

C.H. Kreienbaum

THE DEVELOPMENT OF A SUSTAINED-YIELD INDUSTRY:
THE SIMPSON-REED LUMBER INTERESTS IN THE PACIFIC NORTHWEST,
1920s TO 1960s

An Interview Conducted by
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PREFACE

My association with C.H. Kreienbaum goes back over many years, starting in 1930 when we were both new with Simpson. Chris was manager of the sawmill and sales division, and I was in charge of the woods. We were both fortunate to have worked under the leadership of Mark Reed, one of the most highly respected leaders in the Northwest lumber industry and a man of great vision. Simpson Timber Company was a major independent logger, supplying logs to mills on lower Puget Sound, up to three hundred million board feet per year.

In 1926, in order to better utilize our hemlock, Simpson built its first sawmill. Our slabs and fall down were converted to chips and went to the new Rainier Pulp & Paper Company at Shelton. This was one of the first mills to use hemlock.

All through the years since its origins in 1890, Simpson held on to its cutover lands, giving them a greater measure of fire protection than did many other operators who were either selling them for questionable agriculture purposes or letting them go for taxes. When I came with the company, Mark Reed told me that one of his objectives was to work out a program whereby Simpson's forest lands could do their part in stabilizing our local communities by supplying raw material for the mills. The welfare of the local people was always uppermost in the mind of Mr. Reed.

To the realization of that community purpose, Chris made a direct contribution. He was a leader for better manufacturing through active membership in the Puget Sound Associated Mills and the West Coast Lumbermen's Association. He served as president of both organizations. As he assumed more responsibility with Simpson, better utilization was his constant goal. In building plywood and wood fiber plants, the Simpson Company made possible a close utilization of wood waste without creating a serious pollution problem. The wood fiber plant did not create a hazard to the oyster industry as did Rainier, which was eventually shut down after expensive lawsuits. My task was to work out a sound forestry program, and Chris's participation was critical and effective, especially in telling the story in the local community. Any sound forest program must have the support of the people directly concerned, and Chris Kreienbaum made sure of that support.

George L. Drake
San Diego, California
September 1972

INTRODUCTION

No history of the forest products industries of the United States can fail to take into account the character and the contributions of certain men who stand head and shoulders above their contemporaries of the business community. This is particularly true of the history of the forest industries of the Pacific Northwest during the last seventy-five years during which the forests of Washington, Oregon, and British Columbia have sent a seemingly endless stream of lumber and wood fiber into both domestic and foreign markets.

Chrysogonus Henry Kreienbaum is one of the men of that story, and the interview which follows is a frank and refreshing revelation, not only of the man, but of the industry he served all his working life.

I first became acquainted with Chris Kreienbaum as a visitor to meetings of the Pacific Logging Congress during the early 1950s when I was starting to urge loggers, lumbermen, foresters, conservationists, and labor leaders to make serious efforts to conserve the records that documented their history. Chris Kreienbaum was strong in support of this appeal and took steps to assure the preservation of the historical records of his company, the Simpson Logging Company of Shelton, Washington.

But it was not until the Louis W. and Maud Hill Family Foundation of Saint Paul, Minnesota, gave me a grant to make a series of tape-recorded interviews with leading business leaders and professional foresters in the Pacific Northwest in 1965 that I was able to plan and carry out in-depth interviews, such as that which is published here. Supplementary funds for continuing this work were given by the Weyerhaeuser Company Foundation and the Simpson Timber Company Foundation. The Kreienbaum interview was made January 17 to 20, 1968, at his home in Rancho Bernardo, a part of San Diego, California.

Oral history has made much progress since its first attempts with the tape recorder were launched at Columbia University in 1950. The format and content of this interview are offered by the Forest History Society to scholars in two forms: in bound, illustrated, and indexed volumes, and in low-cost microfiche to facilitate use on the widest possible basis.

As the interviewer I wish to express my thanks to the sponsors for their generous support of my work. I am grateful, also, to my colleagues at Yale University--Mrs. Judith Rudnicki, Mr. Joseph A. Miller, and Mrs. Anna Chestnut--for their help in preliminary research and transcribing of the many tapes that were made with Mr. Kreienbaum. To my Oral History Section staff at Santa Cruz has fallen the difficult task of editing and final typing the manuscript and of indexing and illustrating it. To Dr. Susan R. Schrepfer, Mrs. Barbara Holman, Ms. Claudia Mehl, and Ms. Roline Loung belong much of the credit for this volume's final publication. But as with all works of this kind, the ultimate responsibility for their contents rests entirely upon the authors, the respondent and the interviewer.

The reader may find what follows something of a revelation of the ways in which American businessmen have performed their roles in recent history and by what factors they were motivated to act in the ways they did during times of troubles such as the Great Depression and world wars in which their country was greatly involved. Part of the value of oral history is to provide opportunity to study threads of a larger story as they are seen through the eyes of different men who were either important participants in events or articulate observers of same.

This interview is part of a growing library of about 170 oral history interviews which have been produced by the Forest History Society since 1953. Approximately one-third of these have been published in some form. Many are now being put on microfiche. For a complete list write the Oral History Section, Forest History Society, P.O. Box 1581, Santa Cruz, California 95060.

Elwood R. Maunder
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FAMILY HISTORY AND VIRGINIA CHILDHOOD

German Lineage

Elwood R. Maunder: First of all, Chris, let's get your full name, where you were born, and the date of your birth.

Chrysogonus Henry Kreienbaum: Well, my full name is a very difficult one for people to pronounce. My first name is Chrysogonus. My mother tells me that when I was born my father insisted on giving me my name. The whole history of my family back to the years 1150 to 1200, when they lived in the bishopric of Münster in Westphalia, Germany, is Roman Catholic. And I have a suspicion that it was a priest of the church in Brookville, Indiana, who suggested to my father that he name me Chrysogonus, after one of the saints in the litany. In trying to verify the assertion that the name Chrysogonus could be found in the litany of the saints in a Roman Catholic prayer book, I began to realize that I was a bit confused. It is St. Anastasia who is found in the litany. Anastasia was the daughter of a Roman noble, and Chrysogonus was her Christian teacher. Emperor Diocletian did not like the idea and had Chrysogonus brought before him in Aquileia, where he was condemned to death and beheaded. Later the Church canonized Chrysogonus, and he became a saint.

Why my father chose the name I cannot imagine. Certainly, I do not now qualify as a teacher, nor as a saint! But my mother agreed. And my middle name is Henry; my last name, Kreienbaum. It is an old German name.

ERM: But I noticed in the telephone book that the second e has been left out.

CHK: Oh, they leave it out quite often. Many times when I wanted to put through a long-distance call--this was in the old days, in the days of telephone operators--I had a terrible time just trying to convince the operator that I did have the second e in my name. So a number of times, for good reasons, we've dropped that e and made it Kreinbaum, but the actual name for the last seven hundred years has been Kreienbaum. There was even one time, as I found when I

looked back into the history of the name, when it was spelled Kreyenbaum. Then it was changed back to Kreienbaum again in the 1700s.

ERM: What is the meaning of the name in German?

CHK: There are several meanings connected with it. I couldn't really find out specifically because it's very difficult to trace the old Plattdeutsch language that they spoke in those days or the purposes for which the words themselves were used.

I was told by an old German in Iburg, where my grandfather was born and baptized, that the name referred to a crow tree. He suggested that it probably dates from the very early days when the family farm was first settled. The farm is in Fuchtorf, about fifteen miles south of Iburg, in the north German flat country. There were more swamps there than there were forests. Although the forests did come down to this area, any good-sized tree out in this flat country would most likely have been a lone tree, and a favorite place for crows to roost. So, because the original word for crow tree in Plattdeutsch was Kragenbaum, he suspects that this is how the family got started; Kragenbaum became Kreienbaum. Now, whether that's true or not I don't know, but that's the way the old German back in Iburg reconstructed it.

Someone else told me another possible history of the name. There weren't any roads through that part of the country in those days. The only way people were able to travel was on the rivers and streams, like we used to do in the early days of this country. Well, there were many toll stations along the waterways, and it's quite possible that the Kreienbaums operated one of these for the bishopric of Münster. Perhaps Kreienbaum was a word which, in Plattdeutsch, signified the collecting of tolls or had some meaning related to them.

So you see, there are two versions, each told to me several times by several different Germans, and I had to decide it was either one or the other of them. But I still don't know which. That's about as much as I can tell you about the way the name came into being.

ERM: We'll go on to when you were born and where.

CHK: I was born February 13, 1895, in Brookville, Indiana, which is in Franklin County, about forty miles northwest of Cincinnati, Ohio.

ERM: And your parents?

CHK: My father's name was Henry John Kreienbaum, and my mother's was Amelia Crescentia Kreienbaum. Her family--her maiden name was Glockner--came from a town across the river Rhine from Wiesbaden, the town of Bingen. It's in the middle of the wine country.

ERM: Then both your father's family and your mother's family are German in origin. I take it that these two families emigrated from Germany at approximately the same time?

CHK: Yes. My mother's family came to the United States about 1847 or 1848, according to the records. And my grandfather on my father's side came over in 1857. His family had the farm I spoke of earlier, the farm that's been in the family for seven hundred years and on which some members of the family still live.

ERM: Did any of them engage in farming when they came to this country?

CHK: No, not on my father's side. On my mother's side, yes. The Glockners were dairy farmers on land that is now a part of Cincinnati.

My paternal grandfather was a wheel maker. When I visited the Kreienbaum farm in Fuchtorf, Germany, I was told a story about him. When he was a young man, the family was so big that the farm just wouldn't accommodate all of them, and some of the sons were urged to go out and fend for themselves. He was encouraged to take a trade, so he learned to be a wheelwright and a wagonmaker.

I have his Wanderbuch, which was issued for him so that he could travel from one district in Germany to another, making his way to Bremen by stopping here and there to do some work.* The Wanderbuch is quite specific as to which roads he could travel and which towns he could stop in. He had to report to the police station whenever he arrived in a town, and if he didn't get work within twenty-four to forty-eight hours, why, he'd just have to get out of town and keep on traveling. But, anyhow, he worked his way to Bremen, took ship, and came to the United States.

* Wanderbuch für Herman Heinrich Kreienbaum, see Appendix A, pp. 139-146.

Two important pages of the Wanderbuch, his document called "Right to Become of Age" and his "Army Discharge" record, give you an idea of the strict government regulations of that day for a peasant traveler in Germany. The one thing about the story that is impressive is that he started from Iburg in 1850. When he got to Osnabrück he was drafted for army service and released. He worked for some time in a wagon shop in Hesepe and did not reach Bremen, where he took a sailing vessel, until 1857. It took him seven years to work his way about twenty-five miles and to earn enough to take passage to America.

In the Wanderbuch were blank pages for notes. On the first of such pages he made notes of his life in America, and he wrote in German, "Inkommen der 11 am November 1857." His "Right to Become of Age" was dated February, 1857, and was necessary for him to have before he could obtain his passport to leave Germany. And, I think through the Church, he was advised, as a wheelwright and wagonmaker, to go to Indiana.

Cincinnati at that time was a bustling city. There was a Kreienbaum in Cincinnati before my grandfather arrived, and he, we're sure, came from another branch of the Kreienbaum family, the branch that lived for many years at Ennigerloh on a farm nearby where my grandfather came from. So, my grandfather probably stopped there, in Cincinnati.

His advice was to go to Indiana so that he could work with white oak--famous Indiana white oak--hickory, and walnut, species used to make wagons. He acquired a ten-acre plot of ground at Enochsburg, Indiana, which is Franklin County, a few miles west of Brookville, where I was born. He set up his wagon shop there, and he married a German girl, Elizabeth Schwegmann, who lived nearby. He not only built wagons in his shop, but he also did a lot of repair work and that sort of thing.

ERM: Did he get the raw materials for making his wagons from the ten acres that he owned?

CHK: No, he bought his raw materials from the small hardwood mills around the area.

When my grandfather and grandmother had raised their family of thirteen children, the operation wasn't big enough for all of them, nor was it of too much interest to the five sons. So they went off to fend for themselves.

My father went to Indianapolis, Indiana, and went to work for the Williamson Veneer Company as a lathe operator, producing nothing but veneers for the furniture trade. They used the hardwoods and softwoods available. There weren't many softwoods in Indiana at that time. My father from that time on was probably steeped as deep as any man could be in the wood products field. And he became, I think, a foreman for the plant. His brother went into the liquor business in Cincinnati, and he finally induced my father to do the same thing. My father went into the business, but he didn't like it. He also had such a business in Baltimore, Maryland, and through these ventures he became acquainted with some people from Emporia, Virginia, who told great stories about the potential of a large farm there.

Now, my maternal grandfather, Roman Glockner, who had a farm in Indiana, where I was born, was getting along in years. When my father disposed of the liquor business because of his dislike for it, he and my grandfather went to Emporia, Virginia, and bought the large farm on the Meherrin River.

ERM: A large farm meaning how many acres?

CHK: I think it had around four hundred fifty acres. It was a large farm for that part of the country and had quite a bit of timber on it.

ERM: He used the money he had gained out of this liquor business to do this?

CHK: Yes. My grandfather sold his place in Indiana, and the two of them pooled their resources and bought the farm.

ERM: Were you on the scene by this time?

CHK: Yes, I was. I think I was about six years old when this happened.

Veneer Lumber Business

My father was in the logging business in Emporia, and he wanted to get back into his favorite business, producing veneer. He teamed up with the sales manager of the Williamson Veneer Company and three

or four other partners, and they built the Interstate Veneer Company in Emporia, Virginia.

I have pictures of my father standing alongside his walnut stumps. He loved to go out and buy those walnut stumps. He quartered them, and then he cut the inner triangular wedge-shaped piece off. This he could put on a so-called stay log in a lathe, and every time the lathe would make one revolution, a sheet of 1/40-inch curly walnut stump would come out of the machine. That was the specialized product of the plant.

ERM: All this was done from stumps?

CHK: Well, this was just one of the products that they were producing, but, yes, this particular product was all from stumps.

This picture with my father was taken because that is an extraordinarily large, black walnut stump he is standing by. He'd figure out which group of root stems here would make the best figure. Then, he'd quarter the stump, pie-shaped.

ERM: How did they put these wedges into the veneer machine?

