haven't seen the recent figures on it but it hit a pretty low slump here in the past winter.

ERM: What about the attitude of top management toward all of these problems of finance and forest policy? Is the character of industrial management changing fast enough to accommodate and react swiftly to the kind of change that we're talking about? What's happening to management's character? Is it changing?

EFH: I'd say yes. Just categorically, I would say that it is changing rapidly. Whether or not it is changing enough and whether or not it is perceptive enough, I mean, if any of us are perceptive enough to keep up with all of this, I don't know. Being in timber growing, we're really paced by the rate at which we can grow trees. In other words, trees have to be planted and grow from seed or whatever. They take root; they grow, and they collect solar energy, and they move along, and they produce wood at a certain rate. We've improved quite a bit, it still takes almost as long to grow a cubic foot of wood today as it did 100 years ago, but 100 years ago they were riding on horseback and today we're going to the moon. In other words, the forest production industry is geared to a relatively fixed rate of production or pace which is the rate at which trees can grow. Now if somebody comes along with different kinds of fertilizers, or things that you can grow wood three times as fast with, that's something else again, but this is an improbable thing at best. So there is a pace at which all our thinking has to be geared to on one side, and on the other side we've got to turn our backs to that and look at what's going on in the utilization of wood and wood fiber where you can say, "Well, lumber looks like it is declining and the per capita consumption is declining."

ERM: It has been ever since 1910, hasn't it?

EFH: Way back there in 1909, or some place. Plywood has taken up part of that; there has been a rapid expansion in that, and then pulp and paper has come along. But who knows? Some of the real big advances may be in the semi-chemical type of use of wood in the form of--well, who knows--maybe paper rugs that are fire-proof, beautiful, and easy to walk on; and, you put a rug down and the next week you decide you don't like the color, so you put down a new one--just like clothes or draperies, something you'd send to the laundry. There's a tremendous room for expansion in the field of paper consumption on the one side; and on the other side, plastics are coming in and have taken tremendous markets that paper once had. Milk bottles are the best example I know of, and plastic packaging instead of packing stuff in cardboard cartons. Now there's a trend to take canned goods and put something transparent over them. It shrinks on and when it dries you can see all the cans in there, and that's not made out of paper. So it's coming from both sides there, too, but looking at the broad picture, it just seems to me that wood fiber is a valuable, usable, flexible, workable raw material that is always going to give a lot of competition to other sources of construction materials and fiber.

ERM: It always seems to have an unlimited potential for development and use in new ways.

EFH: Well, that's what I'm saying, it's flexible. So to say that we can grow trees in sixty years and compete in the way we think of competition today, well, I don't think anybody can say that. As I say, maybe this is just my own rationalization, but I have confidence in the future of the timber growing industry and the dependent manufacturing processes simply because of the fact that wood fiber is a very versatile thing, whether you peel it in the form of veneer, saw it in the form of lumber, slice it, chip it, grind it, or pulp it. Whatever you do with it, it is a very versatile commodity.

Now, I think that there is another thing that we have to keep in mind in connection with this and that is that while wood does have these qualities, wood is after all a heavy, bulky raw material and it can only be grown and produced profitably on relatively inexpensive land that doesn't have a higher use for something else. In the first place, say you plup it. There's only about 40 or 50 percent of it, or less, that comes out as fiber, and it's heavy and bulky and it's wet. There's a tremendous water content in it. And in the form of

lumber or plywood, either one, it is a bulky, hard-to-transport commodity. So far, at least, it isn't piped in fluid ways very successfully, so you've still got relatively expensive transportation.

Looking at the future of wood, then, it just seems to me it has to be grown--I mean, there's a limit to how much you can pay to grow it and therefore there's a limit to the value of the land upon which you can grow it if you're going to continue to compete--as you must with all the other commodities. In other words, you can't grow it on truck farms. On the other hand, there's no land in the country fertile enough to grow fiber today as economically as you can get it from wood, fiber to be converted into rayon or something of that sort.

ERM: What about the competition for the use of forest lands for other purposes?

EFH: Of course, that's increasing all the time; this is a very important factor. We get kind of wrought up once in a while about the acreage that goes out for power lines and highways and so forth. And it is substantial to the tune of maybe three or four thousand acres a year out of Weyerhaeuser's ownership, but that in itself is not the big competition for the use of the land. I think the big competition for the use of the land is in the single use: recreation areas, parks, wilderness areas, and so forth, where the production of wood is restricted or curtailed in favor of some other use of the forest for a standing value.

ERM: What about the potential for the forest to produce income for its owners by being used for recreation? Are some of the companies getting into that?

EFH: Yes, there is a definite trend in that direction. This, I think, is particularly true in the southern pine region where much of the land leads to hunting clubs and fishing clubs. On the same lands they use for pulpwood, they still lease hunting rights, fishing rights, and so forth, to various groups. In some cases in the Gulf states they just issue county permits for maybe a dollar to anybody who comes along; there's no exclusiveness to it at all. Maybe they give people a five dollar permit for any place on any of their lands in, say, maybe twenty counties. This is to give them a measure of protection; to give them a little bit of revenue to pay for the damage that's done to roads; and maybe they plant some feed around for the turkeys and the quail and the deer and things of this kind.

ERM: The revenue involved here is probably just enough to maintain certain expenses and it's written off on the grounds that it creates good will, good public relations. We can't shut our minds and our attention away from these people because they are an important part of our public and we don't want them on our back. But I'm thinking now in terms of something bigger than that. I mean something that is a substantial return to the company in the way of profit. What about the development of some of these areas as ski resorts? This seems to be coming off in a fairly successful way back East where St. Regis and International Paper, I believe, have gone in together on one area up in Vermont.

EFH: We've got one up there, too.

ERM: You've got one in Vermont, too?

EFH: Yes. I don't think it's made any money yet, but it was started as a profit-making operation, at least that's what it's intended for.

ERM: My gosh, when you see the tremendous growth in the interest in skiing and the crowds that are getting out to these ski runs, you can't help but believe that there must be money to be made in it.

EFH: Well, there are I suppose four or five ski areas projected here in Washington and Oregon on private land. But one thing out here, so much of the skiing is on public ownership, you see, and even where private land is involved, it's very difficult to find strictly private ownership without intervening sections of federal timber. But I know of some that are, at least, on the drawing boards or being contemplated by various organizations. Still, looking at one ski resort from the point of the acreage involved, it might only involve three or four hundred acres; and that isn't very much out of the total amount of forest land.

ERM: Right, that's true. But I'm not thinking just in terms of skiing resorts, I'm thinking of camping facilities, too.

EFH: Look at the Forest Service experience with--what do they call that program?

ERM: Camp for seven dollars?

EFH: Yes, seven dollars a throw and they were woefully disappointed.

- ERM: Well, isn't that to be expected? After all, it was just the first year. It takes a little time to educate the public to the acceptance of an idea like that. You don't sell anything right off the bat like that. I think that will take hold if they persist in their efforts to sell it. I had the experience myself this summer of using some of their facilities and I've been favorably impressed. It would be a lot easier to sell Elwood Maunder on this Golden Eagle business than it's been before.
- EFH: What I was leading up to in this connection is that in the western states, and increasingly in the eastern states, there is so much publicly owned land that will provide competition to the privately owned land on this--particularly in the West where the public ownership embraces much of the real scenery higher up in the mountains, a little more remote, whereas the private land, the commercial land, is down lower and is better timber growing land, but by the same token it's less desirable as camping land. From my interest in Weyerhaeuser, I think that one thing that any big landowner, whether it's a corporation or an individual has to think of today, is what is really going to happen with respect to the long term development--the river frontage, stream frontage, highway frontage, water frontage. We've kind of gotten used to the government Corps of Engineers coming in and building a dam and then the government taking all of the lake front around that through condemnation. But as one interested in Weyerhaeuser's ownership for many years, I've always looked upon ownership along the rivers as being something of long range potential value. It seems to me that there is mounting evidence that the property rights of individual owners are going to be diluted and adulterated and washed out to the point that long before the population pressure makes demands on those areas, the owner isn't going to have very much left. I mean with the wild rivers and the scenic rivers and the mountain top trail corridors and the scenic reservations on the side hills and so forth, it just doesn't leave much. I think this is a matter of real concern. The property rights, and I'm not trying to talk on the social aspects of this but I think it is a patent trend that property rights are gradually being diluted to the point of some concern.
- ERM: Would you be afraid to extend any serious amount of money of your own on developing a recreational home, let's say out on the edge of a lake that was made by some development that the Weyerhaeuser Company put in on one of its streams?
- EFH: No, I wouldn't worry about that. What I'm thinking is, it appears to me that there's an awful lot of pressure, and where there's pressure

there's some power to usurp what we have thought of in the past as rights that go with a piece of property. Now, whether this will take place on the basis of condemnation and purchase or whether it will just be restrictions on the use or what, I don't know. Say that you owned a piece of timber someplace, or were a big stockholder in a group of people who owned timber and a river ran through it, and somebody passes a federal law which says this is to be a free-flowing river with a quarter-of-a-mile-wide reserve strip on each side of it. Well, maybe you'd had ideas of developing that for fishing and camping and forest homesites, and building a road up there someday.

ERM: But they make this into a wild river.

EFH: Yes. And where are you? I'm not talking as to whether or not this is good or bad.

ERM: Well, this is what's happened.

EFH: That's right.

ERM: That's very definitely a worrisome thing for management, I'm sure.

EFH: I think it's something we're going to have to devote increasing attention to. And then the other more practical side of it is the infringement upon really the timber-growing capacity of the land. Scenic rivers, mountain crest trails, scenic reservations to preserve the vistas and the views--all of these can cut into the timber-growing potential whether it's federal or private ownership. This just gets back to your earlier question. What do we see from the standpoint of maintaining the base of the timber production? I think it's going to shrink.

ERM: Partly because of these inroads made as a result of the recreational facilities?

EFH: Yes.

ERM: And the political actions that follow in their wake.

EFH: Now I also think, and I may not be right about this, that in this country, as happened in Europe and Japan and other countries, ultimately there is going to be enough pressure on the use of land so that if land is required to produce timber, raw material for use

of industry, it will be used for that and it will also be used for the other values concurrently. There's always got to be some give and take but right in the last ten years and in the next ten years I would say that we are going to be faced with these tremendous pressures for single uses of land: for national parks, for wilderness, for roadless areas, for the scenic views and so forth. This is setting aside lands for single use and I think that we'll get past this point later on, just as in Europe you drive through the Black Forest and all the roads used for hauling logs are the same roads that the people use to get up there on their vacations. People walk up and down the roads and carry a cane; they stay in these little hotels and roadside inns; they enjoy the ozone that they breathe; and they go to the baths in the morning and again at night and they're logging all around. I got out of my car and walked up little trails in the woods and got out there a quarter of a mile and here would be a park bench and they'd probably be logging on both sides of you. And the people go out there and sit and watch. The logging doesn't bother them. So I think that ultimately we'll come to that kind of a scheme.

ERM: That would imply would it not that there is quite a different psychology at work in the European mind than that in the American mind?

EFH: Well, contrast if you like, the European psychology in the Black Forest with respect to the Black Forest and the American psychology with respect to the state forests in New York. They're just at opposite ends of the pole.

ERM: All right. What is there about the American psychology that makes it what it is; a kind of a woodsman-spare-that-tree sort of attitude that you run into all the time?