CHK: This way. Here is the top of the stump, and it flares out to a root basis at the bottom. Here are the roots around here. They'd quarter the stump and cut a face off of the inner triangle of flitch because there's no figure inside the triangle.

Then, they had an i beam with holes drilled in the flat top of the beam. They would have a template to fit these holes, which would be put against this side of the quarter here, bore holes where the template was, put this quarter on here, and then the stay bolts or so-called lugs would come in here like this, and that's what held the flitch to the i beam.

Then the i beam would be dropped into slots at the chucks on each side of the lathe and bolted into place. Then, every time the lathe would make a turn, a sheet of curly walnut veneer, 1/40-inch was the result.

By the time the veneer came off the root end in any reasonable size, here's where all the figure and curl was. We have a black walnut bedroom set, and the head and footboards are made out of figured walnut like this. This is the way the furniture people used to do it. Here is the way the sheet was, and the curl would be all down in here, like this, and it would shape up around in here.

They'd take one sheet and put it down this way, so that the curl would fit like this. Then, if they wanted a table top, they'd take these and put them here so that the curl would go like this, and then you'd get a fine, figured table top.

ERM: Well, now that curl would come out of this part of the stump then?

CHK: Yes, it would start up here where the root began to flare out from the tree, and it would follow all the way through here, and some of it would run way up in here.

ERM: This stump in the picture with your father looks for all the world like an elephant's foot, doesn't it?

CHK: Yes, it certainly does. They all looked that way. Here are a few more of them in the background; he was unloading a carload of walnut stumps when this picture was taken.

ERM: How did he procure these? Did he just go out, locate them, and then get his men to dig them up?

CHK: I went with him on numerous occasions, out through the mountains and the hills of Virginia and North Carolina. He would choose a small sawmill operator or someone he could get acquainted with and just tell him what he wanted and what he was willing to pay for them. Then, these men would become scouts. They'd browse around all of those mountain districts; they covered the whole country! And when they had spotted walnut stumps, my father would go out, take a run around, and see if they were suitable for what he wanted. Then, he'd pay somebody to dig them up or to cut them off; the millman would take the tree, and he'd buy the stump.

ERM: What would he have to pay for a stump like that? I should think the labor of getting it out of the ground would be tremendous.

CHK: It was, but I have no idea what they used to pay for them. The furniture market at that time was primarily in High Point, North Carolina, which was nearby. That's one of the reasons they built this plant at Emporia. The other market was in Grand Rapids, Michigan.

During school vacation I used to off-bear behind the lathe cutting walnut stump flitches. These flitches were steamed or, really, boiled in so-called steam vats before they were put on the stay log and into the lathe, and, therefore, the veneer as it came from the lathe was very hot. Each new sheet of veneer coming from

the lathe had to be piled on the preceding sheet to fit all of its contour so that when the flitch had been reduced to a core the veneer I had piled would resemble exactly the flitch in its original form.

After the lathe operation, the veneered flitch was then trimmed by taking ten sheets to the trimmer, and the edges were trimmed to a straight edge as near as possible to the shape of the flitch and piled so that when the trimming had been completed the pile again resembled the original flitch. Each sheet was then dried and again piled as previously to resemble the original flitch.

In this manner of retaining the shape of the original flitch, a buyer for a furniture plant could visualize the beauty of a bed headboard or footboard, a table top, or a bureau top by merely butting two adjoining sheets. It was in this manner the quality of the flitch was judged and the quantity of figured faces it would produce. The flitch was crated and, together with a number of others, shipped to the furniture centers of High Point, North Carolina, and Grand Rapids, Michigan. A hotel room would be engaged for display purposes, and the furniture buyers were invited to inspect and bid against each other for the flitches.

It was a gamble, but I remember his elation sometimes as he sold some of those sheets for ten or fifteen cents a surface foot. You take forty sheets to the inch and you square each one of those--the widest part of the sheet, squared, was the measure of that sheet of veneer--and you've got a lot of money in it. So, in this respect, he was a gambler. But he loved that business.

Now that, of course, was just one part of it. They had three lathes, and only about half the time one of these was working on these stumps because he couldn't find sufficient stumps to operate a lathe full time. They cut pine, gum, cherry, applewood, and oak. The gum was for drawer bottoms and for mirror backs; and oak, of course, for tables and chairs and all that sort of thing. He did a broad hardwood and softwood veneer business.

ERM: Did he manufacture veneer purely to be remanufactured by the furniture people?

CKH: That's right.

ERM: He didn't enter into the furniture business himself?

CHK: No, no.

ERM: He made all kinds of flitches, I take it?

CHK: Only walnut stumps were flitched. The other woods were cut into veneer like any plywood plant today cuts veneer, 1/8-inch or a lot of it 1/20-inch instead of 1/40-inch, and so on. All of it went to the furniture plants for all kinds of furniture.

ERM: Well, you were close to this, then, as a boy growing up.

CHK: I was deep in it, as deep as my father was, because I was with him a great deal of time. This plant in Emporia, Virginia, was built in 1904 and 1905; I was, I think, ten years old when it was completed.

The financial panic of 1907 was a disaster for my father. He borrowed heavily in addition to what money of his own he had put into the venture. And by 1908 or 1910, he was having to drop some of his interest in the plant by selling to others. Coming out of the panic of 1907, the depression, the burden of his debts was too great to allow him to take the time to get his affairs straightened out again. When I was fifteen years old, I had to quit school because of it. Then, I took a commercial course; I went to work as a stenographer and a bookkeeper.

My father heard a great deal about the tremendous timber stands on the Pacific Coast through some of the bankers and other people that he knew, and through industry sources he learned about the building, or the proposed construction, of a plywood plant in Tacoma by the Wheeler-Osgood Company. At that time Thomas Ripley was vice-president and general manager of the Wheeler-Osgood Company. My father got in touch with him, corresponded with him, and Ripley asked my father to come West and go to work for Wheeler-Osgood.

His friends wanted him to go back in the liquor business, but he wouldn't do it. He didn't like it, and I'm sure he didn't want his family to be involved in that kind of business. His love was working with woodworking machinery; so here was an opportunity in a plant in Tacoma, and he took it. That was in 1912.

ERM: So what did he do? Did he close out his business?

CHK: Yes, he disposed of what little remaining interest he had in the Interstate Veneer Company.

ERM: Did the business continue under a new man?

CHK: It continued for a number of years. Two of his brothers were still interested in it.

DEMPSEY LUMBER COMPANY, TACOMA, WASHINGTON, 1912 to 1925

Stenographer and Bookkeeper, 1912 to 1917

CHK: A couple of months after he arrived in Tacoma, he sent for my mother, my sister, my brother, and me. We went to Tacoma, and I entered another commercial school to brush up on my use of shorthand and bookkeeping. And through that school I learned about the Dempsey Lumber Company and their need for a stenographer and bookkeeper. The school sent me over to the company, and I met J.W. Dempsey. He was the financial man and general manager of his father's business interests in Michigan and all over the country.

ERM: You were about what age then, Chris?

CHK: I was seventeen. And J.W. Dempsey employed me. I never can understand how anybody could ever keep a kid like me on the payroll as a stenographer and a bookkeeper! But they did. They were a wonderful group of brothers. The oldest one of the brothers was a man by the name of Lawrence Dempsey; next came James W., who was named for his father. Then came John and then Neil.

Lawrence was the oldest one of the group, and he usually just sat around and kept tabs on everything. J.W. Dempsey was on the road most of the time, taking care of his father's affairs all over the country. John Dempsey was an engineer, a postgraduate of Cornell, and a great football player. He was, I believe, All-American back on the Cornell football team. He was the engineer, so he was in charge of the timber and logging operations, and so on. Neil Dempsey, the youngest one, was the sales manager.

They were a great family; wonderful people. And, it was a great place for a novice, a young man, to learn something because none of these boys ever showed up in the office in the afternoon!

ERM: What did they do in the afternoon?

CHK: Oh, they had many interests. John Dempsey was a great golfer, and he'd be out at the country club. Neil Dempsey had a boat, and Lawrence Dempsey had an estate out at Gravelly Lake. In those

days, the industry was operating on a ten-hour day, six days a week. I was the stenographer, and I was assistant to the bookkeeper. In the morning I would take dictation from everybody and try to get that behind me. In the afternoon I did the invoicing and that sort of thing. The bookkeeper would outline my work in the afternoon for me; he was never around the place after 2:00 P.M. because everybody really worked long hours in those days. I was working on the job about eleven hours a day. I was there before the whistle blew in the morning to check everybody in, and I checked everybody out at night, too.

In the afternoon, when there wasn't anybody around, I had a wonderful opportunity to look through the books and learn about the business and to wander around the yard and the mill and get acquainted with the superintendent and everyone around the place.

During one of these afternoons--I think it was only a couple of years after I was there--the father of these boys, James Dempsey, Sr., came to the mill. He had come from Manistee, Michigan, to visit. He wanted to know where John was. I said I thought he was out at the country club. "And where's Jim?" Well, Jim was out. Jim was always busy; he was interested in other things. And Neil, I didn't know where he was, and Lawrence was out at his estate.

The old man, the older Dempsey, was staying with one of the brothers for a while, but he wanted to get acquainted with some of the lumbermen around there so I think he was stopping at the hotel, too. He came over to the mill on several afternoons and got in a reminiscing mood and was telling me of his early history.

ERM: Had he been a lumberman in Michigan?

CHK: Oh, yes. He came to this country during one of the Irish potato famines, landed in Brooklyn, and as a mule skinner helped to reduce some of the hills and swampy areas that finally became part of the borough of Brooklyn. Then he worked his way west until he landed in the logging camps in the upper peninsula of Michigan. He finally became the boom boss on Lake Manistee, and the only pay he got for the job was this. Any log coming down the river into the lake that was not branded by one of the numerous companies who were logging in the Manistee River watershed, why, it was his log! He laughed about this and said, "I sure didn't let any log go by me that wasn't branded!" And he sold these logs to the mills.

The river came into Lake Manistee, and then the lake emptied into Lake Michigan; so there were quite a number of mills around Lake Manistee. He saved enough money to purchase an interest in one of these mills. Then he built his own mill, and the Dempsey Lumber Company was born. Eventually, he had several mills, and he also became involved in drilling wells for water that ran into salt deposits--he had a large salt operation--and he became a wealthy man.

Then, in the late 1800s, of course, he, like a lot of eastern lumberman, sent scouts out west. He bought timber in Skagit County and Pierce County, in the state of Washington, and in Linn County and Lane County, in the state of Oregon. And in 1905 and 1906 he built a sawmill in Tacoma. For, at that time, it was a fairly large mill. It was a double band mill--two-band headrigs--and I think it was supposed to be the first all-electric sawmill ever built on the West Coast. It had a good-sized power plant built alongside of it, but it operated only a few months when it burned down. They had a lot of misfortune when they first began to operate in Tacoma.

The Dempseys, with E.G. English, organized and built the Puget Sound & Baker River Railroad in Skagit County. The western terminal was located west of Burlington, and the railroad ran up the Skagit Valley to a town called Hamilton; it's still there. All their timber--they owned a large block of it--and land lay above Hamilton, all along the north side of the valley. English had timber in the valley, too, and the railroads of these two companies fed the Puget Sound & Baker River Railroad.

Soon after they built the Puget Sound & Baker River Railroad, however, the Skagit River flooded, leaving a good part of the line under water. When the river finally went down, there wasn't much of a railroad left. In building they hadn't ballasted the roadbed. They had only completed construction of the railroad, and they were going to do the ballasting later on. The bridges were gone, the rails and ties were off the roadbed, so they had to rebuild the railroad. After they did that and got the logging camp going, they had a terrific forest fire. The logging camp was destroyed, and several men were killed.

ERM: One disaster after another.

CHK: That's right, they had a lot of difficulties. So they built a smaller mill to replace the one they had lost in the fire, and that was the one that was operating when I went to work for the Dempsey Lumber Company.

ERM: Which was when, about 1912?

CHK: Yes, 1912, the spring of 1912.

ERM: Wasn't this just shortly after you had come out with your family?

CHK: Yes. I arrived in Tacoma in April, 1912, and it was only about thirty days after that, May, 1912, I think, that I went to work for the Dempseys.

And very early in my history with the Dempsey Lumber Company I began to learn something about fires. They were just scared to death of anything that looked like fire. If anyone were smoking around the plant, why, they'd get shaky. John Dempsey had been a timberman all his life. His entire boyhood had been spent around his father's operations, though after leaving the university he worked as an engineer for a short time in Panama during the construction of the Panama Canal, and he, too, was deadily afraid of fires. So I got acquainted with the language of forest fires very early in my life.

ERM: Were the Dempseys ever very industry-association minded?

CHK: They joined, but they never participated.

ERM: What associations did they join?

CHK: Well, let me tell you the history of the associations. In 1911, there were several associations in Washington and Oregon. I think it was Everett Griggs of the St. Paul & Tacoma Lumber Company who got them all together, and I believe that was either in 1911 or 1912. Well, out of this merger of the associations came the West Coast Lumbermen's Association, and the Dempseys joined. After the Panama Canal was opened in 1914, the Douglas Fir Exploitation and Export Company was organized in 1915.

Of course, these organized groups held their meetings. Now, the Dempseys weren't interested in attending any of these, so John Dempsey sent me to attend these meetings and then report back on what had happened. So it was in that manner that I began to learn something about the early years of the West Coast lumber industry. In fact, it was in one of those meetings that I first saw Everett Griggs and others in action.

ERM: Wasn't English rather active in the trade association?

CHK: English was highly thought of, yes, in the loggers' association-- in all the associations. He was a very active, vigorous participant.

ERM: And wasn't he still associated with the Dempseys then?

CHK: Oh, yes, that's right.

ERM: So, in a sense, the company was represented by English, but not through the Dempseys.

CHK: That's right, through English, but not through the Dempseys. They very seldom attended. The only time I can remember any one of them attending was when James Dempsey was busy in Arizona. They were very heavily interested in the Saginaw-Manistee Lumber Company in Williams, Arizona. They were interested in the Crows Nest Lumber Company in Crows Nest, British Columbia; and they were very heavily interested in coal properties in Kentucky and in banks in Kansas and Chicago.

ERM: We have a lot of those old Saginaw-Manistee records down at the Northern Arizona University at Flagstaff. They have just recently been turned over to them.

CHK: Oh, is that right? Well, you'll find J.W. Dempsey's name mentioned in them a good many times, I'm sure, because he was an official of that company. They had interests in California.

ERM: Who were they linked with in California?

CHK: Well, James Dempsey, Sr., was a friend of the president of the Southern Pacific Railroad, as was J.W. Dempsey. And this is a story that Dempsey, Sr., told me. They had a terrific car shortage; they couldn't get cars at Williams, Arizona. So, it was either Dempsey, Sr., or J.W., who talked--I think it was Dempsey, Sr.--to the president of the Southern Pacific Railroad, who was a friend of one of the famous oil promoters and operators in California and Mexico, the Doheneys. Well, the president of the Southern Pacific Railroad suggested to Dempsey, Sr., that they buy Huasteca Petroleum Company bonds and stock, a Doheny interest. They did, and they got the cars at Williams, Arizona.

ERM: One way of getting railroad cars is to buy stock.

CHK: Yes, that's right, in that day. And the Saginaw-Manistee Lumber Company got their cars. But the funniest part about this story was

told to me by Dempsey, Sr., when he asked me to get the bonds, a large bundle of them, from the vault. Some of them were bonds for redwood timber in northern California. I can't remember the name of the company, but I am sure that when Simpson invested in northern California, we, or Simpson, bought that timber. Well, then he had this Huasteca Petroleum Company stock, and he said, "I would suggest that you take that bundle of stock and just plaster the walls with it so that everybody in this family and the young man who is going to come up in the family to run this business will forever be able to see what mistakes we made."

Anyhow, what happened was that the redwood bonds, of course, defaulted. He got rid of them, though I suspect that later on, after he passed away, the petroleum company became a valuable part of the estate. But, that's how I learned about the problems of the lumber industry, particularly the financial side of it--right out of the records of the company.

Sales Manager, 1917 to 1925

J.W. Dempsey, Jr., died a couple of years after I went to work for them. He was the man who really was the driving force in the family. Then, Neil Dempsey had a very serious automobile accident. It took him a long time to recover from it, and I was asked to take over as sales manager of the company. That was, I think, in 1917, because it was during the beginning of the First World War that John Dempsey took me along to a meeting--he did finally attend an industry meeting--where the requirements for lumber and timber for war purposes were being explained. And it was after that that I took over the sales generally.

ERM: Until then you had been purely a bookkeeper, timekeeper, and stenographer?

CHK: That's right. But what happened was that in the afternoons, when there wasn't anyone around there, somebody had to give an answer to the questions that came up. I was minding the store, so I began to give the answers to the questions. And little by little I became more confident of my knowledge gained from these

experiences, and they began to push on to me more and more responsibility all the time. That was the only way any young man could ever get to accept those responsibilities.

ERM: Did they recognize this in reimbursing you for your growing responsibilities, or didn't that come to you until you became sales manager?

CHK: Oh, no, my salary kept going up. I started working for them for thirty-five dollars a month, and when Freda Grover and I got married in 1916, they raised it to seventy-five dollars a month.

Marriage and Cultural Education

ERM: Where did you meet your wife?

CHK: I met her in Seattle. I was on a trip to Seattle when a group of my friends who had been invited to a large party asked me to go along. And I met Freda at the party. She was a University of Washington girl. She could speak German of which I spoke very little; and she was in love with English literature and poetry, and I didn't know anything about that sort of thing. She was intriguing to me. I don't know what she saw in me, but, anyhow, we got married.

ERM: Was that the beginning, Chris, of your interest in literature?

CHK: Yes, it was. Shortly after we were married we bought our first books and we built a little library--fifty little books, the classics. I still have them; they're right over there. And we began to read English literature. We established a little home which we rented from the principal of the Stadium High School. Fortunately, he lived right alongside of us. He and Freda had much in common in their discussion of English literature, and he had a library. He used to loan us books out of his library, and Freda and I would sit at night and read to each other whenever we could.

After we got married I took courses at night school, and I took correspondence courses for about eight or ten years after that, until my work load got so heavy that I had to give it up. So my education came from night school and correspondence courses.

ERM: Did your correspondence courses focus primarily on accounting and business, or did they reach into the humanities?

CHK: Accounting and business. My other education, cultural education, I got by outside reading.

ERM: And you did this how, by reading aloud to each other?

CHK: For quite awhile after we were married, that's the way we used to do it, and Freda would correct my English. She still does. Then I was given a biography of Frederick the Great and later of Bismarck That created my interest in German history.

Freda's ancestors came to this country from Devonshire, England, in the early 1600s.

ERM: Really? My people came from the neighboring county of Somerset.

CHK: History also entered into our interests, and, then, of course, family history has become very much of an interest in the last ten years. I have one whole shelf here with county histories. Where the family started--from Boston and New York--and how they traveled across the country, they're all in these books I've got here. So that's how we grew into this library.

REED MILL COMPANY, TACOMA AND SHELTON, WASHINGTON, 1925 ON

Expansion of the Market

CHK: There were a number of sawmills around the crescent of the harbor in Tacoma, and a few years after the First World War the sales managers of these sawmills began having a noon luncheon once a week for the purpose of exchanging ideas because the markets and the statistical history of the industry were very meager.

ERM: Your trade associations weren't doing much along that line?

CHK: Well, they were doing some, but it was not as comprehensive, not as localized, as was necessary. In those days, St. Paul & Tacoma Lumber Company and only one or two other mills in Tacoma had dry kilns; the rest of them were all green lumber shipping sawmills. As a consequence, three distinctive markets were available before the First World War and the opening of the Panama Canal. The sawmills with dry kilns could ship by rail to the interior as far as St. Paul and Minneapolis and Chicago and by water to California and export throughout the Pacific area. The sawmills without dry kilns could ship only to California and export throughout the Pacific area.

The First World War began in 1914, the Panama Canal was opened in 1914, and we entered the war in 1917. After 1918, when the war was over, intercoastal shipping through the Panama Canal expanded rapidly. The western wholesalers in Portland, Tacoma, and Seattle grew in size.

ERM: They had not been so important a factor up to that time?

CHK: That's right, not until after the war. The Atlantic Coast market expanded rapidly then, so rapidly that we didn't know what was going on sales-wise for the mills right in Tacoma, and there were a number of them. So, we'd have these meetings once a week, and I got well acquainted with the sales managers of these mills. One of the men who used to attend these meetings and with whom I got well acquainted was Edward Gange. He was the manager of one of the Buchanan sawmills in Tacoma, and he ran a tight, efficient property.

Mark Reed: Man of Vision

The Simpson Logging Company, up until that time, was just a logger, selling logs to plywood plants, cedar mills, and sawmills on Puget Sound; but Mark Reed was building his first sawmill. It was a wholly owned subsidiary of the Simpson Logging Company, called the Reed Mill Company, at Shelton, and he employed Ed Gange to design and build this mill for him.

The Dempseys had dry kilns and drying yards, and they cut Douglas-fir and hemlock. St. Paul & Tacoma Lumber Company did the same thing. And the sales manager of the St. Paul & Tacoma Lumber Company, Andrew Landrum, and myself were the only ones, really, in that area who were interested in the hemlock lumber market. Mark Reed was having trouble disposing of his hemlock logs. He wanted to use his hemlock timber--until somebody built some mills to cut hemlock logs, much hemlock timber would just be burned up in the fires after logging--so he built a sawmill to cut hemlock logs, exclusively, into hemlock lumber. Ed Gange one day asked me to go to Shelton with him to see the design of this plant. I accepted, and it was on one of these trips, the first one, I think, really, that I was to meet Mark Reed. I had heard of him for a long time before that.

ERM: Was he already a kind of legend in the area?

CHK: Yes, he was. Simpson was interested in banks, in several mills, and he was selling logs, too. And, of course, the Simpson Logging Company was one of the largest suppliers of logs on Puget Sound. Also, everyone regarded Mark Reed as one of the industrial leaders of the state. He was in the state legislature; and, between politics and his great interest in legislation for the industry and for the people working in the industry, he was well known and the company was well known.

So I met Mark Reed. Later, because of my knowledge of whatever hemlock market there was on the Atlantic Coast and through Ed Gange, Mark Reed gave me the opportunity to come down, and I was employed as a sales manager for his new sawmill. Actually, I went to work for the company before the sawmill was completed.

ERM: Do you remember that first meeting with Reed? Is it a vivid memory in your mind?

CHK: Yes. He didn't have too much to say, except to ask some questions about how long I had been with Dempsey, about my experiences with Dempsey. He already knew, of course, about my activity with the sales group in Tacoma.

ERM: Did you suspect that you were under surveillance on this visit? Were you down there particularly to meet him?

CHK: No, no. I was just invited down there to take a look at the plant, to see the design of the plant, and to see what I thought of it. Of course, I thought it was efficient. The layout, the design of the plant, was all in the direction of saving labor. It appeared to be well planned, and it looked like it was going to be terrifically efficient. I was intrigued and, of course, through Ed Gange, Mark Reed knew I probably was intrigued. So, at this first interview nothing was said about my going to work with the Simpson Logging Company. It was several weeks after that that Mark Reed had Ed Gange propose to me that he would like to have me come down and be sales manager.

ERM: Can you give us some sort of a physical picture of this man, a description in your own words?

CHK: Well, to start with, he was a physically large man. He was over six feet tall, big-boned; he had a deep, musical voice and a very pleasant manner of talking to you. He met people very easily and he could put them at ease. And, he had a twinkle in his eye that, it seemed to me, was always there until he got exercised about something, and then he could look pretty stern. But he was a very pleasant man, a dignified man--he radiated dignity--and the kind of man that immediately upon your meeting him you'd like to be associated with him.

So, when Ed Gange proposed that I go to work for the Reed outfit, why, I, of course, was very much interested because here was an opportunity and a challenge that the Dempsey people didn't offer anymore. The Dempseys had had opportunities to expand, but they hadn't taken them. And I could see that if I stayed there long enough, someday I'd probably be helping to wind up the property, and I didn't want to be in that position.

ERM: The second generation was beginning to lose the verve of the preceding generation?

CHK: That's right. While they were interested, the boys, the grandsons of the original man--one of them did carry on after all the second

generation passed away--did not have the expansive attitude toward things that the Dempsey, Sr., that I knew first, did. Consequently, the atmosphere around the place was not of such a nature that it looked like there was a great potential there.

But here was a man like Mark Reed, with an interesting history behind him--an industrialist of the state, one of the politically important men in the state, and an important executive of a large interest in southwest Washington. And here was a new sawmill which was going to cut hemlock logs, exclusively, when the market was, or had been, so limited. And here was a challenge I just thought I'd like to get my feet into. I talked to Mrs. Kreienbaum; we thought about this for several months, and we decided to take the risk. But the most difficult job I ever had was telling John Dempsey that I was leaving the Dempsey Lumber Company, because those people were so grand, and they had done a lot of things for me.

ERM: How did they receive the news?

CHK: Well, John Dempsey was very, very disappointed. His first reply was, "You know, that's a tough outfit you're going to work for. They don't monkey around with failures. You're going into something so absolutely new, you're probably going to have to work harder than you've ever worked in your whole life."

I said yes, I knew all that, but I had appraised the whole situation as thoroughly as I thought I could, and I still thought I wanted to do it. So he gave me his blessing and a nice present, a beautiful watch, which later was stolen by somebody while we were in San Francisco. It was a great loss to me, I had sentimental attachment to it.

Sales Manager to General Manager

Well, there was no way for an ocean-going vessel to get to Shelton because the channel was too shallow and treacherous and there weren't any ocean-going vessels going to Olympia. So the lumber at Shelton had to be towed to Tacoma in barges. There the barges moored alongside the ocean-going vessels, and the lumber was loaded onto these vessels right from the barges themselves.

Since the wholesale lumber trade was centered in Tacoma, Portland, and Seattle, I established the Reed Mill Company sales office in Tacoma. My office was in the Tacoma Building, which finally became the Weyerhaeuser Building. Mark Reed was in the legislature then, and quite often he used to drive from Olympia to Tacoma and visit me at my office. Those were very pleasant visits--one of the very pleasant memories I have of Mark Reed; he'd call me up or he'd just drop in.

ERM: What was your position when you first started with the company?
Sales manager?

CHK: Just sales manager, that's right. But the sales manager of a plant like that was really more like an assistant manager. In those green mills you'd take orders before you cut the log and you had to have some idea what kind of balance you were going to establish in your order book between the clear lumber, the construction lumber, the common lumber, the low-grade lumber, and the merchant-type lumber for export.

So the quality of the log that went into the sawmill was a subject of great interest to a sales manager. He had to know what was going to come into the plant in the form of log quality, and he had to be able to sell against what he thought was going to come out of those logs. And when the ships came in, if he had made a mistake--if he did not have the right amount of lumber to fill the orders for the quality he had sold--he was in trouble. Actually, the sales manager pretty doggone near was the manager of the plant. And so many times it was a nightmare to try to meet those schedules--to know what was going to come out of those logs, to sell the kind of lumber you had to sell, and to get the highest quality out of those logs. It was a lot like those gambling deals my father got into with walnut stumps.

ERM: This must have necessitated your being in Shelton quite often. How did this work out in your relationship with the mill manager? Was there any problem there?

CHK: Yes, I did have to be in Shelton often, but there wasn't any problem there. Of course, there could have been. But, as a bookkeeper, before the plant was completed I opened the first set of books for the Reed Mill Company--set up the capital accounts and the whole works, set up and drafted the first form of cost accounting, and all that sort of thing. From the very beginning of the plant, I set up the capital accounts ledger because I had all the construction

records. So my trips back and forth to Shelton were frequent even before the plant was started, and I was able to acquaint myself with the logs, and so forth.

The manager's problem was in labor and the management of labor, the inventory of logs, and the loading of scows, and that sort of thing; so my first year with the company I was in the office in Tacoma. And during that first year they drove dolphins in Olympia, at which ocean-going vessels could temporarily moor while we'd bring lumber on scows alongside these vessels to load. It was a temporary thing. After sufficient ocean-going traffic was generated, the people of Olympia created the Port of Olympia Commission and built docks. One day Mark Reed came up to Tacoma, and he proposed that I move to Shelton so that I could be closer to the problems of the mill.

ERM: In actual fact, while you were sales manager your responsibilities were more those of a general manager, weren't they?