EFH: It isn't just the women's groups. Take Secretary [Stewart] Udall and the two or three books that he has put his name on the last couple or three years. He keeps digging up the old cut out and get out timber baron, woodsman-spare-that-tree philosophy that you mentioned and he just keeps this thing alive.

ERM: Well, in Udall's case I think there are political motivations behind it. With the rank and file of American people, the average person on the street, what creates their overly sentimental attitude towards trees?

EFH: I think part of it is such publications and utterances as a man in Udall's position makes. I mean, he keeps this thing alive. I think

people would begin to accept the farming of forest land as a legitimate process that contributes substantially to our standard of living and to our expendable income and everything else if they weren't always agitated on this "woodsman spare this tree" business. I think there are two other things basically. One is that we are still not very far away from a pioneer psychology in our country and this pioneer spirit is one that looks upon anything out in the open as "mine." I'm the same way. If I drive out through the range land and there are cattle grazing out there and there are animals out there and I figure I want to hunt, you know I feel it's an impingement upon my rights not to be able to get out there. I can see ten thousand acres out there. We have this pioneering spirit which looks upon the forest particularly, as the wilderness, as a place we can go away to, and we're not very far removed from that. My mother was born in a log cabin in a little Iowa farm community with probably hardly enough trees around to make a cabin. I mean we're that close to a much more primitive existence than the Europeans are.

The other big difference is that we still have a lot more elbow room than they do and we want to keep it. You've been there and you know how it is. Take the city of Dusseldorf where I spent a couple of weeks a year ago and last year--700,000 people and I'll swear that the area used up by the city of Dusseldorf is probably one-fourth or one-fifth of the area of Seattle which is only 400,000. It's that compact. And the people, what do they do on Sundays? They get out and they walk up and down the streets. The stores are all closed but they get out and parade up and down all day on Sunday--half of them, and the other half are out in the woods, out in the fields walking in hiking clubs back and forth. But there are so many people they can't get away from each other. And so they've come to accept it. The Black Forest to them is a wilderness by comparison. They never get any hunting privileges there; the foresters do all the hunting. But they get up there and the people come up out of the cities and the towns in Germany and France and Austria and they get up into the Black Forest and what do they do? The people who live there, probably the whole family, will sleep in the kitchen and the visitors who come up there will rent the bedroom that the man and his wife normally use or the kids, and they'll stay there for a couple of weeks. And what do they do when they get up there but walk up and down the roads by the thousands. Or if they're fortunate enough to have enough money to stay in one of those hotels of which there are thousands, they get up at six o'clock in the morning and there's a doctor there and they take the

mud baths, the hot baths, and there's one place for arthritis, one for heart attack, and one for something else, and they breathe the ozone and go up there for two weeks. They accept that you see. So I think there are those two differences. The population pressure is so much greater over there than it is over here. And then they are much further removed from the primitive existence.

ERM: Of course, these things are all very much more complex when you're dealing with the human psyche than what we see at first glance.

EFH: Oh, yes. I'm no psychologist or sociologist or anything else.

ERM: But we've all got notions about why it is as it is. Our hypersensitivity about the forest and cutting down trees can extend into town on a street. Somebody can get really upset about the cutting of a tree and it's enough to provoke quite a rash of letters-to-the-editor and that sort of thing. I wonder to what extent this is not a reaction by people to living such complex lives today. We're involved in so many ventures for which we feel consciously or unconsciously a certain guilt. For example, dropping the atomic bomb to win the war. A lot of people I think feel subconsciously guilty about their nation's having done this; the same way that they do now about carrying on our war in Vietnam. I think there's a tremendous guilt feeling about this. I think there's a tremendous guilt feeling about the Negro and his generalized condition in this country. All right, a lot of us are hagridden consciously or unconsciously by these guilt feelings which we assume a certain measure of responsibility for because we're citizens of the country which is responsible for these. We feel that we can't do very much about them, or at least we convince ourselves that there's nothing very much we can do about them. So we get off our guilt by attacking something else and posing as a kind of a puritan for saving the forest. Now that's something that you can get quite puritanical about and it isn't going to hurt you but it's a good cause. And I think a lot of people go for that for this reason.

EFH: It's very possible.

ERM: And I think this is an area of knowledge that all public or private groups have got to take into account.

EFH: I think it's a good point. I think it ties in with another one that is somewhat similar. For example, I can sit here in Tacoma and I've never been in Africa in my life, but I'm glad to know that there is

an Africa where there is lots of wild game, where the hunting is good, and where they are close to nature and everything. I would hate to see the elephants stamped out or the lions and the tigers that are eating the babies over there stamped out. I think we ought to have some lions and tigers and elephants in this world or bring it closer to home. I could join some kind of an organization.

ERM: You could join the African branch of Sierra Club.

EFH: That's right or coming closer to home, I've never been in the Okefenokee Swamp or in the Everglades and I could join save-the-alligators or save-the-Everglades. There is the matter that you're talking about, particularly if it's far enough removed from you, so that you're not personally involved in it. So I would agree.

ERM: It's a fascinating situation.

EFH: But then there's another point on the same line. I've been in the woods business and forestry business all my life and yet when I'm in the woods and I see a big tree go down, there's a little twinge always. And I know all about it. I know the inside and the outside of the situation and yet, there is something about it. As a forester I'd be going around talking to the old timber fallers in the old hand falling days, I don't mean one but literally hundreds of times, these old Swedes and Norwegians who were falling timber from the time they were big enough to pull a saw, and not all of them, but many, many, many of these men would say, "Well, I've been cutting down trees all my life and I never fall one of these big old beauties but what it hurts me a little bit and I'm glad that somebody is going to make sure that we're going to have some more." You know, even those guys who made their living at it!

ERM: Well, don't you suppose that in a way that relates to our spiritual and our religious instincts. We, all of us, from earliest recorded historical time, have been respectors and sometimes worshipers of objects in nature. And we look at these magnificent specimens of trees and they are awe-inspiring. If you've got any degree of sensitivity at all, you've got to feel some little measure of pain.

EFH: One of my forestry professors back in Ames--one of the questions he posed to us back in the twenties was: "How can you be sure that when you sink an axe into a tree, that that tree doesn't feel? There are cells; there's a cellular structure; you're studying this in botany; you go into the biology department; at what point do you get to the place where cells have no sensitivity?" He said, "I don't

mean that they feel like you would feel but just ask yourself once in a while." I've never forgotten that.

INTERVIEW V

Frederick K. Weyerhaeuser
St. Paul, Minnesota
December 11, 1967

Elwood R. Maunder: First, I would like to get some background information concerning the book Timber and Men: The Weyerhaeuser Story. Where are all the tape-recorded interviews that were made during the course of researching and writing this company history?

Frederick K. Weyerhaeuser: They're either in Tacoma or else they're in the Columbia file. I don't know which.

ERM: Do you recall under what conditions these interviews were made by Columbia? Were publication rights reserved to the company exclusively for a period of time, or did Columbia have any rights at all to them?

FKW: We have a contract which covers those rights, but I'm hazy about the details because I haven't looked at it for so long. I worked it out with the help of our attorneys, and I remember that we paid a given amount of money to have the history written and that the authors of the history were to be the final judge of the facts. The differences of opinion were to be worked out if possible by conversation and discussion; but that, if it was impossible to arrive at an agreement, the representatives of the company were permitted to put footnotes in the history. There were no footnotes that I can recall.

ERM: You didn't insist on inserting any footnotes of your own?

FKW: No, the authors were very fair about it.

ERM: After consulting with you did they make accommodations or changes in the text of the manuscript before its publication?

FKW: There were some changes made. For instance, the authors came out with a discussion of the terrible conditions in the logging camps. They said the food was terrible, the beds were dirty--full of bugs and everything. Well, none of us who had been in the business since 1915 or '16 had seen anything like that. Maybe that was true

of the natives in Wisconsin, but it certainly wasn't true in the lifetimes of any of us. I could remember the camps. Why, they had electric lights, shower baths, clean blankets and sheets, and talk about food! I'd never seen better food. You couldn't keep men in a logging camp if the food wasn't good, and that goes way back to when I was a boy.

ERM: I think the tradition of good grub went well back into the nineteenth century in the history of logging.

FKW: I think so, too.

ERM: But I think the overall living conditions in the camps were a somewhat different matter. There wasn't any really great change-over to the modern camp that you knew in 1915 until about 1906 to 1909, somewhere in that period.

FKW: That's quite likely.

ERM: This was not only a matter of the interest and concern of the owners for providing better living conditions to their help, it was indeed a part of the attitude of the men themselves. They rather scorned, you know, fancy surroundings; they kind of prided themselves in that old romantic notion that Stewart Holbrook enunciated so well in Holy Old Mackinaw. They were a rough breed, and they didn't care for a lot of sheets and pillowcases and all those fancy doodads.

FKW: Well, that's the sort of thing we discussed with the authors. Another thing we discussed was that there might be some remark about somebody in the book that could be taken out and built into something big. I think some things could have put a black mark on somebody that was unwarranted. There were a few like that, but they were minor things. None of them were important.

ERM: Tell me a little something about how this history got started. Was this an idea that you had for some time and sold to other members of the family? How did it get going?

FKW: I'm not really sure. We talked about how important it was to have an accurate history written because of the fact that there was so much misrepresentation and misstatement about the forest products industries. I remember when Rex Black was here. There was a lady who was taking a course at Columbia and submitted as her thesis an article on the Booth-Kelly Lumber Company. In it she stated that Frederick Weyerhaeuser of the Weyerhaeuser Company was

a partner to the Booth-Kelly Lumber Company and that land and timber had been stolen with the knowledge of either my grandfather or the Weyerhaeuser Company. Of course, the Company never had anything to do with it, and Rex Black protested very vigorously. He told her this was not true. She replied that Columbia University was insisting upon an accurate statement of the facts, so she couldn't take anything out of the thesis. He wrote back and said she could put it in if she wanted to, but that the company reserved rights to sue in case of libel, which was right. It scared the hell out of her, and she didn't put it in. It was untrue, but things like that happen. We felt that many of the things that were said about the forest industries and about our company needed correcting. You don't get anywhere by telling the same lie over and over again.

ERM: You had something to do with setting up what was originally known as the "Hell Book" in the industry, didn't you?

FKW: The man who did that was C. L. Billings. Billings was then the manager of the Potlatch Forests, Incorporated, in Lewiston, Idaho. (I can't say exactly when, but I think it was after my brother Philip left to go to the coast in about 1934.) The Forest Service and the industry were at odds at that time. The Forest Service criticized the industry for its wasteful methods and its destruction of the forests. It was just common healthy practice for the Forest Service to put a good crack in the paper every Sunday that would show pictures of what the forest industries had done. Well, Billings had been in the Forest Service before going with Potlatch, and he collected a bunch of this material. I remember one of the pictures he got was put in the paper by the Forest Service, and it was supposed to be a good example of the terrible wasteful practices of the industry. Billings was able to pinpoint where this was and this is a very interesting thing. It had been a piece of land owned by the Forest Service which they had logged and burned in order to conduct an experiment on the planting of certain kinds of trees. It was a perfectly proper experiment that the Forest Service made, but the title said it was an example of the terrible practices of the lumber industry. When this was called to their attention, they admitted it, but said heck, they could have shown other pictures of private industry that were just as bad. It was a very good example, from Billings's point of view, of misrepresentation by the Forest Service.