CHK: That's pretty nearly the way it worked out.

Now, what I wanted to get on to say is that Ed Gange, throughout his experience, had always wanted to get into business for himself. And I think--I don't know this for a fact--but I think that he was of the mind even while he was building this mill for Mark Reed. Mark Reed must have known these feelings. And, shortly after I moved to Shelton, Ed Gange organized the Gange Lumber Company. The Simpson Logging Company had considerable interest in it. And he built a Swede gang mill in Tacoma to cut the very small Douglas-fir logs that the Simpson Logging Company had and which they were having difficulty disposing of.

I became virtual manager of the Reed Mill Company. Mark Reed, being so widely interested in so many other things--like his place in the legislature--again left me in Shelton with the Reed Mill Company.

Growth of the Hemlock Trade

At that time, the Simpson Logging Company's only affiliation was with the Loggers' Association. Mark Reed had me attend those meetings, and that was my opportunity to get acquainted with some

of the strictly log-producing operations.

There were numerous independent railroad loggers at Puget Sound at that time: Grays Harbor, Columbia River--they were all over. By the mid-twenties, Puget Sound, Grays Harbor, and the Columbia River were the greatest open log markets in the world because there were a lot of log-buying sawmills along these waterways.

Soon after I landed in Shelton, I induced Mark Reed to extend the capacity of the plant by putting on more shifts.

ERM: Had you been operating purely on a single, ten-hour shift?

CHK: No, by that time the industry had gone to eight-hour shifts. We were running one eight-hour shift.

Well, he agreed to my suggestion. The Simpson Logging Company was not producing enough hemlock logs to put on a full second shift, so we had to go into the log market and buy hemlock logs. Soon after I arrived in Shelton the company built a large shingle mill with a good-sized power plant alongside it, and we increased its shifts to an extent necessitating our going into the market to buy shingle cedar logs, too.

By our doubling the capacity of the plant to cut hemlock, we also increased our capacity to produce hemlock chips for the pulp mill, the Rainier Pulp Mill, that was located adjacent to our sawmill. When Mark Reed built the Reed Mill Company sawmill in Shelton, he had induced the Zellerbach people to build a pulp mill alongside of his sawmill.

The Reed Mill sawmill was furnishing the pulp mill with a pretty good part of their requirement for chips. And the supply of chips for the pulp mill that we weren't supplying on one shift was coming from a few mills in Everett and Bellingham up on Puget Sound; few mills on Puget Sound were cutting hemlock. In doing these things we brought in a lot of men--men to run the second shifts in the hemlock mill and shingle mill, men to run the chippers, and so on.

ERM: Now, this was around 1925 and 1926, right? And business then was good?

CHK: We did this around, oh, late in 1926, and business was beginning to pick up. As a matter of fact, hemlock lumber prices peaked

around that time, and we began to feel the declining trend of prices. Yes, they peaked in 1923, and between then and about 1925 and 1926 prices fluctuated. By putting on these extra shifts, we created a very efficient operation, and although we were cutting hemlock, which was still supposed to be a weed tree even in those days, we made money. The Reed Mill Company made money.

ERM: What influence had Reed in bringing Crown Zellerbach into the area?

CHK: Well, he was acquainted with the officers of the Zellerbach Paper Company through his banking connections and the Zellerbach plant [National or Washington Pulp and Paper Company] at Port Angeles; he knew these people. And when he was having trouble utilizing as much of the hemlock forest as was in the stand they were working in at the time, he conceived the idea of building the sawmill cutting nothing but hemlock logs. The Zellerbachs organized the Rainier Pulp Company as a separate corporation. They built their plant alongside of the Reed Mill Company sawmill.

ERM: But Reed had a good deal of money in that, didn't he?

CHK: Yes, Simpson had a lot of money in the entire complex that made the pulp mill venture possible.

ERM: That's what I'm getting at, Chris. From whence came the impetus for the move? Was it the vision of Mark Reed? Or was Mark Reed influenced by someone in Crown Zellerbach who saw the opportunities and prevailed upon Reed to follow this course?

CHK: It was a Zellerbach suggestion which revealed the potential for the pulp mill venture. Since the pulp mill was going to use much of the hemlock waste, the question of power for the plants became a serious one. Mark Reed induced Henry McCleary, of the McCleary Timber Company, to build a large sawmill alongside of the Reed mill to cut Douglas-fir logs for his door plant at McCleary, Washington, the waste from which would make good fuel. And Reed and McCleary built a large power plant in between the sawmills to furnish electric and steam power for the three mills and the town of Shelton. Mark Reed put together this complex.

In addition, it was his influence that brought the Northern Pacific Railroad in there. Up until that time there had been no

railroad connection between Shelton and the outside world. Everything had to be brought in and sent out by water or over dirt roads, even his locomotives and cars and everything else he needed. He did a tremendous amount of work preparatory to creating this complex at Shelton. This had all been laid out and planned before I got there, and when I did come in, much of it was completed. They hadn't finished building the Rainier pulp mill, though. That wasn't completed until the year after I got there. And the Henry McCleary plant was completed long after that.

Henry McCleary

ERM: There was a rather strong rapport between McCleary and Reed with regard to all of their operations that is quite atypical of the way things are usually done in the business world. They had a very informal, flexible system of operating together, without a lot of paper work, without a lot of legal contracting. What was the basis for this? Do you know?

CHK: Years of association, I think; and they were very close. Mark Reed was close to C.J. Lord, who was the president of, I forget the name of the bank, but it was the bank in Olympia. The Reed family had interests in a good many financial institutions. Well, Henry McCleary built a nice, big home alongside of C.J. Lord's place in Olympia. And Henry McCleary's timber holdings were in eastern Grays Harbor, near the location of the Simpson Logging Company's timber; in fact, some of it was adjacent.

They had mutual problems over a good many years that were always solved by just the two of them. They would sit around together and say, "If this is the way to solve it, then we'll say, okay." And that was the end of it. They'd just go home and tell their subordinates, "This is what you do."

ERM: But they didn't always follow the same course, Chris. I mean, you couldn't look at McCleary as a company town and compare it in any way with any of the Simpson operations. They had a different relationship with their labor force, for one thing.

CHK: Yes, along those lines they were completely different. When the IWW [International Workers of the World] movement got strong--

Henry McCleary would have no part of any union activity--he brought in a lot of so-called, at the time, Arkies who were from Arkansas. He put ads in the Arkansas newspapers telling what he would be willing to pay, and he had homes built here for them. He had many of these people working for him. And he owned everything in the town except a gas station or so and a restaurant or small business.

As a matter of fact, after we bought the town George Drake went over there to take an inventory to find out exactly what we had purchased, and we found houses, some of them with hardly any flooring.

ERM: In other words, he ran the town after the fashion of a feudal lord?

CHK: Oh, it was a completely feudalistic setup. He owned the light, water, and telephone systems, and he was president of the bank. He owned the town, and he owned the plants.

Still, he was a paternalistic kind of fellow. He did a lot of things; a lot of these people told me afterwards what he'd done for them, for the people there. For example, when they got sick or something like that, he helped the family. He did many things for them, but he just didn't want anybody to tell him anything about his plant or to dictate to him about the property or conditions of employment.

Mark Reed was different. His whole attitude, his whole philosophy of life, was "live and let live," "help people to help themselves," and that sort of thing.

ERM: Yes, and with regard to that, wasn't Mark Reed one of the principal leaders in getting workmen's compensation laws passed in the state of Washington?

CHK: That was one of his achievements, that's right, to get the industrial insurance laws passed in the state of Washington. He was the first man in the industry, as far as I could learn, to see that all of his employees were covered by group insurance, with the company paying all of the premiums.

ERM: How early was this? Was it in effect when you came in?

CHK: These things had been going on long before I went down there. They were all in effect by that time.

George S. Long

Mark Reed had an interest in every phase of industry problems. He was deeply involved in them. In fact, several times he took me to visit George Long at the Weyerhaeuser Timber Company office in Tacoma. I never could figure out why, except that he wanted me to get the feel of some of these problems in the industry. And it was amazing to listen to these two fellows discussing the possibilities for the kind of legislation that they thought should be passed, forestry legislation which would be beneficial to the industry and to the state. They were men of much the same mind.

George Long had a tremendous responsibility in terms of acreage of timber scattered in many counties in western Washington and Oregon. Mark Reed or, I should say, the Simpson Company had a very small acreage, really, particularly in comparison with Weyerhaeuser's. However, if the Anderson and Bordeaux interests are included, Reed's influence over timberlands of all the companies-- Mumby Lumber & Shingle Company, Bordeaux Lumber Company, Phoenix Logging Company, etc.--was considerable.

But Mark Reed was a legislative channel through which the leaders of the industry at that time could present and discuss their problems. And because Mark Reed knew, because he realized and could feel these problems, he was the channel that the leaders in the industry used to try to direct legislative programs heading in the right direction for forestry, for labor, for all this sort of thing.

He conferred often with George Long. And it was to these discussions that he took me, twice, so that I'd have a better idea what some of the industry's problems were. I listened to their discussions, and it gave me a chance to talk to Mark Reed about these things and to ask him a great many questions. It was then that I began to learn how deeply these men were involved.

Now these two were not the kind of men who went into association meetings and talked, expounded, and that sort of thing. They stayed in the background where they were doing the planning and thinking that came, I think, mostly from leaders of the industry who were association-minded and who were trying to put the problems together.

George Long attended some association meetings. I sat on a committee with him one time, the West Coast Lumbermen's Association marketing committee. But we didn't see too much of him around

either the WCLA's or the loggers' meetings. Weyerhaeuser was spread over such a great area that George Long had a lot of men--his staff, foresters--to call on; and these men would sit in on the meetings instead.

When Mark Reed and George Long would work on putting the problems together, they would try to see the whole picture. Then they'd discuss what it was going to take and whom of those who were the influential men in the legislature they could get to go along with them and to get the things done.

It was an interesting experience that I had, listening to those men. I saw how they had to plan and think, first, of the people or industry where the problem lay and, then, of the reaction of representatives from all the counties in the state. They had to consider whether or not the representatives in eastern Washington could see the same problems that the representatives in western Washington could, because in the east they had only pine timber and the area was mostly agriculture. In the western part they had Douglas-fir, hemlock, and an economy more related to timber. It took a lot of hard work, thinking, and planning, and Mark Reed was right up to his ears in it. He just loved the political atmosphere.

ERM: How long was he in the legislature?

CHK: Oh, I think he withdrew in 1932. He could have been governor; everybody tells me he could have been governor anytime he wanted to. But he didn't want to. He just wanted to be in the legislature where the action was. Then there were a great number of men who wanted him to run for the Senate. But in 1932 he sensed the political change in the country, and he wouldn't run. He dropped out, and he died in 1933.

ERM: He had become speaker of the House of Representatives, hadn't he? In fact, as I recall, he spent two terms in the state legislature in that role.

CHK: That's right. He was very highly regarded within his party, the Republican party, and all over the state. He was chairman of the Republican Central Committee in the state of Washington for awhile. He was a political power in the state.

ERM: Did he leave behind him any volume of personal papers that would be helpful in writing his biography? A man of that importance should be the subject of a serious study.

CHK: There are a lot of files. What the company did with the files themselves, I don't know, but they did microfilm them. I can't remember how long it took them. But I think that's all on film now. As for the original materials, I think many of them may have been destroyed. The volume of company papers in his files was such that we were having trouble finding a place for them. But Bill Reed would know this.

ERM: Well, this is something that I'll have to explore with Mr. Reed and with Dave James when I get up to Seattle because that's an important part, not just of the company's history, but of state history.

CHK: It's very important to the state; he was a political influence there. Back in 1926, when I first moved to Shelton and had an office adjacent to his, whenever there was a problem in the industry he'd come over to the door of my office, stick his head in, and say, "Chris, are you too busy to have a chat?" Well, I never was too busy to have a chat with a man like that, so many a time he'd come in and sit down, and the subjects we covered were as broad as the northwest timber and lumber history.

THE PACIFIC NORTHWEST TIMBER MARKET AND SALES ASSOCIATIONS,
1920s and 1930s

Puget Sound Associated Mills, Incorporated, 1930

CHK: Of those subjects that Mark Reed and I discussed, the one that was uppermost in my mind was the future of the log-buying industry on Puget Sound. What was the future going to be? Log-buying sawmills represented a large part of the industry's production, and there were companies that owned no land or timber but depended only on the logs they bought to run their sawmills. There were loggers who had no interest in sawmills, no interest in their railroads or their logging operations.

This part of the history will become tremendously important later on when we get into the subject of the turning points of the industry, and just what they were. You asked me that question in your letter, and when I get to that subject I will want to come back to this picture.

ERM: Well, Chris, at this point in time, what was the nature of your concern for the log-buyers' future? Were you beginning to worry about some aspects of their operation?

CHK: Yes, I was. Mark Reed's feelings about Shelton--the people, the community, his relationship with the men who had worked with him all the time he was there--that's what we would keep coming back to. And from there we'd get to the future of the relationship between sawmills and logging operations, between plywood plants and logging operations.

You see, various plants were specializing, some in spruce, some in hemlock, and some in Douglas-fir. But when the pulp industry came in, the pulp mills were buying hemlock in great quantities. So everybody began to put hemlock logs into the water and increase their utilization of the forest.

Then, in the 1930s, the first comprehensive survey of the timber situation in the United States was published by the U.S. Forest Service. I studied that survey religiously. It gave a very

clear picture of what was happening in every one of the counties-- the tax problems, and all that sort of thing. But to all of these men who were concerned about the future, there was still a hazy kind of an outlook as to what was going to be the picture. No one could really describe what the answer was going to be. But it was evident that a lot of these log-buying mills were going to have to fold up one of these days unless they did something about their timber supply. I terminated my Dempsey experience because I could see the end of their operation.

ERM: And these were the kinds of things you talked with Reed about?

CHK: Yes, this was the sort of subject that was of interest, the sort of thing we discussed.

It was about that time, shortly after 1929, that I made a trip East, to New York. This was just after Freda and I moved to Shelton in 1926. Mark Reed sent me East to find out what was going on in the market back there, because the method of selling lumber in those days was through the western wholesalers who had contacts with the eastern wholesalers.