ERM: These were some of the things which caused you and your brother Phil to think in terms of the need for writing an authentic history of the company that might deal with some of these problems of your public image.

- FKW: I think the story is correct in a book that Billings put together and sent to every member of Congress. I don't think that was called the "Hell Book," though. I think the "Hell Book" was something that led up to the development of the American Forest Products Industries.
- ERM: The National Lumber Manufacturers Association had something to do with that.
- FKW: Well, it was the NLMA or the AFPI that got out a book in which a great many articles and pictures were collected that described the terrible public attitude toward the forest industry. I think, on second thought, that was what we called the "Hell Book." Now, no doubt the AFPI would have this book still.
- ERM: What I'm striving for here is to pinpoint how and when you first became seriously interested in having a scholarly history done on your company. Did it derive in any part from your association with scholars in the Forest History Society or the Minnesota Historical Society?
- FKW: The Forest History Society was, I would say, an important influence and we had talked a lot about having the history written. I think we had been talking about it a lot for some time. We discussed having a man on the Weyerhaeuser Board do it. One of the people we considered was a man who had written two or three articles, one of which had to do with forest fires. I think he was a professor at the University of California.
- ERM: Stuart was his name.
- FKW: I think that's right. Somebody talked to him about it. He was very cagey; he didn't want to get sucked into a whitewashing or that sort of thing. Then we decided to go to Allan Nevins.
- ERM: Do you recall who recommended Nevins to you?
- FKW: No, I think I went to talk to Nevins in 1952; that's in my diary somewhere. I think that I had lunch with some professors at Columbia when I came back from a hunting trip in Scotland in the fall of 1952.
- ERM: Had you read anything by Allan Nevins up to that time that caused you to think he would be a good man?

- FKW: He had written something on Rockefeller. I think I had read various things by Nevins.
- ERM: Was John Philip an active participant in this whole thing at that time?
- FKW: Yes, I think he was. Let's see, Phil and I discussed it a great deal. We were both very interested. I remember the time I first met Nevins. I met him over in the little place where they ate at Columbia. We sat down and talked about it for a while. I asked him what he would charge to do this kind of thing and he said, "Well, all I get is my salary; that's \$10,000 a year. I don't accept anything other than my salary." He said, "If you want me to do this, you should make arrangements with Columbia, and I will do it as part of my work here at Columbia." That sort of startled me; I didn't realize he worked that way. But, you know, all these people leaned over backward not to be under any obligation to me or our company, which I admired them for.
- ERM: But it was your brother Phil and you who took most of the initiative, I take it, in getting this thing organized and financed?
- FKW: Yes, I think I was more interested than anybody else, but I know they all went along with us.
- ERM: How was the project actually financed? Was it done out of company funds or privately?
- FKW: Oh, the company paid Columbia \$150,000 and later, some more.
- ERM: You had to put in a supplementary grant?
- FKW: Well, we'd have put in more, but they wouldn't take any more.
- ERM: They ran out of money?
- FKW: They ran out of money, and the last part of the work was done absolutely without funds to pay for it. That became a matter of pride with them.
- ERM: It became stalled in the sense that it wasn't completed on schedule, and therefore they went on working until it was?
- FKW: It took all of ten years and the book was published in 1963.

- ERM: Did you seek guidance from anybody here locally in regard to these scholars that were being selected to do this work?
- FKW: I think we talked to people here. I know that Herbert Easton ? was interested in it, but we didn't think he was the best-equipped person to do it. As a matter of fact, I think we rather favored Nevins because he writes in an interesting manner. Easton's works aren't written in as interesting manner as Nevins's works.
- ERM: I remember having a conference with you in the first few months I was working for the Forest History Society, which was then the Forest Products History Foundation. It was in the spring of 1952 and you asked me who there was in the field who might be interested in doing something along this line. You mentioned Nevins, and I mentioned a few people including Hidy and a couple of other business historians who were at Northwestern University at that time.
- FKW: Well, maybe you're the one I talked with. My memory is very vague now, but that's the time when we were trying to make up our minds where to go with it.
- ERM: As you look back now over that period of time and the product that these men turned out, and if you could have the time and the opportunity to tackle the job again, what changes would you make in your approach to this history?
- FKW: In the first place, I think I would ask that whoever undertook it would get it done within a certain period of time. Nevins was in great demand. During the ten years this thing was being researched, he undertook several other rather important jobs. Didn't he write another book about Rockefeller?
- ERM: He wrote several other books.
- FKW: I think he was the kind of man who was impatient, and I think he'd get tired of one thing and would work on something else. I don't think it did his work any good. Parts of Timber and Men are pretty good and parts of it are not good at all. Have you read it recently?
- ERM: The last time I read it was about three years ago. Would you be inclined, if you did this again, to choose one author instead of two or three?

FKW: I'm not sure I would do that. I think if you get a man who is well known like Nevins, it may be best to permit him to get some help. He actually had two people helping him--Hidy and Hill. I knew at one time which parts were done by which writers. I think the early part of the story is more readable than the latter part.

ERM: When it gets into the more complex economic and financial aspects of the story, this is the area which is taken over by Hidy, right?

FKW: Yes, I guess.

ERM: Where you have the colorful early history and the personalities who were involved in it, you're talking about work that was done principally by Nevins?

FKW: I think so, yes.

ERM: And, of course, it was in that area that the documentation was far less complete than in the areas for which Hidy took the responsibility of researching and writing. The growth of the company, the Potlatch merger, the whole detail of that development, the Sales Company, all of that would fit more closely with the kind of thing that Hidy does.

But in our interview today I would like to put the emphasis on your personal history and, in particular, your recollection of your boyhood years. Where were you born and what is some of the basic data about yourself?

FKW: I was born in Rock Island, Illinois on January 16, 1895. My father was John Philip Weyerhaeuser and my mother was Nellie Anderson Weyerhaeuser. I had an older sister, Elizabeth, who is now Mrs. F. R. Titcomb in Tacoma, and a younger brother named John Philip Weyerhaeuser, Jr. I went to the Hill School and to public schools in St. Paul, Minnesota, where we later moved. I should say that we first moved from Rock Island in 1900 to Lake Nebagamon, Wisconsin when I was about four years old.

ERM: Do you have any memories of your early childhood in Rock Island?

FKW: Yes, I remember living in Rock Island. I remember little details of the house and my mother. It's all pretty vague because I was so young. We lived in the house where I was born, which is the house that my grandfather acquired and added to when he was a young man. There was a barn, and we had horses, chickens,

and cows--it was a regular farm. There was a wonderful vineyard of Concord grapes out behind which I remember distinctly because my father and his brothers all loved Concord grapes, and they were awfully good.

We moved from there to Lake Nebagamon in 1900 because my father had a chance to build and run a sawmill up there and to have an interest in the business with his father and with Mr. Edward Rutledge. Mr. Rutledge was an old timber cruiser and a great, great friend of my grandfather. The three of them had equal interests in this company. My father had to borrow the money to buy his interest. That company was the Nebagamon Lumber Company which was the result of their acquiring pine lands from the Omaha Railroad. The timber was small and happened to be the kind of timber that was in great demand in the early 1900s. My grandfather and Mr. Rutledge used to come up there and visit us. Father, being a young man, was checked on by the two seniors, and if a board was out of place or anything was a little bit wrong, they'd speak to him about it. Father was a very sensitive person, and I know it was very hard for him. He was very much hurt at times because little things would go wrong.

ERM: Was this his first major assignment in the business?

FKW: No, before that he'd been manager of the Rock Island Lumber & Manufacturing Company in Rock Island. It was actually Rock Island Sash & Door Works which was an outgrowth of the lumber company.

ERM: What preparation did your father have for this career in the lumber industry? Where had he gone to school?

FKW: He went to a school up near Chicago which was sort of a high school, but I think he was very lonesome and was up there only a short time. He never did go to college. I think he was always sensitive about that because he felt that he didn't really have as good an education as other people.

ERM: What about the education of his brothers?

FKW: Well, my aunt, Mrs. Hill, who is his oldest sister, was the second child. I don't know how it came about, but she became interested in college and went to Wellesley. Her two sisters also went to Wellesley. The next one was Charles who went to Phillips Academy in Andover, Massachusetts. There were two prep schools that sound alike: Phillips Exeter and Phillips Andover. Anyway, he became the pitcher on the baseball team, and in those

days they didn't wear very much of a glove, so his hand was always kind of hollowed out from catching the ball. He was the only pitcher they had on the Andover baseball team. They did awfully well until they got to the last game or two with Exeter and they lost. After pitching well all year, he lost his pitching arm at the wrong moment. He never did go to college, and I doubt if he graduated from Andover. Anyway, the next one was Rudolph and he went to Yale. The youngest one, F. E., graduated from Yale in 1896. The three sisters and two youngest brothers went to college, but the two oldest brothers, John and Charles, did not go to college.

ERM: You mentioned that your father was a little sensitive about this. How did this sensitivity manifest itself to you?

FKW: He was a very shy person. He'd avoid people rather than seek out a group to be with. He was a very wise man, but he was a very quiet, retiring person.

ERM: Rather introspective rather than extroverted?

FKW: Yes, he was not an extrovert. He was a good businessman and I think he was the best lumberman I ever knew. He knew the details of manufacturing and the factors that entered into making good lumber and getting the most out of a log, which is an art.

ERM: Was he a good judge of men in selecting the people who worked for him?

FKW: I think he was except that he was very inclined to listen to and be influenced by anybody who was around him or worked with him. I think in a general way he was a good judge of people. He loved to go into a plant or sawmill and talk to everybody he found there that he'd known before. In the West he'd find any number of people who had worked in Cloquet or Nebagammon or Little Falls that he knew, and he used to love meeting them again.

ERM: Within his own milieu he was at home, and he would express himself and converse very well within that atmosphere?

FKW: Oh, yes, very much.

ERM: But in larger groups, for example in industry associations, did he shy away from involvement in that sort of thing?

- FKW: I don't think he had very much patience with industry associations. He told me that at one time he was at a meeting of the sash and door industry in Chicago. (I don't know whether it was in the 1880s or the 1890s.) At that time the prices were awfully low, and everybody decided that they would jerk their prices up for the following period. This was before the days of antitrust laws; this was just for self-preservation and perfectly legal. They all agreed to raise their prices, and he went home and moved his prices up. But it didn't work; his business fell off and got worse and worse. Finally, he went back to the next meeting, and the chairman got up and said, "Now, who here did what we agreed to do and raised his prices?" Father stood up, and everybody turned around and laughed. That is told as an example of his being naive. I don't think he had much faith in associations. Of course, associations like that became illegal with the Sherman Anti-Trust Act.*
- ERM: Did he take that same attitude throughout his life? Did he have that same general doubt about trade associations with the development of the NLMA and other groups that began to come along in the early part of the century?
- FKW: I think he looked at them as necessary activities, but I don't think he regarded them as important beyond that. He felt that the associations were necessary to maintain grade rules and standards of practice. After all, it was more important to run your own business well than it was to depend upon associations.
- ERM: In other words, he depended pretty largely on his own counsel and perhaps that of an inner circle of friends and relatives. To what extent did he rely on the close contact with his own father and with his brothers?
- FKW: Well, they were very close. You see, he was born in 1858; Charles was born in 1866; Rudolph, in 1868; and F. E., in 1872, so they were quite a lot younger than he was. And as they came along, they went different places. C. A. [Charles] went up to Little Falls and built and ran with Drew Musser the Pine Tree Manufacturing Company. I think he went up there about 1892 or '93. Rudolph went to Cloquet about 1895, while father was running the Rock Island Lumber & Manufacturing Company.

*Sherman Anti-Trust Act of 2 July 1890, ch. 647, 26 Stat. 209, 15 U. S. C. secs. 1 through 7.

- ERM: One thing that impresses me as I look through your family papers is the tremendous number of letters exchanged by the brothers. There seems to have been a great reliance upon counsel and exchange of thoughts within the family.
- FKW: That's right.
- ERM: Did this go back to roots that sprang from their association with their own father? The correspondence of Frederick Weyerhaeuser is very thin in the papers, and I wonder to what extent this was a practice of his that set them off in this direction?
- FKW: Well, I don't quite know how to answer you. I think the family was very close, and they were separated geographically in their early life. In those days you didn't telephone, you wrote. Or, I imagine, the long distance telephone call was pretty difficult to make. You see, they were all financially interested to some degree in the other fellow's activity; and, of course, what each of them did had some bearing upon the other's activity. For instance, although my father worked in the North, he was very interested in what F. E. did in the South. F. E. went down to Warren, Arkansas in about 1900 with a man named Harvey Clapp and built the Southern Lumber Company down there. That was F. E.'s own experience in running a company, but the whole family was interested in what happened down there.
- ERM: That was your only family incursion into the South, wasn't it, at a time when the southern industry was just beginning to build up into something big? Most of your thoughts and enterprise were going to the West, isn't that right?
- FKW: That was true from 1900 on. I think grandfather would have gone south, but he didn't have anybody else that wanted to go with him. He usually wanted partners at the various times when opportunities came. He did make two investments in the South in addition to that. One of them was the Calcasieu Timber Company and the other was the Southland Timber Company. These were in Louisiana, but they never were operated there. The timber was held for a few years and then sold, but they were very profitable investments. As you say, these were peripheral activities that were not particularly important.
- ERM: Was there any feeling about the different way of life that would be led in the South as compared with that in the North or the West? Did this enter into the picture in any way?

FKW: I think my grandfather felt that it wasn't healthy to live in the South with all the malaria and bugs. I don't know that the Negroes entered into it, but I think he felt uncomfortable in the South compared to the West.

ERM: Tell me more about your earliest recollections of your grandfather.

FKW: Well, my mother died shortly after we went up to Lake Nebagamon. I would guess it was in the year 1900, and there weren't any good doctors when she died. She became very sick and Father just couldn't get anybody that was a first-class doctor. The snow was deep and he couldn't get out. I remember Father got a Mrs. Williams to come and take care of us for a period of time. I think that Philip was just a baby and Father took him down to St. Paul where Mrs. Jewett looked after him, so he and Fritz Jewett got pretty close although Fritz is a little bit older than Phil.

I remember one incident that happened the summer after my mother died. There was a minister who took me out on Father's sailboat when I was about five or six years old. I enjoyed it, just thought it was swell. The minister let me walk out on the bow and hold onto the ropes while he moored the boat. I could see Grandfather standing on the dock watching this and he climbed the ladder down on the dock. Boy was he mad! I never saw anybody madder than that. He thought that I was in danger, you see, because I couldn't swim. He took me back to St. Paul on the train (I remember we sat on a little box behind the tender) and turned me over to my grandmother. I'll never forget how mad he was when he thought I might be drowned.

ERM: Was he a stern man?

FKW: No, not really. He tended to be jovial. As he became older, I suppose he became more serious. He never was a joking kind of person, but he used to love to tell riddles and teach us poems and things. I remember one time we all had to get up and recite that old poem about listening to the watermill. It's about the value of time and using your opportunities to the best advantage. I tried to get my grandchildren to learn it, but my children and my grandchildren weren't interested.

ERM: They never took to it?

FKW: No, they didn't tend to take to it too well. But Grandfather loved to ask riddles and we were supposed to find out the answer. He was

quite a moralist with sort of an indirect approach. For instance, I remember one story that was told about him. One time in the woods, he dropped in to look at a logging operation, and he said to the logging foreman, "If you cut the stumps a little lower, I can sit on them." Well, that was an indirect hint that he was cutting the stumps too high, you see, which is a wasteful practice. Another one was when workmen used to tie a string around lath and he asked the foreman in charge whether they got any more for the lath if the string was longer. In other words, why didn't they use less string? I don't suppose he thought saving string was all that important, but it's a little thing to illustrate his approach.

ERM: Did he spend time with you personally, or were his visits rather short-lived?

FKW: Well, of course, we spent a lot of time with him. I think we spent a month or two one winter with him at his house next door.

ERM: This is when he brought you back from Lake Nebagamon?

FKW: Oh, no, this was later. I don't remember what happened after that incident in Nebagamon, but I must have been taken back to Lake Nebagamon eventually. I can't remember exactly, but there probably were some hot words said.

ERM: You eventually moved down here and went to school in St. Paul, is that right?

FKW: We moved here in 1907 when I was twelve years old. Then Father bought a house here, and we lived there from 1912 to 1915.

ERM: But you had started school in Nebagamon, right?

FKW: We had a governess who was a friend of my stepmother. In 1901 Father had married Anna Holbrook who had been my own mother's best friend and who had taught school in Moline, Illinois. She was a New Englander with very strong ideas about discipline and raising children and she was a wonderful mother to us. Anyway, she thought the schools were not very good, so she had this governess who was with us from about 1902 until 1910.

ERM: So you got most of your elementary education from her?

FKW: Yes.

ERM: Did this include the education of your sister and your brother, too?

FKW: Oh, yes. Well, we moved here to St. Paul in 1907, and I went over to the school on Grand Street. It was an old yellow brick building that, I think, has been torn down. I went there for a month or two, then Mother decided that I wasn't learning anything (I don't know why), so then I went to Mechanics Arts High School. I finally landed in the St. Paul Academy, and from there in 1910 I went to the Hill School in Pottstown, Pennsylvania. I went to Hill for two years, and I finally went to Yale.

ERM: As a boy growing up in, first of all, Lake Nebagamon and then later here in St. Paul, what do you recall about your early childhood? What would you spend your time doing?

FKW: When we lived in Lake Nebagamon, we usually had cousins visiting us, like Ed Davis or Fritz Jewett, in the summers. We usually spent the winters in the South or West. One winter we spent in Florida and I think we spent three winters near Santa Barbara, California. I remember we spent the winters of 1903 and 1904 near Santa Barbara. We had an old Packard automobile and we toured up the coast of California. We called it touring; touring meant that we'd get a shovel and an extra tire and an extra spring and tie them on the back of the car, lower the top and spend weeks traveling from city to city. Mother used to wear a veil around her head as we traveled along at a high rate of speed--like maybe twenty miles an hour. The only question was, Could we get over the mountains? The roads were rough and we had to ford streams. I'll never forget the time we had to ford the Ventura River and got stuck in it. The story was that a local farmer used to dig it out at night and charge ten dollars to pull people out the next day. But whether that was true or not, I don't know. We got out all right, but the motor was wet so the chauffeur just started the car and ran the engine to dry the motor out. Pretty soon a big wagon drawn by one horse came along with some nuns and a lot of children in it. A boy was driving and this one horse was pulling the whole works. The horse wouldn't go by the car because the engine was popping and backfiring. So the boy stopped and got out, picked up a handful of gravel, threw it in the horse's mouth and then climbed back on the seat and drove right by. That horse just needed something else to think about besides the car! I guess that was one of the most amusing times and it's absolutely true. It shows the importance of diverting your mind from your troubles.

ERM: Apparently you did quite a bit of traveling around as a youngster. You were not very long rooted in one place.

FKW: That was the first really long trip, but we did go back to California in 1906 when I was eleven years old.

ERM: Now, was this traveling in the winter time in any way associated with your father's feelings over the death of his first wife? Did he do it to get you out of that isolated situation up there?

FKW: I don't think so. He had a physical breakdown in 1904, and I think he used to worry about his health. He came pretty close to being a hypochondriac. Anyway, he was in the hospital and it took him a long time to get over that.

ERM: Was he traveling with you in these western motor trips?

FKW: Yes, he'd go with us on these trips. You see, by that time the Nebagamon Lumber Company had been liquidated because father was sick. Grandfather had a chance to sell the whole works, so he sold the mill and the stock of lumber to Edward Hines.

ERM: Who were your boyhood friends? Were you pretty close to your own family, your cousins, and your brother?

FKW: During the years before we moved to St. Paul, up to 1907, most of the friends I had were my brother and my cousins. I don't recall many other people in Nebagamon. Well, there were members of the O'Neil family. Mr. William O'Neil was in charge of logging railroading for the Nebagamon Lumber Company, and he had several sons, one of whom was later manager of the Snoqualmie Falls Lumber Company. We used to see them a great deal, and we had other visitors, but that was generally it. It seems to me in the summers we were on the water a great deal--boating, swimming. Father had an old launch which was very difficult to start, and many of my early recollections center around that. The Brule River was only a short distance from there.

ERM: Leading into Lake Superior?

FKW: It goes into Lake Superior, but its origin is near Lake Nebagamon. It was possible to go down what we called the Nebagamon Creek, out of Lake Nebagamon into the Brule. But what we generally did was take canoes with a team of horses and haul them over to what we called Stone's Landing. We'd ride over in carriages and put into the Brule at that point, and we'd take guides on the Brule or we'd take one or two men from Nebagamon. They'd guide the

boats down to a town with a railroad station, and we'd put the canoes in the baggage car, climb aboard, and ride the train back to Nebagamon. It took only about fifteen minutes to get back. Those were great experiences. As years went on, we became sufficiently expert with canoes to run the rapids ourselves without any guides.

ERM: Were your brother and cousins involved in these experiences?

FKW: Yes, Ed Davis, Fritz Jewett, Philip, and myself--I guess that was it. That was the usual foursome we had.

ERM: During this period, did you develop any interests that stayed with you through life?

FKW: I think fishing was one thing we learned to do and enjoy. We built things; we built a workshop that is still there. I've forgotten, but we must have gotten the lumber from the sawmill.

ERM: You boys actually put it together?

FKW: Oh, yes, sure. We put the whole thing together until we got to the framing around the eaves. I think Father got a carpenter to do the finish work for us. We did all the rest.

ERM: But you were just little sprouts at that time; you couldn't have been very old.

FKW: At that point, I think that I was around fifteen or sixteen. But earlier than that, Philip and I built what we called a Daniel Boone cabin. We got the idea out of a book. It had four big posts and on top of that we put a platform, then we put the lumber up and made a box out of it. The thing had a kind of "mishugalated" top (that's my own word)--one board would go higher, the next board would go lower, so we could lean over and shoot an arrow out of it or a gun or something. When we were nailing those boards on the side walls, Philip leaned over a little too far, and he went head first down about thirteen feet and landed in a bucket of nails. It didn't hurt him a bit, but we had many experiences with that. Father finally decided it was dangerous, and one summer when we got back there it was all gone. We were horribly disappointed to learn that.

We slept out in a tent in the summer and had many experiences out there. On the pumphouse out behind the house there was an old

locomotive bell. In the morning when breakfast was ready, the cook would go out and ring the bell. We thought that was kind of cruel because we slept outside and that bell was really loud. So one night when nobody was looking, we climbed up on the top and nailed the rope to the roof. The next morning when she went to jerk the rope, nothing happened to the bell. We heard a big fuss about that.