The western wholesaler would contract for large steamship tonnages, and quite often he'd fill that tonnage before he ever sold it on the Atlantic Coast. And as the market began to decline, many times, as I got back East, I found the concentration points of some of the docks there crammed with lumber that wasn't sold.

After just two or three trips back there, I discovered that many times there was no relationship between what the market was on the Atlantic Coast and what it was on the Pacific Coast. These wholesalers would bear down on the market so that they could buy lumber just as cheaply as possible to fill their steamship space. Then when they got it East--they'd try to sell as much of it as they could by the time they got it East--they'd sell off the dock whatever lumber would be in storage. The storage charges, the handling charges, all of these things were creating what looked to me like a very dangerous situation. And we began to take a good, close look at the credit of a lot of these wholesalers.

Well, let me go back to the time when I came to Shelton, when we started those second shifts and built the temporary dolphins for use until the permanent docks in Olympia were built.

There were five sawmills in Olympia, all of them cutting Douglas-fir logs, and two of them were owned by three brothers,

the Andersons. I realized very quickly that one of these three brothers, Ossian Anderson, was the sparkplug of that group of mill owners in Olympia. I had many conversations with him, and out of these conversations came the idea that there should be a better way to sell lumber than the way we were selling it.

A man by the name of Robert E. Seeley, who had an office in Seattle, was the buying agent for three large wholesalers on the Atlantic Coast: the Duquesne Lumber Company, the Holt-Meredith Lumber Company, and the Hirsch Lumber Company. They had offices in Boston, New York, Philadelphia, Pittsburgh, and Baltimore, and salesmen covering the East Coast.

Well, it was through Seeley that I had begun to sell hemlock for the Dempsey Lumber Company. I had a great faith in him; I trusted him. We had practically lived together throughout those several years of our acquaintance when I was with the Dempsey people. And through my contact with these mills in Olympia, Robert E. Seeley was appointed agent for the group of us. In that way, we were as close to the Atlantic Coast market as we could possibly be. In that way, we were always selling our lumber before it was being loaded on a vessel.

ERM: Did this arrangement constitute a sales company in any sense?

CHK: No, this was an informal arrangement, with all of the reciprocal advantages that can come from this kind of a group. We could take big orders and split them among ourselves, in fir, anyway. We couldn't in hemlock because Reed Mill was cutting only hemlock. The McCleary sawmill and a sawmill at Bucoda Lumber Company, Bucoda, Washington, near Olympia, both of which were cutting Douglas-fir logs, joined the group.

These eight mills, each operating two eight-hour shifts, totaled a very large production. But what gave us the advantage was that Seeley could bring us the steamship space in Olympia in the quantities we needed and make the whole thing flexible enough so that if one of us began to lose his capacity for filling an order by the time a steamship came in, why, the others could pick up the slack. That's the kind of thing that was worked out. It allowed us to keep our sales costs at a minimum, and it allowed us to stay in contact with the Atlantic Coast market.

ERM: How did this fit in with the pricing of the product? Weren't you in any difficulties over that, or did you manage to get around that?

CHK: No, we had no real difficulties over it. The Atlantic Coast wholesalers were always in touch with Seeley, and we were always selling at the Atlantic Coast market price, which a good many times was the same as the current price today, when we shipped the lumber.

You see, people had been selling this lumber at a price that was higher--many times 25 to 50 cents higher--than the price the western wholesaler was able to get for his lumber, which was sitting on the docks back East because he hadn't been able to sell it when he had had it loaded aboard ship. That was the sort of thing that had been crucifying some of our western sawmills.

Our solution to the problem worked so well that Olympia became one of the important ports of call for ocean tonnage because they were always sure of getting a load. What's more, they were always sure of getting loaded with dispatch and being able to get out of there right away.

I began to preach this philosophy in and out of the West Coast Lumbermen's Association because we were going to run into a chaotic situation if the trend of the market kept on going down, which it was doing. And in 1930, Mark Reed approved my idea. This was also the sort of thing Mark Reed and I discussed in those meetings. How to get ourselves into a position to do a better job than the one we had been doing.

Then John Tennant, who was president of the West Coast Lumbermen's Association, and William B. Greeley, who was secretary-manager, listened; and they thought it was a good idea. They went to the trouble--or Greeley did, with Tennant's approval--of holding meetings in Tacoma and Seattle, Everett and Bellingham.

They were evening meetings, dinner meetings, and I would propound my theory, using the Olympia experience as an example of what we ought to be doing, what the mills themselves ought to be doing, to get better control of their steamship tonnage. In fact, you couldn't even say "their" steamship tonnage; it wasn't theirs. The tonnage belonged to the western wholesaler. The log-buying sawmill had no control of its market whatsoever, not of any phase of it.

The upshot of this thing was that the mills became interested. Each port, each town, each city--wherever there was a group of mills--appointed a representative to meet with me and some attorneys in Seattle. And we organized what was called the Puget

Sound Associated Mills, Incorporated, a sales organization. I'm not sure now how many mills joined, but there must have been some thirty to thirty-five mills, including most of the log-buying mills on Puget Sound.

The big operators, of course, like St. Paul & Tacoma Lumber Company, Weyerhaeuser, and Bloedell-Donovan in Bellingham, didn't belong because they were big enough and they had a production big enough to command their own tonnage. In some cases--Weyerhaeuser, for example--these outfits even had their own ships. The Puget Sound Associated Mills helped fill some of the Weyerhaeuser ships. At any rate, I became president of the sales company, and Robert E. Seeley became secretary-manager of it. This was in 1930.

ERM: Did you run this out of Shelton?

CHK: No, the main office of this company was in Seattle. Robert E. Seeley was there, and so was Raymond Wright, the attorney for the company.

As for the board members, I'm sure I can only remember a few of them offhand, but all of the names will be in the company files. I do know that Walter Nettleton was one of the board members. The Dowd Lumber Company in Tacoma had a member on the board. The Stimson Mill Company was represented on the board, too. In Everett, there were a lot of Stuchells. Even the Olympic Forest Products Company, which had a mill in Port Angeles, joined, and I believe they had a member on the board.

At any rate, we then organized what was called the South Sound Lumber Sales Company, which included some of the mills in Tacoma and Olympia, and we shipped lumber in little steam schooners to California. Shortly after we organized this larger sales company, the PSAM [Puget Sound Associated Mills], we could shift a ship from one port to another so that we could load it quickly and get it on its way. The volume was large; our shipments were large. But we had the same flexibility we had in Olympia, and we had it over a far greater range. We were always in touch with the Atlantic Coast market, so we were really selling on that market, rather than on the wholesalers' market on the Pacific Coast.

ERM: Apart from the obvious economies that could be worked right there on the local scene, what was the prod for doing this? Were you obliged to do it because of the competition from other species in other areas? Was this part of the picture of the competition

with southern pine on the eastern market?

CHK: Oh, absolutely, absolutely.

Later I am going to want to get into the subject of our feeling about federal regulation of the industry, and this will all fit into that picture. But let's get back to this story now.

Shortly after we organized Puget Sound Associated Mills, the Justice Department came out and wanted to go through our files. So we let them do just that. They investigated every part of the sales company, and when they got through they left, giving us a clean bill of health. There had been no evidence of conspiracy. There had been no evidence of price rigging. That sales company was being managed absolutely in keeping with the purposes for which it was organized: to meet the competition on the Atlantic Coast; to stabilize the steamship problem; to put a stop to the chaotic situation that existed between the two groups of wholesalers; and to prevent the accumulation of a great volume of lumber on the Atlantic Coast, which was depressing the market.

Now, we didn't succeed in doing that completely because the mills in Grays Harbor or on the Columbia River didn't belong to the sales organization. They were still selling through the western wholesalers.

ERM: Essentially, then, you were eliminating one block of the wholesale business, bypassing the western wholesalers. What was the western wholesalers' organized response to this, if any?

CHK: Well, of course, they didn't like it at all. They protested it. That, I'm sure, is where the Justice Department came in. They inspired the Justice Department's inquiry--I'm sure they did--and that's how we came to be investigated. The Justice Department came back again a few years later, but each time they came in we ended up with a clean bill of health.

ERM: Did this put the western wholesalers pretty much out of business, or did they continue to operate?

CHK: Well, around Seattle and Tacoma there were a few who tried to maintain buying offices there. Although we did some business with them, the bulk of the business was going through the eastern wholesalers. We had a whole string of eastern wholesalers who were our contacts back there. So the primary western wholesale business moved on down into Portland with offices in Grays Harbor, and so on.

ERM: What happened to the big wholesalers as a result of this? Didn't it cut them pretty hard? People like my friend up there in Seattle, Hugh Brady; he's in the wholesale business in a big way now. How did wholesalers fit into the picture as time went on?

CHK: Well, it did cut the wholesalers hard. It cut them very hard. People like Skinner and Eddy--they were one of the big western wholesalers--Henry Ketcham and Hugh Brady.

ERM: Where was Hugh in all of this?

CHK: Hugh Brady and Hank Ketcham were partners, and they were one of the influential wholesalers. Hugh Brady branched off into the production business, really, by buying interests in smaller producing operators; I think that's the way it went.

Now, this organization was the outcome of the continual discussions we had had in which we debated how we ought to do some of these things. Well, in the depths of the depression, all of these mills were hit pretty hard, and we had trouble. Did you want to get into that right away?

ERM: Not just yet. Instead, before we go on with that, I'd like your comments on a few other things.

Hemlock: The Weed Tree

ERM: You've mentioned that, when you first came out to this part of the country, there was a certain common attitude toward hemlock. It was looked upon as a weed tree. It was frowned upon by the industry. What did you do at that time with the hemlock that was cut on the lands that you were operating on with Dempsey? Did you sell it in any form or burn it?

CHK: Well, I'll tell you. The hemlock log that came out of the woods in those days was just about the most beautiful piece of timber you've ever seen in your life because of the way it was handled. Whenever a hemlock tree bore any evidence of moisture content in the first cut from the stump, to be too heavy to float, why, most loggers just left that first cut in the woods. They would take the

second cut out, and that was the cut just about thirty or forty feet below the first limbs. It was a beautiful, round log, clear as a bell; and that second cut would be the prize-looking log. Because they did this, they lost a lot of their stumpage. But they were also bringing out only the very best, and not too much of it.

At the time that I first found myself selling hemlock lumber, there was a box plant on the Puyallup River. We used to cut the hemlock logs only into inch boards, nothing else, just inch boards. The clear we separated; and the common, no matter what it was--one, two, three, four--no matter what, we put all of that into piles out in the drying yard. The box lumber, that which would make cuttings for the boxes, we kept separate and then sold to the box plant up the river. The market was whatever the box plant manager wanted to pay for it. And if he didn't want to pay an amount that would cover what it was costing us to produce the box lumber, we just didn't produce any.

The railroads were our great outlet. A lot of the hemlock boards at that time were used for snow fences through Montana and the Dakotas, all through the mountains. Every year they had to repair those snow fences, so they used a lot of the hemlock because of the very low cost. They also used it in building and repairing the interiors of their little railroad stations throughout the country, and that was an outlet for us. So that was the sort of market we had for hemlock.

ERM: How were those markets developed? Did the market come to you, provoking you to manufacture more of this species? Or did you go to the market, find the uses that the species could be put to, and then sell them on buying it? You were the sales manager. How did you do it?

CHK: Well, the industry finally put a price on everything they had to sell in its price-differential list. They had to have this differential list because every size and every length had a different price, so they had to establish a base price. They did it by means of this price differential list. It was a tremendous list because all of the sizes, the lengths, the grades, everything, had a price. Then, as the market fluctuated, you either discounted this basic list or you added to it. When you quoted a price, you quoted a discount off the list, above the list, for grade, or whatever.

Anyway, in these differential price lists there was a footnote that specified that every order for Douglas-fir had to include 10 percent of the volume in hemlock. We crammed it down the throat

of the customer whether he liked it or not. And the railroad yards through Montana, the Dakotas, and Minnesota, as that country was being built up, got their hemlock whether they liked it or not. Of course, it was dry hemlock. They could stick it out in the yards as well as anything else, and the people just began to get accustomed to it. Gradually, they found that it could be used. In fact, it made beautiful interiors, and that's where the railroads began to use it. There was no real advertising, no trade promotion programs in the industry in those days. You either crammed something down somebody's throat or else.

There were only two or three sales managers on the whole damn West Coast who had ever had a man east of Chicago, and a few of them never even went as far as Chicago itself! The western wholesaler was their only outlet. As for the Minnesota transfer, my gosh, there were always four, five, six hundred cars of lumber in the Minnesota transfer. And these cars were just laying there, loaded with lumber that hadn't been sold.

So there had always been that problem of the volume depressing the market, but those statistics, well, that was the sort of situation we would learn about after the thing had happened. We never learned about it before it happened or while it was happening. We would always find out afterwards. That's why the sales managers got together. That's why they had to try to develop a feeling for the market, so they could find out what was happening right away, instantly, instead of waiting for two or three weeks or a month to find out about it.

ERM: Did you get any glimmers of good information from the Northern Hemlock Association, which was operating back in the Lake States and of which Roy Kellogg was head for a number of years? After all, here was an outfit which had specialized in promoting and marketing a product, a hemlock product. They had hemlock; you had hemlock. I'm not talking about any sort of interference, but they had been dealing with the product and selling it for a number of years. Did you learn anything from their experience which helped you to make better use of this "weed" tree?

CHK: That was one subject I'll never forget George Long talking about, specifically about the hemlock in the Lake States and our problem with it out on the Pacific Coast. Well, it was at one of those meetings; and George Long--no, I'll never forget this story--was going to great length to explain what was happening in the Lake States because he knew just what was happening in the Lake States.

ERM: He must have. He came right out of one of the great hemlock areas.

CHK: Oh, yes! And, of course, we didn't know much about it, especially the problems with selling it. George Long was saying that there shouldn't be any problem. They'd done it for years back there. Why shouldn't we do it out here? That's when he began to advocate trade promotion and that sort of thing, to sell the lumber instead of asking people to come and take it away. After all, he told us--and this, I'm sure was one of his favorite stories--hemlock, in the beginning, wasn't too reputable in the Middle West, either. Not only didn't it work up as well as the white pine or the Norway, it didn't even work up as well as the western hemlock!