ERM: You played your share of pranks, then.

FKW: Oh, we had a lot of fun doing different things in those days.

ERM: Was this a time in which your lifelong interest in hunting began to develop?

FKW: No. I never shot a thing up there. I couldn't; I didn't have a gun. That came along much later.

ERM: To what extent did you have experiences that you shared with your father in those years?

FKW: Well, he loved to take us fishing, and he'd take us on canoe trips. Father felt a great responsibility to be with his children, and we were very, very close.

ERM: You obviously had a very happy boyhood in this locale in northern Wisconsin.

FKW: We certainly did, yes.

ERM: And you must have been very close, then, to your brother Phil. How far apart were you in age?

FKW: He was just exactly four years and two days younger than me. He was born on January 18, 1899, and I was born on January 16, 1895. We were very close as children, and we were all our lives. We would discuss things together and would know pretty well what the other one was thinking about.

ERM: Your early training was greatly influenced, also, by your grandfather's notions about basic principles that should be developed in your character. This too, I presume, was picked up and accentuated by your father. I would gather from what you said that your step-mother, too, was probably a rather large influence on you in your early years.

- FKW: Yes, that's true. I don't know that my upbringing was any different from that of many other people. Grandfather was a great believer in work and thrift, in finishing up what you had to do and doing it right, and in paying your debts and honoring your obligations.
- ERM: How did he convey his ideas on these things to you?
- FKW: Mainly just by example. I think he just lived that way. I think his sons all had the same ideas, and my father certainly had those values to a very high degree. My grandfather gave each one of us a copy of Poor Richard's Almanac which you know emphasizes all these virtues. And then there was that poem he asked us to learn about the watermill, which emphasized the importance of time.
- ERM: He certainly was dramatic evidence of the philosophy itself, wasn't he, in his busy life? Did you observe your grandfather when he made his regular trips around the camps?
- FKW: You see, I don't think I was particularly conscious of his business life until I was twelve or fourteen years old, and I don't think I was too much even then. He did take us all out to Yellowstone Park one year.
- ERM: Was that a railroad trip?
- FKW: Yes, he took us out in his private car on the Northern Pacific. He took only those grandchildren who could dress themselves and brush their teeth and do the essential things for themselves.
- ERM: In other words, he limited the participants in these trips to those children who had reached a certain degree of self-sufficiency?
- FKW: Well, just for this one trip.
- ERM: Was this a trip that he made after he had more or less started to retire from active participation in the lumber business?
- FKW: I can't remember the year, but it was great fun.
- ERM: Was this the only trip that you ever made with your grandfather?
- FKW: There were probably other things we did together, but I just don't remember them at the moment. Somewhere in all these photographs I have here, there must be a picture of the things we did with my grandfather.

(The following discussion deals with photographs which are being shown to Mr. Maunder by Mr. Weyerhaeuser.)

ERM: The people in these pictures seem to be having quite a good time with each other. Can you identify any of them?

FKW: I can't tell who they all are, but I know they were taken at a large family get-together. That's my father doing a kick.

ERM: Do you recognize that little girl?

FKW: I'll bet that's Ed Davis! His mother used to dress him up in dresses!

ERM: Family get-togethers have always been a great tradition in this family, haven't they?

FKW: Oh, sure, and they still are.

Here's a picture that was taken of grandfather when he was up in the woods and traveled with this kind of a sleigh, with his big fur coats on, to the logging camps.

ERM: He was a pretty big, solid man, wasn't he?

FKW: He wasn't tall, but he was heavy. Now there's a picture showing the logging camp. Those logs are sort of hollowed out and split and you alternate them. You put on up this way and the next you go that way, so you get a good runoff of the rain and snow.

Here's a picture of a raft boat.

ERM: Did you make many trips on log rafts down the Mississippi?

FKW: Well, raft boats were over about 1905 or 1906, so obviously I didn't make many. But I did see them do this as a child and thought nothing of it.

ERM: You have some really nice photographs here.

FKW: Yes, but I need to go through and make a key to help identify all the people in them.

- ERM: Now, do you recall much about your grandmother as a personality?
- FKW: Oh, she was a wonderful person. I suppose she contributed more to the family than my grandfather did in a lot of ways. She raised the children, and you know, when the family was young, raising seven children wasn't an easy job.
- ERM: And your grandfather must have been obliged to be away rather a large part of the time, wasn't he?
- FKW: Sure he was. I think he was away half the time.
- ERM: Your grandfather was evidently rather partial to his children. I gather he was a very loving grandfather.
- FKW: Oh, he was. He took tremendous interest in his grandchildren.
- I think one of the aspects of my youth that I haven't touched on was the requirement that we do some work.
- ERM: Yes, let's talk about that.
- FKW: We used to have to pile wood in the woodshed. We didn't cut it; I guess my mother was afraid that we'd get cut with the axe or maybe we wouldn't have been any good at it anyway.
- ERM: But you had regular chores to do?
- FKW: We had regular chores and when we were very young, each of us had a square yard of garden that we had to develop. We'd plant lettuce and radishes and a couple of stalks of corn and maybe some carrots. None of the stuff that I planted was what I liked to eat, but we were supposed to go over that and weed it and keep it going.
- ERM: Did you have any other duties around the house or yard?
- FKW: We had to carry wood from the woodshed to the wood box inside the house.
- ERM: Were you ever responsible for cutting the grass or shoveling snow on the walk?

- FKW: We didn't have a real lawn in the sense that we have them today. I think the caretaker used to go around with a scythe and cut the grass down, so it wasn't too high. But we never got involved in that that I can remember.
- ERM: Were you kids put on what we now call an allowance?
- FKW: Oh, sure, we had allowances. I remember when Fritz Jewett came to visit and he didn't think it was right that we had to work. He was a radical and he thought we shouldn't have to work, so we had a strike. And my mother said, "All right. No work, no food!"
- ERM: Did she make it stick?
- FKW: Oh, yes. The strike was over right there! Laughter
- ERM: What was your father's attitude on this work bit?
- FKW: He was all for work. He thought you ought to work.
- ERM: To what extent did he introduce you to the lumber industry by taking you around the mill, out into the woods, and things like that when you were young?
- FKW: As years went on, he took us around a great deal. He'd talk about lumbering, about manufacturing, and about planing machinery and doing a good jobs, about grades of lumber, and about many of the aspects of manufacturing, drying, and seasoning lumber. He knew a lot about it; I think he knew more than anybody I ever knew.
- ERM: Do you feel that from a very early age you were seriously interested in going on in the business?
- FKW: Yes, I think we all were. Both my brother and I were, yes.
- ERM: Your family is remarkable in that this interest in the business persists generation after generation. Was there a conscious effort to keep the family going in the field?
- FKW: I think that my grandfather and my father had the idea that the young men should go into the business; we should be productive people. Not just be productive, but, hopefully, be productive in the business that they were in. Nowadays, this is called

nepotism, but in those days it was talked about as a good example to set for your children to make them work. I think in my generation Philip, Fritz Jewett, Ed Davis, and I all became interested in some phase of the business and spent our lives at it. I think it's a little less true of the next generation, but it's still true of a few. I suppose, as their children grow up, they'll be interested in something else. I don't know; it's hard to say.

ERM: It's interesting to see that so many members of the family have taken a strong interest in going on with the business.

FKW: That's true.

ERM: This isn't always true in many families in American business history. There is a departure from the scene; the kids just turn right away from what their fathers have done, but this seems not to be the case in your family's story. There must be a formula here; there must be some successful way of keeping the interest alive.

FKW: I think the basic thing is that you have somebody who wants to do it and who maybe has a little talent in that direction. I think you'll find some people who just don't ever fit in and, when you get that sort of situation, it's better not to try to fit in. It's better to do something you want to do.

ERM: In the second generation of your family, all four of the brothers went into the business, didn't they?

FKW: That's right.

ERM: But in your generation, a somewhat lesser number continued.

FKW: There were seven grandsons including my brother and I who all took some part of the business. Carl's the only one that never did, and it really was more because Carl never found a niche to fit into. He wanted to, but if you know Carl, you can understand a little bit. He is just more of a literary type of person. His interests run in other ways. And, well, that's one of those things you just can't tell about. If you do something well, that's what you should stick with.

ERM: Sometimes the older generation shows by example a strong interest in the business which is catching to the younger generation.

Without having it pushed on them too hard, the younger people are allowed to cultivate this interest. I wonder to what extent that might be true in your family's history?

- FKW: Well, it's hard for me to put my finger on it but I know of cases when a father almost forces his children to do something, they just never like it as a result. I know Rod Titcomb loves to fish and he used to make his sons go fishing with him, but they never liked it. They really just never liked to go fishing with him. My father used to take us fishing, but we just loved it. He never had to force us to go; we used to have wonderful fishing up on Lake Nebagamon--we didn't realize how good it was. Once in a while we'd snag into a fish up there that we were never able to get into the boat, and golly, I used to get a terrific bang out of that. I remember cooking a fish we caught that was so good, my mouth still waters when I think of it.
- ERM: Well, Fred, I think you've given me a pretty good start here.
- FKW: I have written here a summary of facts that are not anything like the details that we've been talking about today.
- ERM: Is there anything in that summary that you could elaborate on?
- FKW: It's mainly about things later in my career.
- ERM: Did you at any time have anything to do with the discussion surrounding the National Recovery Administration and the Lumber Code Authority?
- FKW: Well, I was not in that as much as others were.
- ERM: Did you have anything to do with price controls or that sort of thing?
- FKW: It seems that during the Second World War, the prices were being controlled, but a big jump in prices occurred after the war. The minute the price controls were taken off, prices jumped very sharply and then they gradually steadied. Then again in the middle fifties, I guess it was, prices began to boom. I think that's when Senator Joseph McCarthy was playing a very big part in all this. I remember that several of us went down to Washington, D.C.; but I got the flu and was sick as a dog down there, so I was of no help at all. McCarthy wanted to get the industry to make some

concessions on prices, so he picked on us. We finally agreed to reduce our prices \$10 a thousand on lumber going into the construction of houses, and it had no more effect than spitting in the ocean.

ERM: Why did McCarthy go after the lumber industry?

FKW: Well, he had a lot of complaints from the voters about the high price of lumber and he wanted to do something that would pacify them.

ERM: Make a little political capital for himself?

FKW: Political capital, yes, by reducing the prices. He wasn't the only one; there were a whole bunch of them.

ERM: Did you ever have any personal contact with McCarthy?

FKW: I never did. I think some of the group did, but I never saw him because I was sick.

You know, there's really a lot to tell about my life in this business.

ERM: Yes, you have had a direct involvement in so many things, and it will be interesting to discuss more with you at some later date. Thank you for talking with me today.

INTERVIEW VI

Irvin Luiten
Portland, Oregon
February 6, 1968

Elwood R. Maunder: Irv, when did you actually first come into this work with Weyerhaeuser?

Irvin Luiten: 1950.

ERM: So in a sense you came in just as this second major phase of the timber tax story was beginning to develop?

IL: Right.

ERM: Were you brought in by Weyerhaeuser in part because they anticipated this particular problem in taxation or were you assigned to something else when you first went to work for them?

IL: No, in the beginning I was hired as a writer-photographer to do work on the magazine. Then in 1951--well 1952 actually, Albert Arnst, who had been lobbying at the Oregon legislature, took a job as editor of The Timberman magazine. They had to replace him with someone and I was the man who was available and who they thought was qualified for it. So my knowledge of timber taxation really springs from having had to lobby on many timber tax bills and being in close association in that lobbying with Dick Uhlman who was been the head of our tax department. And in order to lobby effectively one has to have a certain amount of historical background, so I just began to seek this out by some reading but mostly by talking with the old-timers like Dick Uhlman who'd gone through all this development of timber taxation over the years. Dick Uhlman was a real expert on this, and of course, was looked upon as one of the leading authorities in the West on timber taxation. He was a real student of taxation and I think anticipated a lot of the things that happened well ahead of other people working in similar activities in the industry who had jobs like his. I think he and Joe Frum of Crown Zellerbach were the two people who really had some foresight about what was happening and Dick Uhlman told me many times that what we needed was an ad valorem system for timber taxation.

- ERM: Irv, you say that you got a lot of your background from Dick Uhlman and I've heard a great deal from others about him. He seems to have had a rather large role in this whole forest taxation story, can you just give me a little bit of a picture of this man?
- IL: Well, as I understand it, Dick Uhlman had been working in the assessor's office in Pierce County and was very familiar with and knowledgeable of all taxation problems. I'm not sure that I have the complete background on what he had done before he came to Weyerhaeuser but I believe this is what he had been doing. Unlike some other tax agents in the industry at that time, he had an attitude that I felt to be somewhat unusual in that he had a very, very strong feeling that the industry could not and should not be taking advantage of sloppy assessment practices; that the industry ought to pay its fair share in comparison with what other taxpayers were paying. Now this doesn't mean that he would go out and advocate to assessors that they place higher values on timber or something like this, but it did mean that I think Dick reported as honestly as he could the volumes that were subject to tax insofar as he felt that these volumes were not putting Weyerhaeuser at a disadvantage compared with other companies. In other words, I don't think he would have been willing to have us be overtaxed in the interest of honesty because he had to look at it from the standpoint that sloppy assessment practices were being used all over. His objective was to put Weyerhaeuser's taxes on a proper level compared to what other property taxpayers were paying in relation to the sloppy assessment practices that were going on. In other words, he wouldn't seek an advantage for Weyerhaeuser, whereas I think there were other tax agents in the industry who would do this for their own company. What I really mean, I guess, is that he felt that so long as we were paying a fair tax in proportion to what other taxpayers were paying, he could go to whatever length was necessary to achieve this kind of an objective. Now I'm referring to a period prior to my coming with Weyerhaeuser, the late 1930s, maybe way back to the twenties.
- ERM: Uhlman came with the Weyerhaeuser Company probably in the 1920s?
- IL: I'm not sure.
- ERM: How long was he with them?
- IL: Well, he retired in about 1957, somewhere along there--1957 or '58.
- ERM: Is he still living?

IL: Yes. He's retired and living in Tacoma.

But he had a very strong feeling that the industry should not be trying to seek special advantage over other taxpayers, but rather that the industry ought to pay its fair share in comparison to what other taxpayers were paying. The distinction I was trying to make here is that he wouldn't have advocated that the industry report its cruises in total, even if the taxing authorities weren't going out and getting those cruises, because at the same time homeowners and everybody else were getting away with low values and not reporting all their property. He did advocate that all assessment practices be improved to the point where everybody would be paying what they ought to pay. This wasn't true of all tax agents. Now Joe Frum was of a similar mind.

ERM: For Crown Zellerbach.

IL: Yes. These two men took a responsible attitude on taxation.

ERM: Well, wouldn't you expect this would be the case in two companies which saw themselves going on for a long period of time in their communities and, therefore, must have realized that the tax situation had to shake down sooner or later into a better balanced and a more honestly and equitably assigned responsibility?

IL: I think these corporations had management whose attitudes were that industry and business had to be responsible citizens of the community, and if they were not, they eventually would be doomed. Further than this, I think there were people who just felt that they ought to be honest and aboveboard.

ERM: They must have felt that their future was only as good as the future of the community in which they operated, and if the future of the community was in any way undermined, so was theirs.

IL: I think this was a part of it, but beyond this I think that there was a type of person who looked at things from a sort of public interest point of view. This is the way they were made. Now there was a distinct contrast between the personalities of these two men. Dick Uhlman is a rather reserved person compared to Joe Frum. Joe Frum was a man who liked to make appearances before committees in the legislature. He was a man who, in a meeting, would speak up readily; he usually talked quite a good deal. He was energetic; he was rather tall and slim and was a leader. Dick Uhlman was something of a contrast to that.

ERM: More of an introvert?

IL: No, not an introvert; Dick Uhlman is a very social person, likes to play golf, likes to get out to parties and entertain people and this sort of thing, but he is a more reserved, a quieter person, than Joe Frum. He was the kind who would sit back at a meeting and not say much until an appropriate time came and then what he said counted. He didn't like to appear before committees of the legislature; he preferred to have somebody else do these things. He did occasionally appear, but he preferred to let others take the lead in these things. Yet he was a leader in a more quiet sort of way than Joe Frum. These two people were looked upon in the industry and by public officials as perhaps being the leading experts in timber taxation. Oh, there were people like Dave Mason, too, but Dave was not in the swim of this all the time, you see. Dave would maybe come down and make a presentation to a legislative committee and it was a kind of presentation that didn't always recognize the political realities of the time. It was a professorial type of approach, whereas the approach that Dick Uhlman and Joe Frum used was heavily larded with the political reality--what could be achieved within the political framework. Both of the people had a great interest in politics--Dick Uhlman worked in politics all his life. He was a precinct committeeman and involved in politics.

ERM: What party?

IL: He was a Republican, and so was Joe Frum.

ERM: Then in the years that you were assigned as lobbyist you took your tutelage, in a sense, under Uhlman.

IL: Under Dick Uhlman. Practically everything I learned about timber taxation I learned from Dick Uhlman, outside of what I learned in committee meetings at the legislature and meetings of the industry.

ERM: Did you learn from him the practical value of studying the history of timber taxation? Was he a student of it too?

IL: Yes. Oh, he was very much so, very much so; much more of a student of it than I was. I got the benefit of a lot of this because when you sit in year after year and day after day in legislative sessions and hear the history of forest taxation or other taxation, described and commented on many, many, many, many times, and it's repeated every session, you're bound to soak up a lot of it. And then, of course, during legislative sessions some schools were put

on for tax committees in which they would bring in professors from Oregon State, University of Oregon, and people like Joe Frum to make presentations to legislative committees to give them a background in the history of taxation, and sitting through these and picking up all these documents which I read is where I got my knowledge.

ERM: And you'd been in the game long enough, of course, to see the difference, the subtle difference, between the professorial approach and the realistic approach that you've mentioned.

IL: Well, I think a good example of these two approaches is during the 1957 and 1959 legislative sessions, '57 particularly, Dave Mason came down to make a presentation on what he thought the state of Oregon ought to adopt as a timber tax system. His solution was a severance tax the rate of which would be the same as the ad valorem rate on standing timber. This would mean that in a certain taxing district, if you had a rate of sixty mills this would be applied against the timber you cut, and this would be your severance tax. Dave had a very well-written presentation on this and justified it from the standpoint of forestry; and the need to grow timber on a sustained-yield basis, he said, demanded this kind of a system. All the legislators listened to this with great interest because they knew the reputation of the man, and the presentation was a good one. But it made practically no dent on that legislative committee because it meant such a shift in tax from timber owners to other property owners that the legislators knew that this was politically impractical. It made no noticeable impression on them other than the fact that it was a good presentation and the theory was good, whereas others who made presentations, such as Uhlman or Bob Oslund from Georgia-Pacific, on what kind of a timber tax system we ought to have, had taken into account the political factors. For example, Uhlman's recommendations were really embodied in House Bill 14, 1959 session. Bill 209 of the 1957 session was the same as House Bill 14 except for some mechanics.

ERM: Is this the one that Eymann introduced or sponsored?

IL: Yes, in '59.

ERM: Not in '57.

IL: No, in '57 it was House Bill 209, which was a tax commission bill.

ERM: I see.

IL: But actually the tax commission, I believe, got some of its ideas for this legislation, from Dick Uhlman originally. And the idea here was that you would discount timber on the basis of how rapidly it was being cut by a particular ownership, and here again the thinking of Dick Uhlman that there must be equity for other taxpayers outside of timber products shows up. I'm not absolutely sure that the tax commission based all of this bill on Dick Uhlman's recommendation, but certainly this was an idea that I know he had talked to them about. But the idea here was that if you had timber that you were not going to cut for, let's say twenty years, then it would receive a discount based on that time period, and if you were going to cut it next year, that timber would be taxed at practically its full market value. And Dick Uhlman felt very strongly that this ought to be the case. For example, if Weyerhaeuser had only a five-year cut left, then the value of that timber for tax purposes ought to be almost the minor value; discounted for only five years, because this would be equity to other taxpayers. Of course, the big dispute about this occurred when Georgia-Pacific, because it was cutting heavily, saw that this would greatly increase its tax. As a matter of fact, one of the reasons why the compromise that was passed in 1961 is now in some danger, is really that many people can see that it isn't completely equitable to other taxpayers. For example, if you have ten years' cut left, you're still going to get a discount based on thirty years, thirty-year cut, which may be fine for the timber owner, but it may not be equitable to the other taxpayer. Of course, you can argue about this, too, on the basis that maybe timber should only be taxed on a severance tax because they don't tax wheat or barley as a standing crop. One could argue that it should be taxed only when it's cut. Now, for example, this state [Oregon] is beginning to phase out the business inventory tax on the basis that it's a very inequitable tax. Well, if the inventory tax is inequitable, then certainly the timber tax is inequitable, because if it is inequitable for the seller of machinery to be taxed three or four years on a machine that he holds for sale, then certainly it is inequitable for a timber owner to be taxed year after year after year on timber that he's holding, and may be holding for thirty years or twenty years or fifteen years. But it's a matter of precedent; timber has been taxed for so long, that it's very difficult politically to support its not being taxed this way.

ERM: Especially when it's been such a big part of the tax base.

IL: Right.

ERM: Tell me a little bit more about the intimate story of a legislative lobbyist; about your experience in this particular field over the last seventeen or eighteen years. Why don't we begin by looking at the period of the 1950s when you were starting out. You began to see the problem emerging, I'm sure, as you got deeper into your assignment.

IL: Well, I think 1953, which was my first session, was an eye-opener to me, and then 1955 particularly. In 1953 there wasn't a great deal of attention paid to timber taxation, but in 1955 there was because at that time, the legislature was making a real attempt to correct all this sloppy assessment and evaluation that had been going on for years and years. It set up the reappraisal program with a series of bills in 1955, and one of those bills centralized the evaluation of timber in the state tax commission. Dick Uhlman and Joe Frum both had real fear about this, and at the time, I remember wondering why they were so fearful and being a little bit irritated that they were so resistant to the passage of a bill which centralized timber evaluation in the tax commission. And the reason I was somewhat irritated about it was that I thought that there was much more important legislation at the time and really, from the standpoint of the company as a whole, I think this was true. But Joe Frum and Dick Uhlman had the foresight to see that with the centralization of timber evaluation, this whole problem of discounting timber values for the holding period might become a real ticklish problem. I should clarify that I became a little bit irritated about a particular bill that dealt with centralizing evaluation of timber. What this bill did was to set forth the factors which were to be considered in valuing timber--accessibility, damage from wind and storms, damage from wind throw--and I've forgotten what the other factors were. Dick Uhlman and Joe Frum wanted to insert the words "rate of depletion in the area" which later became such an issue in the legislature and in the administration of the timber tax. They wanted to make sure that there would be a discounting system which would take into account the holding period on this old-growth timber, because if you were to achieve sustained yield, you had to have a system which recognized that you were going to hold some of this old-growth timber for thirty or forty years before you cut it. Otherwise you might be forced to cut it prematurely. Certainly you would if the true cash value were placed on it and it were taxed at its retail value. So they wanted to make sure that the tax commission would have to take this into account.