"At least," he said, "the pulp that comes from the hemlock on the West Coast has this quality that the pulp from hemlock in the Lake States doesn't have. When you want to wipe yourself with a piece of toilet paper, at least you don't get slivers!" He went on to say that if we had that kind of a quality product out here, then our problem wasn't anywhere near as great as the problem they had; and they were selling their hemlock. And he, George Long, was the one who was bearing down on the industry to do something about it.

ERM: Now, all of this was from the standpoint of the use for hemlock in the pulp and paper industry, but what about the standpoint of its sale as a lumber product?

CHK: Well, it took a long time for the industry to really make the kind of experiments that [William B.] Greeley finally had Madison Laboratories make, experiments to compare the stresses and the quality of a piece of hemlock with a sample of Douglas-fir. Those were the kinds of things that formed the beginning of the kind of trade promotion sales programs that the industry finally got into, the things that made selling hemlock really possible.

But when the Panama Canal opened up and the market began to boom in the East, in the 1920s, it wasn't too difficult to sell hemlock back there because it always commanded a price that was lower than that of Douglas-fir. In certain buildings, all over Brooklyn, all over Flushing, all over New Jersey and that area--things were just booming to beat the band--wherever they could use hemlock, they did use hemlock. And since the building codes in those days were such that they could use it, we sold fifty to sixty million feet of it a year out of that little mill in Shelton.

Then the mills in northern Puget Sound began to cut hemlock, and the volume began to grow. That's when the pulp mills began to come in and use the hemlock chips from slab wood and waste at the sawmill. And the more hemlock chips they used, the more income the sawmill had, and the prices of the hemlock log--to be followed by hemlock stumpage--came up. The timbered areas of the southwestern Washington peninsula were predominantly hemlock, as was the timber in the higher elevations in all of the watersheds of Puget Sound. So logging began in these higher elevations which had been considered worthless prior to the pulp mill expansion. The whole level of the hemlock economy, if you want to be specific about it, began to rise. Then, too, of course, trade promotion and everything else helped.

But the beginning of this whole thing was right back there at the point when it had been a question of simply choking the hemlock down the customer's throat. They got used to it; the railroads became big consumers of it. Then, when the Japanese earthquake happened, we got into the production and export of Japanese hemlock squares. They were in such great demand that we were shipping a good 20 percent of the Reed Mill's production to Japan.

The Market: Character and Trends

ERM: To what extent, Chris, did your business depend on this trade with the Atlantic Coast? How much of it was geared to, let's say, the regional market, and how much to the foreign trade market, since you mentioned Japanese squares? Did this reliance on different markets fluctuate very much over these years when you were getting into the business out here? How did you see the market shift from time to time? Now, unnatural disasters, such as fires and earthquakes, bring dramatic booms, but what was the general trend of the market over those years?

CHK: You remember that I said the Douglas Fir Export Company was organized in 1915? I eventually sat on the board, and then became vice-president.

ERM: And they had their offices in Portland?

CHK: Later, yes. But at the outset their offices were in Seattle.

Now, that was a Webb-Pomerene corporation. The Webb-Pomerene law allowed a company like that to fix prices because all of the sales were export, not domestic. In the export market, Dant & Russell in Portland was one of the largest exporters of lumber, as was the H.R. MacMillan Export Company in Vancouver, British Columbia. At one time, the H.R. MacMillan Export Company had sixty ships under charter; they were a tremendous factor in the business.

During the period that I talk about, when we were working with those mills in Olympia, we appointed the H.R. MacMillan Company our export agent because some mills didn't want to join the Douglas Fir Export and Exploitation Company. We joined with the mills in Olympia because we were all tied up with this tonnage and everything there, and we wanted to make Olympia an important port of call. Now, the Douglas Fir Export and Exploitation Company began to expand, selling primarily to western export wholesalers.

Then there was another group. Dant & Russel was one; H.R. MacMillan was one; and, I can't think of the man's name just now, but he and his son ran this third group in Tacoma. He was an important factor in determining the general trend.

There were some others in Grays Harbor, but they merely followed in the wake of the export market that had been established originally by people like the Pope & Talbots and the original large lumber producers in the late 1800s. They had their own ships, sailing ships, and they took the risk of shipping lumber to China, Japan, the Hawaiian Islands, Australia, and so on.

The Douglas-fir market, although Douglas-fir was called Oregon pine in those days, was such that Oregon pine was a product well known in the islands of the Pacific and in all of the important ports. All the same, it was a market that was hard to peg as to what exactly was the price for which quality lumber here, there, someplace else, and so on. No one could really say. So the Douglas Fir Export Company tied all of this together and became the agent for most of the mills on Puget Sound.

That's how the export market finally became a market in which western Washington and Oregon were shipping a billion feet of lumber per year. As for the Atlantic Coast market, it was consuming over a billion feet of lumber per year. California was taking a billion feet of lumber per year. California was just blooming;

Los Angeles and San Francisco were taking great quantities of lumber. The balance of the industry production was going into the interior by rail shipment, from such mills as Bloedell-Donovan, Weyerhaeuser, St. Paul & Tacoma. These were mills with dry kilns. The export market was one that grew gradually over a great many years.

ERM: Most of your production was going out by ship then, wasn't it?

CHK: All of it was going out by ship!

ERM: You weren't even selling any great amount of it in the local market?

CHK: No, we had no local market, or let's say it was infinitesimal. Our plant was in Shelton. The local market of any extent would have been in Olympia, Tacoma, and Seattle, and they were all supplied by local mills. So our market was entirely a waterborne business. We had to work exclusively with steamships.

IMPRESSIONS OF TACOMA, WASHINGTON

Sawdust and Conservation

ERM: Well, now, going back to those same times, tell me a bit about the character of the community that you came to live in out here. What was the Pacific Northwest like, as you remember it, when you were living in Tacoma and later in Shelton? How did it differ distinctly from what we know today? When you think back to those days, how would you characterize the community?

CHK: Well, I'll tell you how I characterized a lot of it. I came from this little town of Emporia, Virginia. My father logged there. He had his veneer mill there. I can remember being a small boy and walking with him once, when he was logging, through a young pine forest. He called my attention to the wavy furrows in the ground. This was a cotton field or a peanut field or something that had been abandoned after the Civil War. There were large areas of that country that had been overgrown with young pine timber. Past his veneer mill every day would go a long train of logs, going from the Camp Manufacturing Company at Franklin, Virginia. They had all been taken from the timber in that area. Well, the size of the timber, and walking through a logged-over area there like that field, was an altogether different picture from what I was to see when I first saw the West Coast.

The sawmills on the West Coast had large, heavy equipment. The sawmills in Virginia, as I can remember them, had roll cases, edgers, headrigs, and resaws; but they never had anything like the heavy equipment I found on the West Coast. The only things I can remember about logging in Virginia are high wheels, Negroes, and mules just bringing in logs out of an area that looked like a park. Out here, there were great, big trees; and the log ponds! I was amazed when I looked into the log pond at Dempsey's and saw the kinds of logs they had there.

When I actually arrived in Tacoma, I remember that the first thing that really fascinated me was the Tacoma harbor, with its great number of ships' masts and sailing vessels. Sailing vessels were being loaded with lumber going to Australia, New Zealand, and the

Hawaiian Islands. And later there were the little steam schooners. It wasn't too many years later, after I went with Dempsey, that we had scows that carried more lumber than these little steam schooners did when they would go out of Puget Sound to San Pedro, San Diego, and San Francisco.

And the waste I saw in the woods! A year and a half after I went to Dempsey's, they sent me to Hamilton, their logging camp up in Skagit County, and even at that early day that waste made a great impression on me. Then, of course, I had to learn why. What was the reason for that waste? As I began to dig into economics, I began to find out. That's when I really began to study economics, when I was going to night school and these things intrigued me.

I can tell you a story about something that happened in those days that had a great impact on me. I told you about that time when old James Dempsey, Sr., came out to the mill. Well, when he arrived that afternoon and found none of his sons around, he asked me to take him around the mill. So I did. The first place I took him, because it happened to be the pride of the engineers at Dempsey's, was the brand new burner, a refuse burner, which was built out of brick. It was a huge thing. It had a great big screen over the top of it and an inner screen and fire grates in the bottom. Then there were large tunnels under the fire grates so that the thing could be cleaned out. We walked up to it, and he took a look at it. Then he asked when it had been built. I told him that it had been completed the year before I got there. And he said he'd like to see the inside of it.

Well, in order to see inside one of those things, you had to stand away from it. So I pulled open the door and stood aside, and just as I did so there was a great white heat coming out of there-- flame--and he could see those great big slabs falling down. He took a look at that, and, finally, in his little, high, piping voice, he said, in effect--I can't quote him exactly--"My God! We didn't make our money that way in Michigan! We're burning up more wood here than we ever put in lumber back there."

This problem of waste is one of the things that impressed me the most when I came up from Virginia. And it was the same situation with every sawmill. At night, because of the burners around Tacoma, the whole sky would be red, a whole crescent around the Tacoma harbor at times. All day long they would dump slabs into those burners, and at night, when the industry would be down for the most part, those burners would burn to beat the band, burning

up those slabs and causing a red glow in the sky clear around the perimeter of Tacoma.

Well, you had to have these great big logs. When you headrigged, the headsaw would go through, and you'd get down to where you could make boards, and so on, to go through the edger. They didn't have the quality of resaws, the remanufacturing plants, that would come in later and make it possible to utilize a lot of that stuff.

When we came there, timber was so plentiful! I hardly had to travel out of Tacoma at all before I was right in the midst of solid timber, solid all the way up to Mt. Rainier. Every lumberman you talked to felt the same. There wasn't one of them who could see the end of the timber. They didn't think they'd ever live long enough to see the end of it. Well, I've lived long enough to see the whole panorama, from 1912 until now. When I look back on those days, I think of things like fire. When a fire would break out in the woods, nobody paid any attention to it! If it burned up a lot of second growth, they called it brush. And nobody, nobody lost anything; they didn't think they'd lost a thing.

Another thing I remember about my coming to the West Coast was my first experience of having to cross the tide flats in Tacoma in order to get from Tacoma over to the Dempsey Lumber Company. They didn't have that great big bridge running across the city waterway in those days. Instead, they had nothing but wood planks. The main approach to the bridge was all wood planks. All of the roads on the tide flats were planked. That was the only way you could get across. In the wintertime, after two or three months of rain, the horses and wagons would go by there, and by the time the horses got uptown their legs, even their bellies, would be encrusted with the mud that, because of all the water, would splash up between the planks. You could tell where they had come from right away. It was a pretty raw-looking place.

Native Conservatism

ERM: I have an observation about Tacoma that I'd like to throw out to you. Tacoma strikes me as a city that lacks something, something that is currently moving most other American cities. You see very

little sign of change in Tacoma. Why is this?

CHK: First off, of course, that impression you have has been the impression men have had of Tacoma for many years. I have here a history of the early days in Tacoma and Puget Sound here. Reading through it, I can remember the names of men who, in the very early days, bought up large areas of Tacoma and the tide flats, which later became the industrial area of Tacoma. They were speculators. Now, whether or not this is a factor, I don't know; but it wasn't at all unusual, no matter whom you talked to about Tacoma, to hear people say, "If these guys would really turn loose with some of this stuff and sell it so that people could do something around town, we'd be able to get someplace."

ERM: Hasn't the ownership changed since then?

CHK: Oh, yes! It changed five, six, seven years after I came there, and it changed very rapidly. But the change in ownership just hasn't meant a change in the character of the place.

In the early days, there was this bank in Tacoma. I believe it was to be the Scandinavian American Bank. They built a new building; they went broke doing so; and the steel framework just stood there for a long time before anybody ever did anything about it. It was an eyesore in Tacoma.

Tacoma just didn't have forward-looking financial institutions. They didn't have the benefit of the type of men who left Seattle and went up to Alaska when Alaska began to open up, the men who went up for the gold mines and all that sort of thing. The shipping centered in Seattle; the gold was landing in Seattle. The banks were growing, and Seattle was growing. And the reason that Seattle was growing was the interest that these men had in a tremendous area of activity. They began to invest. They began to make money. And they began to do things.

Tacoma on the other hand was a homeowner's town, and I think that was the difference. The people in Tacoma, the leading men in Tacoma, they lived there, they worked there, and their interest was there.

I can remember when the terrific fight between Seattle and Tacoma was going on, the fight over the name of Mt. Rainier or Mt. Tacoma. Well, it was that kind of a battle that was always going on between Seattle and Tacoma that kept the thinking in Tacoma on a provincial level instead of on a statewide or Pacific area level.

ERM: You did have men of the stature of George S. Long, Mark Reed, and others who were associated with Tacoma, but they were not enough to lift the community up and move it the way Seattle, San Francisco, and Vancouver were beginning to move.

CHK: That's right. Mark Reed did have an office in Shelton, yes; but he also had an office in Seattle. His association, primarily, was in Seattle with the bankers and the people who were doing things. He had spent some time in Alaska in the early days, as a young man, and he knew these people in Seattle. And he was interested, with them, in everything that happened in Seattle. The White-Henry-Stuart Building was part of his interest [he had an office, but no financial interest, in the building] there, and the banks were his interest. Mark Reed was as much a Seattle man as a Shelton man, and he was more a Seattle man than a Tacoma man.

ERM: I see. Well, coming and going in cities throughout the country as I do in my work, I can't help but draw comparisons; and I see a great contrast between the cities on Puget Sound.

CHK: The only reason Weyerhaeuser located in Tacoma was because Tacoma was central to the tremendous timber area that they had. And at that time, probably, the difference between Seattle and Tacoma wasn't too great. Everett Griggs, who had the biggest mill on the West Coast, was in Tacoma, but Griggs had come from the Middle West, the same part of the country that Weyerhaeuser was from. The Dempseys came from the same part of the country, too. Dempsey, Sr., knew old Frederick Weyerhaeuser. I think these associations were probably responsible for Weyerhaeuser's locating in Tacoma. Having located there, having made that their headquarters, they just stayed there.

George Long was an influence in the industry, and he didn't care where he lived. Mark Reed was an influence and to him it made no difference either. He lived in Shelton till three or four years before he died. About two years after his son Sol was killed, he moved to Seattle; but he had his home in Shelton. It made no difference to these men, none at all.

ERM: Do you believe that the dominance of the forest products industry in Tacoma has had influence on what Tacoma is, on what Tacoma does and does not do?