But there were other tax bills that we were working on (when I say "we" I mean the timber lobbyists) that were important to us, and we were getting a lot of static from Sam Stewart of the tax commission about putting this rate of depletion in the area in that bill. He didn't want it in there. His argument was that if the legislature put that in the bill, then he'd have to interpret the law strictly by those words, whereas if it didn't he'd have administrative leeway to handle it and do what we wanted anyway. But because he was opposed to that, we were having some problems on other bills, so I can remember that I was somewhat irritated that Joe Frum and Dick Uhlman were so insistent about this, until one day they came and explained to me what it was all about. Then all of a sudden I saw how important it was.

Later, as a matter of fact, it became the real issue in a Coos County court case. When Georgia-Pacific began cutting rapidly at a depletion rate of about seventeen years, and they were still getting a forty-year rate of depletion for discounting timber values, a group of farmers in Coos County became concerned about the shift of tax from Georgia-Pacific to farms that resulted from this forty-year rate of depletion. Eventually this led the tax commission to use a county average rate of depletion to determine the amount of discount. In that case, Georgia-Pacific's fast rate of cut would be averaged with Weyerhaeuser's slow rate of cut. Naturally, they would gain a higher discount as a result of our slow cut, and they were really quite happy, and we would have received a lower discount because their rapid rate of cut pulled the average down below what our actual rate of cut was, so we would have got a smaller discount than we deserved. Then this became the issue in this court case, you see, and the court upheld the tax commission in this approach to using the county average. Then it rapidly became apparent that the tax commission was going to go even farther and use two averages, one in the east part of the state and one in the west part of the state, so that Weyerhaeuser and other companies that were cutting the slow rate would have been very heavily penalized. Then this gave rise to the attempt to pass these bills in 1957 and '59.

ERM: Which failed.

IL: Yes, but through all this period, you see, I was learning a great deal about timber taxation because I had to get versed enough in it to be able to talk about it.

ERM: Now, one doesn't approach a difficult problem in the legislature like this without realizing that it takes a lot of planning, a lot of hard

work, a lot of patient persuasion to accomplish what your ends may be. How does a person in your field go about that, or how does a company like the one you represent go about this task? Can you set down any of the subtleties of the business? How did you tackle the job in the legislature in the fifties? Did you try to get certain people elected who you felt understood your position? You must have done some of this.

IL: Well, the first step was to try to get the Industrial Forestry Association and associated forest industries of Oregon to reach some kind of agreement on a tax program, and it soon became apparent that this was impossible because the industry was split. Then the next step was to try to get that group which wanted to change the tax system together and reach some agreement on a bill. This was done following the 1957 session. Actually this split developed first in the '57 session and it developed as a result of the tax commission's action to try to resolve this question with a bill. The tax commission put in House Bill 209 in '57 which would have based the discount valuing timber on the individual rate of cut, and the tax commission. . .

ERM: It had a lot of other things, too, of course; not just that.

IL: Oh, that was the principal thing. The machinery for having the tax commission do the valuing was already there, in the bill that was passed in 1955, so now it was the way you valued the timber that became the issue.

ERM: In other words, the members of the tax commission were favorable to your point of view.

IL: Right. I suppose the reason they were is that they saw this as equitable to other taxpayers, and also it was a rational way to treat it because if the theory that you were converting future income to its present worth, the present value, was correct (and this theory has been established in reports put out by the Industrial Forestry Association and was being used in iron ore valuation in Minnesota). If you started with this, then went to a system in which you valued each owner's timber on a discounting system that recognized the rate at which he was cutting, this would achieve real equity both to him and to other taxpayers.

ERM: That's makes sense and if it weren't set up that way, it would certainly put the fellow who was cutting off his lands at a more rapid rate in an advantaged position.

IL: Yes. Well, what happened in 1957 was that 209 was introduced by the tax commission and it was very complicated, naturally, because if you were to do this, then it meant treating each owner differently, and then you had to have penalties if he changed his rate of cut. This began to make problems in that if somebody sold his property and he was going to have a different rate of cut, you had to have liens on it and that sort of thing. The very complexity of this piece of legislation made it something repugnant to most of the industry when it was introduced and even Dick Uhlman said, when I asked him about this bill, "Well, this is just too complex; we can't support this." Then Bruce Cowan of International Paper came to me and said, "You know, I've talking to Dick Eymann, and Eymann said, 'Well, this is what you guys need.'" He said, "You know, I think that's right." So I talked to Dick Uhlman about it again, and Dick said, Well, yes, this is what we need eventually, but the industry just won't go for it now, so we can't support it."

ERM: Is this the bill on which Mason testified, then, or not?

IL: I think he testified in 1959. Well, then the bill just lay in the House Taxation Committee and nobody did anything with it until April, and the session was about to end--I think it ended in May. In about April Dick Uhlman called me up and said, "You know, in Coos County there is this farmers group that is opposing this forty-year rate of depletion that's being used down there to determine the discount." And he said, "That thing's going to break loose and we're not going to be able to hold it, and then it leaves a county average. We're going to be in real trouble." So Bruce Cowan of International Paper (it was Long-Bell then) and myself were the two people who got going on this bill and started talking to some of the legislators about it.

ERM: What about Crown Zellerbach? What did they think?

IL: Well, they didn't do anything about it. They were kind of neutral, and. . . .

ERM: But didn't they stand to be in the same position as you?

IL: Apparently not; apparently it would have cost them money. I don't know. But, at any rate, they weren't going to support it. So Bruce Cowan and I began to work on this by just talking to members of the tax committee and working very closely with Eymann; but the chairman of the tax committee was Clarence Barton who was from Coos Bay, and Clarence was a lawyer and he'd been sold on that legislation

being too complex by testimony from Sam Hughes, of Steel Brothers and some other people that testified on it, and he wasn't willing to move it. So I went to Dick Eymann and I said, "Dick, I'm not sure I should talk to Clarence about this, but when you get a moment, you might talk to Clarence and point out to him how this bill would straighten out that situation with Georgia-Pacific and what those farmers are worrying about down there in Coos County," because, you see, they were complaining about Georgia-Pacific getting a forty-year rate of depletion when they were cutting out in about seventeen years. If this bill was passed, it would have made them pay a higher tax, you see, and put on their actual rate of depletion and discount. And so Dick did this, and then Barton, who was quite powerful in the '57 legislature, began to push this bill, and he got it out of committee. So Bruce Cowan and I worked the floor, and we got that bill passed through the House. There wasn't any opposition to it to speak of; nobody in the industry, apparently, was opposing it. Oh, there was some scattered opposition, but not very much.

ERM: Well, you say that you and Bruce Cowan worked the floor on this thing; what do you mean precisely?

IL: We talked to individual members and told them why the timber industry needed this kind of a bill and why our companies needed it, and stressed the equity of it to other taxpayers.

ERM: And got their commitments, in many cases, to vote in favor of the bill?

IL: Well, you don't get a commitment; I never ask a man how he's going to vote. Occasionally you get one. The fellow will say, "Well, I'm with you, I understand it, and I vote for it." I never ask them how they're going to vote; I leave that up to them. At any rate, it passed, I've forgotten the number of votes against it, but it passed by a substantial margin in the House. But Representative Kelsey who was buying timber from Georgia-Pacific and who had no timber of his own, took a position that this was a bill which would be very damaging to small operators in that it would cause them to pay more taxes than they were presently paying. So when it got into the Senate committee, Georgia-Pacific all at once, at the first hearing, expressed strong opposition to this on the basis that it was a bill which would tax one man's timber differently from another. Right here would be a section line, and Weyerhaeuser would have timber on one side taxed

at a lower ratio than timber of theirs right on the other side of the line, and they questioned the constitutionality of it, and raised all of the objections they could think of.

ERM: Who was doing their arguing for them?

IL: Robert Oslund and James Buckley.

ERM: Oslund being their lawyer.

IL: He was their tax agent and he worked in the timber valuation division of the state tax commission before going to Georgia-Pacific, and, incidentally, during that time was pretty tough on timber owners, too. He had some strong feelings about their not paying their taxes.

ERM: Oh, he was on the other side?

IL: Yes. At any rate, what developed here, then, was that the Senate Tax Committee chairman, Pearson, said, "Well, this bill is too complex; it's too controversial to pass at the tail end of the session like this." Enough members of the committee, however, had been convinced of the merits of this bill, both by the tax committee and by Weyerhaeuser and Long-Bell, that we could have got the bill out of committee, and if we'd got it out of committee we could have passed it, I'm sure, because in talking to people on the floor of the Senate, it was certainly my impression and Bruce Cowan's also, that we had easily enough votes. But this got over to the Senate right at the tail end of the session and there were other bills that some members of the Senate committee were trying to hold in committee and they didn't want any more meetings of that committee than were absolutely necessary because they were afraid the other bills would get out. And then, near the end of the session there are always a lot of meetings of other committees, and the senators are on a lot of other committees as well as the tax committee and so, not all of them would be present at every meeting. But everytime somebody would move that this bill be considered, the committee chairman would say, "Well, we've got something else we've got to consider before the session takes up," and then he'd delay it until the bell rang for the session to take up; or just before it, bang down the gavel and end the meeting; or there wouldn't be enough members there during that meeting who favored the bill to get it out. So the thing just died there in committee in the last few days of the session. Nobody wanted a meeting of that committee because they were afraid that some other tax bill would get out, so the support that we had on the committee was useless to us.

ERM: You run into an awful lot of frustrating situations in your work.

IL: So then this bill went to an interim committee and the interim committee wrote House Bill 14, which was the major bill, the timber tax bill.

ERM: Passed in 1961.

IL: No. House Bill 14 never did pass. They didn't compromise House Bill 14 into what we now have.

ERM: Well, what was Eymann's role in all this in the ultimate passage of the legislation in 1961?

IL: No change in timber taxation would have been achieved, in my opinion, had it not been for two people: Eymann and Barton. Both of these people took, what committee people would call, the extreme position of a complex bill which would achieve absolute equity between various timber owners and timber owners and other taxpayers. This was the House Bill 14 or 209 approach, where you had an almost perfect but complex piece of machinery to achieve a very rational, supportable discounting system. The other extreme was, of course Ben Kelsey. I should say that behind Eymann and Barton was that segment of the industry which wanted change, which was Weyerhaeuser, Booth-Kelly, Giustina Brothers, Willamette Valley Lumber Company, Roseburg Lumber Company, and some small timber owners. This group wanted change. Georgia-Pacific and some of the smaller mills were aligned with Ben.

ERM: Like, for instance?

IL: Well, these other companies would have been Georgia-Pacific (most of them were small companies like W. W. Lumber Company at Newport); Simpson Lumber Company was probably one of the biggest that was aligned with them. They were mostly small mills which had little or no timber ownership that were aligned with Georgia-Pacific.

ERM: In other words, outfits that, like Georgia-Pacific, had a substantial stake in keeping things as they were.

IL: Yes. Crown Zellerbach was sort of halfway in between.

ERM: Halfway in between; how could there be a halfway point?

IL: Well, they had their own plan which they tried to put in as a compromise which was essentially not too different from what we now have.

ERM: In other words, you wound up with a compromise.

IL: Right. Well, what happened then was that after the 1959 session, it became apparent that it would be almost impossible to pass legislation without agreement in the industry or at least substantial agreement. So then Weyerhaeuser went to work--well, all of these companies got together in the Industrial Forestry Association and they reached this compromise which is essentially what we have now. They worked with the interim committee on this and meanwhile the tax commission also had a number of plans that it was proposing, but the one that was finally accepted by the interim committee was essentially the Industrial Forestry Association program which Georgia-Pacific was willing to go along on. And, of course, Georgia-Pacific brought with them all of the group that had been on their side on this thing, so the opposition was pretty much gone by 1961, although there was some opposition from some of the small woodland owners who wanted a separate system of their own, which they eventually got.

ERM: To what extent, Irv, has Weyerhaeuser's long-standing position on policy in regard to rate of cutting on its own timber been changed in recent times, perhaps in part by the influence of this trend, the influence of this legislation? I mean, there's been a compromise here. You didn't get everything you wanted. . . .

IL: No.

ERM: And I notice now that the company is moving in the direction of a new stated policy which is a change from the old.

IL: I don't think the tax system has had anything to do with the change in timber management that Weyerhaeuser has adopted.

ERM: That doesn't have anything at all to do with it?

IL: Oh, it may have had some influence, but I don't think it has been the major factor. There were a lot of other factors as well; it has been one of the factors, probably. But, really, there hasn't been a great change in Weyerhaeuser's timber management philosophy.

There has been merely a recognition, really, of the fact that today we're more on a paper economy than we are on a lumber economy in comparison with where the company once stood, plus the fact that we now have technology that makes it pretty clear that we can grow timber at a much faster rate than ever was thought possible.

ERM: So it isn't smart to hold onto the old timber as long as you had originally planned.

IL: Well, it may be that we were somewhat too conservative in what we thought our annual rate of cut could be. The rotation period has been reduced by the new knowledge that we have about the kind of wood we need in the future, by the knowledge we have of what our lands actually are and what the productive capacity is. We now have them all mapped and typed, you see; plus the knowledge we have on fertilization, the knowledge we have on reforestation, so there have been all kinds of factors that have contributed to this, and what we're actually doing now is saying that we can grow 30 percent faster than we used to think we could. This is really the guts of it. Therefore, we can reduce our rotation period but in order to do this, we have to greatly intensify our forest management program, and in order to get the dollars to do this, we've got to increase our cash flow at the moment. From a pure forestry standpoint it is desirable to cut more rapidly in our old-growth timber than we have in the past. The only reason we didn't previously do this is because we felt the necessity to balance our age classes on a rotation period that is much longer than we're now considering. But with this new knowledge that we have, we can now step up our cut temporarily to generate the cash flow needed to make these investments in intensive forest management. This doesn't mean that we're stepping up our cut at this rate from now on out; it's a temporary thing that we need to get cash flow to make these investments in intensive management, and we will eventually have to adjust these cuts, because we still need to balance these age classes, you see. We have acquisition programs for getting certain lands which have the proper age classes on them to help do this, so it's a more intense management of all of our lands for timber production than we ever had contemplated in the past.

Georgia-Pacific recognized, I think, at an earlier period of time perhaps--I'm not really sure of this, they said they recognized--that the rotation period need not be as long as eighty years. I don't know whether they really recognized it or whether they used it simply as an argument to support the position that they had on taxation, because there were many people talking about shorter

rotation periods being necessary in the future, including our foresters, at the time that Georgia-Pacific started talking about this, but I don't think they had the knowledge that we had (I know they didn't) of their own lands and productive capacity that can support some of the statements they were making. I could be wrong on this, but that's my feeling about it.

ERM: Well, they needed to cut their timber faster because they were terribly up to their necks in debt. They had to have cash to meet their obligations.

IL: Right.

ERM: Now Weyerhaeuser wants more cash flow and in order to get that cash flow, it has to, for a time at least, cut its old growth faster than it has been doing.

IL: Right. This is good forestry from the standpoint that the sooner you get the old growth off, the sooner you get a young growth which grows wood faster.

ERM: That's the Georgia-Pacific argument that they've been using. . .

IL: Right, right.

ERM: . . .and which, for a long time was held up to be a lot of nonsense, wasn't it?

IL: Well, it wasn't held up to be a lot of nonsense, but the opposition to it was on the basis that if everyone does this in the state of Oregon, the balance of age classes will result in a second-growth economy. Somewhere in here there's going to be unemployment; there's going to be a hell of a gap. This was the argument.

ERM: In this current heavier cutting of Weyerhaeuser's old growth, where is the product going? Is a lot of it going into the foreign market; to the log market of Japan?

IL: Some of it we're selling to Mexico, and some of it we're selling to the Japanese, and some of it we're manufacturing. It's a combination.

ERM: So it's a combination. It's not all going into your own mills.

IL: No, we're selling quite a bit domestically, you see, to small mills.

ERM: Because the market is down, it won't take a greatly expanded production, will it?

IL: No. A lot of it we've been selling in Oregon, for example. We've been selling on the ratio of about two-thirds to the domestic market. What I mean by that is the mills who do not own their own timber. About one-third is going to export. Now, I don't mean of our whole cut, but of that which we sell. This would probably be closer to 50 percent export, 50 percent to the domestic mills for the next few years. What this amounts to is that after we had all this information, you see--what our lands were able to produce, and type, and the information on reforestation through our research, how we can develop genetically better trees, information on how to fertilize, and the amount of increased production we can get from that, the information on the markets that are probably going to be available in the future, and what we're going to be using our wood for--we could then take a look at our entire program and say here's what we ought to do for the future: we ought to be investing more in intense management. In order to do that, however, we've got to generate some dollars, a cash flow; and to get that cash flow we're going to do what is desirable anyway from a forestry standpoint; we're going to accelerate our cut temporarily and get the cash flow to generate these dollars. But we still also have the objective of getting our age classes in the proper balance. So it's a matter of adjusting all of these things to come out at the right place.

ERM: All of which just goes to show that there's no static position at all; you have to keep willing to change even your basic ideas, modify them in order to adjust to changes in conditions that arise as time goes on.

IL: Now, this in itself may cause some problems in taxation because when the public begins to learn that your rotation period is shorter, that you can grow more wood, then people who have some knowledge of taxation, politicians, are going to begin asking questions: well, is the bill passed in 1961 equitable?

ERM: And this is what you're anticipating now as coming up in the next session of the legislature?

IL: Yes. You asked about some of the things that a lobbyist does, and I'll try to fill you in on it. The interim between the 1957 and the '59 sessions was a period in which we knew we were going to have a real battle, so I put together what I thought would be a good public affairs or public relations program on this with a kind of a table detailing the problems, the things we ought to do, the people who

ought to be doing them, and this ran all the way from publicity, publication of booklets, contacting certain interest groups who might be aligned against us if they weren't contacted or might be willing to support us if they were contacted, and there was a real list of these of who ought to be making the contacts. This was work that went on in the interim. We had tours for legislators to explain what we were doing in timber management and how the tax system affected this; I made contact with labor unions, farm groups, the Grange, and the Farm Bureau.

ERM: Chambers of commerce?

IL: Yes, chambers of commerce, appearances before their taxation committees. I didn't do this alone; Norm McDonell did some of it, I did some of it. People were given these assignments. Well, at the same time, of course, the opposition had a program going too, you see.

ERM: Which you couldn't help but be aware of, I suppose.

IL: Right, right. And then during the session, of course, Bruce Cowan and I worked very closely together--Long-Bell was International Paper by that time, of course--and the two of us would try to pull in all of the different interest groups that we could pull in to support us, and we had the support of the AFL-CIO, the Oregon Education Association, the Grange, the Farm Bureau--I'm not sure that they were actually in support of us, but our contacts with them prevented them from getting on the other side. We had a group of small timberland owners who were supporting us, so we had gathered a lot of support for this thing, but then it still lost.

ERM: It still lost.

IL: Yes. I think two votes. And the reason it did is that when you have a major interest group in your society, such as the forest products industry, which looms so large as that industry does in the state of Oregon and it is split with about the same number on each side. . . .

ERM: That is numerically, but how would you. . .

IL: Well, to the legislator, it looked as if the industry was six of one and half a dozen of the other. And legislators who tended to have a strong feeling on conservation were likely to be with us; incidentally, one of the interesting things about this is that Democrats were likely to be on our side. Oh, we had the Republicans on our side, too, but

it was easier to get Democrats on our side, I think, than it was to get some Republicans who tend to think in terms of, "well, we don't want to hurt any segment of our business," and who are somewhat more conservative about passing controversial legislation. I think Democrats' philosophy would fit our position a little better than it would fit the other one.

ERM: Well, they're more inclined to move in the direction of change.

IL: Yes. But I think a lot of interesting things could be told about some of the problems that came up.

ERM: What is the intimate history of Eymann's association in this whole thing? He worked for Weyerhaeuser at one time.

IL: Yes.

ERM: How much part did you have in getting him into politics; getting him into the legislature?

IL: None.

ERM: None at all?

IL: No, as a matter of fact, if anything, he would have been discouraged in this, I think, at that time in the history of our company, particularly. This might have not been true of all branch managements but our branch management at that time was pretty heavily Republican, and certainly he didn't get any encouragement other than from me, I think, about running for the legislature as a Democrat. As I recall, I don't think he was working for us when he ran. He had quit the company by that time and was doing something else, I think. As I recall, he was never in the employment of the company when he was actually in the legislature.

ERM: When did he first show up in the legislature?

IL: 1957.

ERM: And then he was there until 1963 or '64?

IL: Well, I'd have to check my records. Let's see, he was in the legislature in 1957 and then he took a job with the tax commission--or was

it with the interim committee? It might have been the interim committee, and then he was an advisor to the tax commission, I guess, in '59. I don't quite recall. But, at any rate. . . .

ERM: Well, did he have an unbroken series of terms in the House?

IL: No. It was broken. Then he was in the 1961 session, as I recall--yes.

ERM: He got to be quite an influential member of the legislature.

IL: Yes, he did; very much so. Particularly on tax matters. And those legislators who served with him are still in the legislature, some of them, such as Senator Pierce, still often comment that Eymann was, perhaps, the best head on taxation that they'd ever run into, very knowledgeable, and had the facility for developing approaches in bills to take care of problems that were really sort of innovations; they were new, and he was creative about these things. As I recall, he's the one who figured out the system of channeling back the severance tax money in eastern Oregon to the taxing districts in relation to the amount of standing timber they had, so that there wouldn't be a great loss of revenue in a district where there was not cutting.

ERM: Yes, that was innovative. There wasn't any pattern for that before, was there?

IL: No. Now whether he got these ideas by talking with somebody else in the tax commission, I don't know, but at any rate he's the one who came up with it, and he often did this on many different bills; he'd come up with some innovation which would solve a specific problem that had meant holding the bill up.