CHK: Well, as you know, Tacoma was known as the lumber capital of America. They advertised it as such. They boasted about it. It

was the center of the industry until Grays Harbor began to boast about having produced their first billion feet of lumber in one year. Tacoma was the most conservative city on, I think, the Pacific Coast. There were probably more homeowners in Tacoma at one time than there were in Seattle, and they were conservatives. The businessmen were conservative. The lumbermen were conservative, and Tacoma had sawmills all around the crescent of that bay. They were the great lumber shippers of the Pacific Coast.

ERM: But so did Seattle. Seattle was a city built on sawdust, too.

CHK: Yes, I know. But Seattle didn't have the production Tacoma had. Seattle had a group of businessmen with a much broader field of interest and activity than did the businessmen of Tacoma.

ERM: From the standpoint of local history, this kind of evaluation of the character of a community is interesting: how it develops and why it develops in a certain way, in comparison with neighboring communities which have developed differently.

CHK: You see, when I first arrived there in Tacoma, at the head of Pacific Avenue, where the Northern Pacific Railroad Company had their headquarters, there was a big sign hung across the street. It said: "City of Destiny." Tacoma began to talk to the world about their being the lumber capital of the world. Actually, the people, the businessmen, everybody thought that it was indeed the destiny of Tacoma to be one of the country's great lumber-producing districts or the center of all the timber in the state of Washington, anyway. That's what everybody in Tacoma thought, and they never once lost sight of that.

In Seattle, well, I think they just didn't give a damn. What was happening in Alaska, what was happening all over the country, that's what they were interested in. The businessmen of Seattle just naturally had a broader outlook. They moved ahead with the port district; they moved ahead with their dock building; they moved ahead with everything in Seattle. Tacoma only met the immediate necessities. Seattle moved beyond them.

ERM: This was due to the native conservatism of the people at large?

CHK: That's right. The people at large and the businessmen. It is the same situation today.

ERM: Who were the dominant people in the community when you arrived on the scene?

CHK: I was only seventeen when I arrived, a green country boy from a little southern country town, but the names that seemed most prominent, as I heard them discussed by the Dempseys were: W.R. Rust of the Tacoma Smelting and Refining Company, and the Dowds, Donahues, Griggses, Buchanans, Johns--all lumbermen. Of course, Everett Griggs was one of them. And on the political scene there was the mayor, A.V. Fawcett. He and the Dempseys were really at loggerheads a good many times, and Fawcett was recalled just before I arrived. Then, many of them were bankers, but I can't remember their names just offhand.

ERM: And what were the dominant institutions of the community as you recall them?

CHK: The chamber of commerce was one of them. It was made up of men like Dempsey, Griggs, the lumbermen, bankers, and real estate men.

ERM: In other words, there was a hierarchy that kept repeating itself in the control of all of the institutions?

CHK: Yes, and that perpetuated the same type of thinking. The same mentality guided everything: the clubs, the churches, the financial institutions. Whatever the movement around the town was, at the head of it you could expect to find this same group, the group that made up the University Club, the Union Club, the Chamber of Commerce, and so on.

Cultural Life

ERM: How would you characterize, Chris, the cultural life of Tacoma as it was when you moved into it? How would you compare it with what you had known back East, and with what you saw at the same time in other communities, such as Seattle or San Francisco?

CHK: Well, there was actually very little in the way of cultural life beyond the social life of the people there, the social life which derived from their various groups. There was little of it outside of the clubs, the schools, and the small Carnegie library, and the activity which was generated each year by their Montemaro Festival.

Once a year they'd have a great whole week of activities, events of all sorts, which they held in the stadium at Stadium High School. That stadium, as a matter of fact, was one of the largest stadiums on the Pacific Coast at that time and, because sports and sporting events were a great part of their cultural interest and activity, there was quite often something of that sort going on there.

Take their ball team, for example. They brought in a very famous player from the East, old Dutch Hans Wagner, and organized a ball club around him. Then they built a race course in south Tacoma, the first big race course on the Pacific Coast, and once a year they would have the automobile races out there. That was one of the great affairs of the entire year, and everybody would be out there to see Barney Oldfield and those fellows race out on that track.

I used to go to those races. I used to go to the affairs down at the stadium. It had to be that kind of thing that generated community interest in anything beyond the little social life that the various community groups offered. They did have all kinds of clubs for doing all kinds of things, but those were generated by the people themselves, by little groups here and there. But any cultural activity on a grand scale, on a community-wide scale--the activities that were going on at the stadium, the events at the race course, and the annual Montemaro Festival, which lasted a whole week and everybody in town was there--had to be generated through other things.

ERM: But there was nothing like, say, a strong theatre, no really burgeoning musical organization, no symphony orchestra?

CHK: No, no, nothing like that. That all came way late in Tacoma's life.

ERM: In other words, how could you compare the development of the cultural life of the community in Seattle, Portland, and Tacoma?

CHK: Well, Seattle had a trend toward a cultural life much richer than Tacoma. Before I moved West, my father sent me to Richmond, Virginia, where I attended a commercial school for six months. Well, the cultural life in Richmond was much richer than anything I ever saw in Tacoma, EVER!

ERM: Tell me, Chris, how did you--as a young man, and, later, the two of you, as a young married couple--satisfy your own growing

cultural interests? You and your wife were both interested in intellectual things. How did you satisfy your needs in this regard?

CHK: Through those neighborhood groups, just as I was explaining. People who were interested in the same subjects as we were interested in used to get together. We used to have dinners together. And in the particular little area of the community in which we lived there were a lot of young people, university people. Little groups of people interested in literature, for example, would meet, and in this way some cultural life would be generated.

ERM: And this was in Shelton or in Tacoma?

CHK: In Tacoma. In Shelton we had a much more interesting life, culturally, than we had had in Tacoma because of the Rainier Pulp & Paper Company. You see, when they built their laboratory there, they brought in technicians from all over the world-- Germany, England, all over. So we had a great mixture of very talented people there, and life became tremendously interesting because discussions during that whole period would be so broad. They could be that broad because of the tremendous range of interests that this mixture represented.

THE PACIFIC NORTHWEST TIMBER MARKET: DECLINE AND RECOVERY,
1930s and 1940s

The McCleary Purchase and the Sustained-Yield Forest Management
Act,* 1938 to 1944

ERM: Jim Stevens, in his book Green Power, speaks of a growing concern, in the twenties, with the speed at which privately owned timber was being cut on the peninsula, especially when the Japanese squares trade was booming.** There was beginning to be concern over the dwindling supply of good timber. What can you recall about that period and this gnawing question about the supply of raw material?

CHK: Well, in 1938 I became executive vice-president of the Simpson Logging Company, so the responsibility for doing something about that very subject was mine. I felt it very seriously, and we began to try to develop a program for the company.

In 1930 George Drake had come with the company.*** In 1933 he became a member of the Joint Committee on Conservation, a child of the Pacific Northwest Loggers' Association and the West Coast Lumbermen's Association, to foster timber conservation as a total effort for the independent, timber-owning logger and the timber and mill-owning loggers. John Tennant was the chairman of the committee here in the Douglas-fir region. After lengthy studies, Tennant and the committee came up with a suggestion.

ERM: Isn't that what led to the Western Pine Association's program of industrial self-government, which eventually matured and developed

*Sustained-Yield Forest Management Act of 29 March 1944, 58 Stat. 132.

**James Stevens, Green Power: The Story of Public Law 273 (Seattle, Washington: Superior Publishing Company, 1958).

***For more information on George Drake, once manager for Simpson Logging Company, see George Drake, typed transcript of tape-recorded interview by Elwood R. Maunder, Forest History Society (Santa Cruz, California, 1958).

into the NRA [National Recovery Administration] lumber code that Dave Mason headed.*

CHK: That's right. I can remember sitting in the West Coast Lumbermen's Association meeting listening to Dave propound his theory of sustained yield, which was, in those days, very little understood. That was the first place I ever heard sustained yield mentioned. The reason why it wasn't well known or widely understood was the problem itself; it wasn't forcing any real public concern for a deep thinking-through of that subject at that time. Then Dave Mason's philosophy and his discussions, John Tennant's work, Bill Greeley's work--all of those things--began to press in on us, not in the way of making us do any particular thing, but simply allowing us to think, What can we do with our problem?

There were all kinds of theories discussed about how to have federal government timber sitting alongside private timber and manage them jointly. Then, forest legislation began to be a topic of discussion. Congressional hearings were held, and there were speeches made about what had happened in the Lake States.

ERM: Threats of regulation?

CHK: That's right, all that sort of thing.

Well, I think it was in 1938 that George Drake, myself, and the practical foresters and loggers at Simpson had many a discussion of the subject. I made a trip to Washington, D.C., and listened to the various theories there, particularly those regarding the distance that national forest legislation had gone. This, coupled with the Norris-Doxey Bill, the work of Senator [Charles L.] McNary was doing, and the work that Wilson Compton, Harris Collingwood, and Bill Greeley were doing in that direction, was all quite impressive to me. I couldn't come to any other conclusion than that within a few years we were going to get some kind of legislation that would allow for cooperative management of national forest and private lands.

We discussed this at home. I don't know if George remembers

*For the particulars of David Mason's career and philosophy, see David T. Mason, typed transcript of tape-recorded interviews in 1965, 1966, 1967, 1968, and 1969 by Elwood R. Maunder, Forest History Society, Santa Cruz, California. In process.

this, but George Drake, Walter Snelgrove, our logging engineer, and I decided that the thing for us to do was not to wait for the Forest Service, not to wait for the laws, but to start at least thinking about what to do about it. We did. George Drake and Walt Snellgrove drew maps. They showed the watersheds. They indicated the natural areas for us to go in the next four, five, six years of logging, and they pointed out the Forest Service timber for which we would apply, the timber we ought to be planning on purchasing. We were cutting too much of our own timber, but we didn't know just exactly what to do about it.

ERM: Of course, you were cutting your own timber which was on the lower reaches of the Olympic area, the timber that was more accessible.

CHK: That's right.

ERM: What you were looking at up on higher elevations was Forest Service timber. Weren't you only following the normal, easiest route to find a supply of your raw material?

CHK: Yes, we were, and so was everybody else. But we knew that if we kept on that way, the day would come when we'd be right up against the Forest Service. And if we lost the bid on the Forest Service timber, we'd be out of business.

ERM: So what would you say was the earliest date when you started systematically preparing for this?

CHK: Before we bought the McCleary properties.

ERM: What was the date of that purchase? In reading both Stevens and Stu Holbrook I do not find a clear date as to when you actually bought the property.*

CHK: Give me a minute and I can give you the whole history of that venture. Yes, it was in 1941. In fact, it was December 31, 1941, to be exact.

Well, here's what happened. After Drake and Walt Snelgrove drew the maps--that would have been about 1939 or 1940--and came up with a plan for the way our land ought to be operated, we presented

* Stewart Holbrook, Green Commonwealth, A Narrative of the Past and a Look at the Future of One Forest Products Community (Seattle, Washington: Dogwood Press, 1945).

this program to the Forest Service. You asked me earlier about Hoss [H. J.] Andrews. Well, this is where he comes into the picture. Lyle Watts was the regional forester [Region 6] in Portland, and Hoss Andrews was a supervisor on his staff. We told the Forest Service that we were prepared to reduce the cut of our forest if we could find a way of fulfilling a program, similar to the one we were suggesting to them, so that we could apply for federal stumpage and that sort of thing.

ERM: In other words, you were willing to reduce the cut of your own land if you could get assurances of enough timber to make up the difference between what you would ordinarily cut and what would keep your mills running?

CHK: No, we didn't ask for any assurances. What we did ask for was their sympathy and their cooperation with us so that when we were ready to enter the forest reserve, where we felt it was necessary, they would know why we wanted to do this.

ERM: Why did you feel it was necessary to do this with the Forest Service? Had it been unsympathetic towards you in the past?

CHK: Oh no, not exactly; but that's not the point. You see, at that time, the Forest Service officials in Washington, Earle Clapp and those fellows, were really bearing down on the industry and on the cut-out-and-get-out bunch. So we wanted to present a program that would prove to the Forest Service that that wasn't the situation with Simpson. We were willing to do something to prepare for the time, to be ready, to have all of our adjustments in mind and ready to make them, when, and if, there should be some forest legislation that would allow for cooperation under some kind of an arrangement with the national forest.

Now, we didn't ask them to protect us against any sale that might be made. That was impossible because anyone could bid against us, and we'd have lost the timber. However, we were prepared to reduce our cut gradually. We wanted to make that adjustment in such a way that we'd be able to adjust all our properties without too much shock to the community.

In the summer of 1941 I was approached by one of McCleary's friends, one of his men, and he told me that Henry McCleary was ready to sell. Not only that, but McCleary was going to sell that property before the end of the year; and if he hadn't sold it by then, he was going to junk it. And would I be interested? So I said Simpson would surely be interested.

Now the reason this was so was because here was a plywood plant and a door plant. McCleary had the facilities that would allow us to integrate our whole property. We could utilize our plywood logs, our peeler logs; we could utilize logs that were only sorted out for cuttings for door plants; we could utilize a lot of logs in our own plants that we were selling on the open market. That was one reason.

The other reason was that it would give us a large payroll in eastern Grays Harbor County. Between the Shelton working circle and the Grays Harbor working circle was the Wynoochee watershed, a sort of a twilight zone set aside for the small communities there in eastern Grays Harbor. Well, it seemed reasonable to us to think that if we had a payroll there and had the responsibility for the people in eastern Grays Harbor County, then the Wynoochee watershed could become part of the Shelton working circle, which would add to the total resource group that could be used to work out a good program.

ERM: So acquiring McCleary, in your minds, greatly strengthened your potential for satisfactorily working out something with the Forest Service regarding the land?

CHK: If the law were finally passed, that's right. Both Bill Reed and Frank Reed agreed with my argument. So did Ed Hillier, a member of the board of Simpson Timber Company and a very important member of the company. He was manager of the Phoenix Logging Company of Potlatch, Washington (one of the Anderson-Simpson group) of which Mark Reed was, at one time, president. And he finally became the liquidating trustee of the Bordeaux Lumber Company and the group at Bordeaux and Malone, Washington. He was the most experienced man we had in the company as an operating executive after Mark Reed passed away, and I leaned on him to a great extent, as did Frank and Bill Reed. Well, the four of us went down and talked with McCleary, and after three or four days we still couldn't arrive at an agreement. He wouldn't sell anything unless he could sell everything--his town, everything. And I wasn't interested in managing the town church, utilities, et cetera.

ERM: You weren't interested in becoming a feudal lord?

CHK: Right you are. But he did have a big sawmill in Shelton which was an important part of the Shelton community and the economy of the area. So, we dropped the subject. Then, on the morning of 31 December, W. H. Abel of Montesano, Washington, called me.

Abel was one of the important corporation lawyers in western

Washington. He was a retainer on McCleary's staff, Simpson's staff, Rainier's staff, and the staffs of many corporations. He had one large building, and you talk about books! In that building there were two, no, I think three floors; and on every single wall of each floor there were books. Those walls were lined with law books! When he died he willed his books to the state, and his library became the Capitol Law Library in Olympia.

At any rate, he called and said that McCleary was in his office and would like to talk to me. He thought that if we could make a reasonable proposal to McCleary it might just be acceptable to him. This was at 8:30 in the morning. By 9:30, I was in Abel's office, and McCleary told me that if I would dictate a proposal, he would study it. And if he thought it was reasonable, why, if I could get some of our corporate officials down there so we could negotiate, we might be able to make a deal before midnight. If he hadn't made a deal before midnight, he was going to shut down and junk the whole place for tax reasons. At 11:00 that morning I dictated a proposal. McCleary read it over; Abel read it over. And McCleary said, "Well, if we can use that as a basis, I think we can make a deal."

Well, everything he had there was in deplorable condition because he hadn't been spending a bloody cent on anything, so I called Bill Reed and talked to him on the phone. He listened very carefully, and his reply was, "Chris, do you really want that property? You know, you're going to have to manage it." Well, I wasn't so darn sure. I waited a long time before I answered. He finally asked, "Are you still on the phone?" And I said, "Yes. And yes, I want it." So he came down with Attorney Mark Mathews, and by eleven o'clock that night the papers were all signed, the check had been passed, and we went home to celebrate New Year's.

Of course, we didn't really know what we had bought. I knew everything about the plants--the plywood plant, the door plant, and the sawmill in Shelton. But we didn't know anything about the town, about the utilities, the houses, commercial property, any of that.

ERM: And you were getting what, about six thousand acres of cutover land?

CHK: Six thousand acres of beautiful, restocking, cutover land. We shut down the plant and notified all of the employees that everyone who wanted to remain on the payroll could do so, that we'd like to have them stay, but that we had to shut down for awhile in order to take inventory and find out what we were buying. We had bought the

plants, and then agreed to pay the market price for all the inventory McCleary had. So it was up to us to take the inventory, find out what we had, and set a price on it as fast as we could. We did, and within two weeks we passed a check for the inventories--paid damn near as much for the inventories as we did for the properties--and we started up.

Our next problem was what to do with the town. That winter was one of the most severe winters we ever had. The water lines in the streets were breaking; the electrical system was going out of kilter; the telephone lines were all falling apart; and one man was killed in the plant by faulty wiring. Then Ed Hillier made the prize proposal. He said, "You fellows want these men to remain with the company. They're all fine craftsmen; they're doing a beautiful job. Let's just get rid of the town." So we brought in a real estate dealer whom Ed Hillier knew well. We had confidence in him, and we made him a deal. We would give him all of the vacant property in the town of McCleary if he would act as agent and transfer the ownership of the house and lot to the people as soon as they had completed eighteen months' rent. We figured that if they stayed that long, they were our employees. Well, we got rid of the property that way.

Then, we repaired the water system and the light system. We put in a big transformer station in McCleary, built a new power plant, and put in new reservoirs. The water system had been centered in the plant itself, and it was a lousy thing. The people in the town were drinking the same water that we were afraid to drink when we were down there. So we had the water system for the city cut off from the plant, and we built new reservoirs. We put the plant on its own chlorinated water system; we put the city on its own chlorinated water system. We encouraged the people to incorporate the town, and they did. We asked that they include the plants in the town because they couldn't have done anything without such tax support. Well, from the reaction of both those communities, Shelton and McCleary, that was probably the best thing we ever did.

ERM: It must have established confidence in the company.

CHK: That's right. And the people! You'd be amazed at the way these people worked, trying to learn how to be a mayor, how to run a city council, how to deal with utilities. It took some time for them to work out what they thought was the kind of setup they needed to buy the utilities from us. Finally, when we did sell them, we sold them for less than it had cost us to repair them.

All the while this was going on, we would let the public know every time a move was made by the company; we told them. Our life was limited unless we could do something to work out the forestry problem, the timber problem; and whatever we came up with in the way of plans soon became the plans of the entire community. There just wasn't anything much we could do about it. We had started something, and it had become so much a part of the community effort, of the community's plans, and of their future expectations that what worried me was the legislation. If we didn't get some sort of legislation that would allow us to work all of this out, I was in the doghouse.

But, what we were able to do--and I'm going back to this now--we were able to fulfill our commitment to Lyle Watts and Hoss Andrews. When we went down to make our proposal and told Watts and Andrews what we were proposing, it had quite an impact. I'll never forget Hoss Andrews's reaction. I can't quote him specifically, but what he said in effect was, "For heaven's sake! Here the Forest Service has been condemning industry all these years for being a "cut-out-and-get-out" industry and, instead of us going out and making proposals in an effort to put this thing together, here comes private industry to us! The monkey's now on our back," he said, "so what are we going to do about it?" Well, no one had an answer for that. But, anyhow, we had made our proposal; we had proposed to reduce the cut of the forest. After we bought the McCleary properties, we had the means of doing just that. We were selling more logs than the McCleary plants consumed.

I immediately stopped selling logs on the open market. It was a terrific shock to the log-buying sawmills on Puget Sound because we were an important supplier. Not only that, but we were one of the big and influential timber companies. Nevertheless, by reducing our cut and integrating our own operation we were able to use almost all of our raw materials ourselves, and we took care of the balance of this problem by going to work and building the insulation board plant which utilized the Douglas-fir waste from the McCleary sawmill at Shelton.

ERM: You built the insulation board plant before the sustained contract was signed. How would you have supplied the plant had there been no law or such contract?

CHK: By this time we had purchased large acreages of second growth and had a vigorous program laid out to continue to do so. The thinnings, for which there was at that time no market, in the form of cordwood

would have been the supply and this operation would at least have had a possibility of maintaining some community stability for awhile.

Later, I'm going to have to get back to that matter of the log-buying sawmills on Puget Sound, and what happened when we stopped selling logs on the open market. But it's part of a story that starts with the depths of the depression, when I couldn't sell hemlock. In fact, I couldn't give it away.

When I began to realize that we were almost running out of places to go, I went in to see Mark Reed and suggested that we shut down. He thought a minute, and then he said, "Chris, you'd better think about this. Let's go back a few years and review just what you did here on the waterfront."

So we took a good look at the number of people we had brought in when we had increased the capacity of the plants, and so on. Then, when we got through with that, he said to me, "Now let's take a look at what has happened to those people. They came in here, bought or built homes, and they mortgaged them. The banks hold those mortgages. The merchants are carrying these people and their current purchases; some of them are running behind in their payments. The banks are carrying the merchants. A lot of these people have growing families. They have hospital and doctor bills, and they are behind in their payments. The hospital is beginning to suffer. Remember, without payrolls we have no taxes to support the town or the county. "So," he went on, "why don't you go home and think about that for a few days; then, come back and talk to me again." Well, I knew pretty much what the answer was going to be, but I waited a few more days anyway, and I still couldn't think of any other way.

Depression: Protecting the Employees

ERM: Chris, you remember we were talking in the late afternoon yesterday about the onrush of the depression, its impact on your company, and how you faced that crisis. I believe you left off with the long discussion you had with Mark Reed. He had stated that you ought to give serious second thoughts to whether or not you should shut down operations.

CHK: Yes. Average prices of western hemlock lumber, which the Reed Mill Company was producing exclusively, declined 29 percent between 1929 and the end of 1931, and another 18 percent between 1931 and the end of 1932. During the same periods, Douglas-fir lumber prices declined 41 percent and 11 percent, respectively. Average prices for the year 1943 reached a low of \$9.78 for western hemlock and \$10.42 for Douglas-fir.

Then, too, wage rates in general, all over the industry, had been going down; so had ours. I thought ours had gone down to the absolute minimum. I could find no way, no manner or means, of reducing our costs any further. The picture looked very dark to me.

Anyway, I left Mr. Reed and thought it over for two or three days. I realized that he didn't want to make that decision. He wanted me to make it, even though he had practically made it for me at the time we reviewed the thing, when he said, "Let's forget the financial results of the Reed Mill Company since 1925 for the moment and think only of the people." So I did. And, of course, there wasn't a single thing I could do then but accept the fact that we just couldn't shut down without severely injuring the entire community.

ERM: You had set up the books of the Reed Mill Company, and you were as close as anyone could possibly have been to knowing the intimate, inner strength of the company. Now, business was down, but I imagine that in a closely held corporation like that, one which had been making good profits--some of them quite substantial ones--the picture of overall strength was not to be judged solely on the basis of a temporary sag in the market. I mean Mr. Reed and his family--the company, so to speak, since they were basically the company--were not people of small means, so wasn't he in a position to weather the gale for awhile?

CHK: Yes, that's what he was doing by indicating to me that I should quit worrying about that phase of the picture and start concentrating on the people themselves. Later on he said if something should happen to make him think we ought to use more drastic measures, why, we'd have another talk then. We should remember that the Reed Mill Company was a wholly owned subsidiary of the Simpson Logging Company and the financial strength of the family was in the Simpson Logging Company.

So I came back to him after those two or three days and told him that I could find no other way to reduce costs, but as I

felt the responsibility we had toward the people and the community, I would do the best I could to reduce losses--we were taking a pretty heavy loss--and keep the plant going for as long as I possibly could. This, I am sure, by the way, was late in 1931.

ERM: Had you cut down on the volume of your production to any great extent? How long a day were you running?

CHK: We were operating an eight-hour day. Any reductions would have been in operating days. But yes, we had cut down somewhat in operating time. I was a member of the economics committee of the West Coast Lumbermen's Association, and, in accord with the program [William B.] Greeley had presented to the association, we had begun running at less than full capacity as a result of the association appeal. We were trying to develop a production schedule that would allow us to meet the demand as near as possible and, at the same time, would ease the situation so that we could keep the prices from going down too fast. But by lowering the wage rates and then cutting down industry production, as well, the industry had really put a heavy burden on the employee because of the short workweek.

Mr. Reed, who was interested in banks in Seattle,* was also president of the bank in Shelton and of the Lumbermen's Mercantile Company, a large mercantile store for that day, in Shelton. So he knew just what the general economic situation was. The Shelton merchants were in debt to the bank. Our employees were in debt to the merchants and had mortgages on their homes. We had reached the point where our trying to reduce our losses any further by shutting down could only result in our injuring the local economy to a greater extent. The entire industry had reached this point; it could do very little more in the way of reducing production without creating a starvation situation among the employees. We were in a tough spot. So I said that I'd try to keep our losses at a minimum, but that we would, nevertheless, keep on operating the way we had been.

ERM: Then, this was at a time when restrictions on production were self-imposed agreements established through consultation within the

*CHK: Mark Reed had personal, family, and company holdings in Seattle banks and was, I believe, a director of the Seattle First National Bank during this period.

membership of the trade association, and it was the West Coast Lumbermen's Association which really did it. Wasn't this before the Lumber Code Authority?

CHK: That's right. The Lumber Code Authority hadn't been established yet.

By the middle of 1932 we couldn't have squeezed another 2"x4" onto our dock; our inventory was that large. We just couldn't sell the lumber; we couldn't even give it away! So when we finally got to that point, Mr. Reed said, "Okay, shut down; I guess there's nothing else we can do. But," he said, "let's notify the employees that anyone who wants to continue trading with the Lumbermen's Mercantile Company can do so. We'll extend credit to these families, and we'll give it in proportion to the size of each family. That way we can limit the credit so that they don't run away with this thing."

William G. Reed came into the Simpson Logging Company and helped work out the problem of employee credit. I don't remember how much credit per person that meant, but George Drake, who had a hand in it, would have some idea, and the exact records would be in the company files.

ERM: How did the community react to this announcement?

CHK: Well, this came at a time when things everywhere were so depressed, as a result of conditions that had been growing over quite a few years, that there were shutdowns all over the industry. We were not the only ones. I have statistics here and we can take a look at them later on. But when we shut down, it created a particularly difficult situation for the Rainier Pulp and Paper Company mill because they lost production of the chips produced in our plant.

In order to get the Reed Mill Company and Simpson Logging Company employees back to work again, we had made an agreement with the Rainier Pulp and Paper Company, whereby they would let us put the whole log into chips. Log prices had dropped so low by then that we could afford to do that if we operated at out-of-pocket cost. So we made the agreement with them, arrived at a price for the chips, which we would sell to them on that basis, and they put the type of equipment into the plant which would allow processing of the whole log for chips.

This chipping plant was located on the ground floor of the Reed Mill sawmill and was owned by the Rainier Pulp and Paper

Company. The Reed Mill Company sawmill cut the hemlock log into a four-foot long 4"x4", and the entire volume would be dropped into conveyors destined for the chipping plant on the ground floor of our plant. The Rainier Pulp and Paper Company installed routers for the purpose of disposing of knots, back seams, et cetera. The clean wood dropped into chippers, and the chips into a conveyor that went directly into the pulp plant alongside the sawmill. By doing that, we were able to start the plant again, putting the plant on two eight-hour shifts.

Then, Simpson found an accumulation of Douglas-fir logs of a quality that no one log-buying sawmill on Puget Sound wanted because they were of a questionable grade. Now, we figured that any mill that could specialize in the export lumber grades could probably operate at out-of-pocket cost. So we studied the possibilities of the situation and came to the conclusion that we could cut these logs in our own sawmill, specialize in the Douglas-fir Japanese square market, and at least not lose any more than we had been losing.

ERM: Chris, can you explain what a Japanese square is?

CHK: Yes, it's a square-dimension cut of timber, the smallest of which is called a baby square and measures 4"x4". Japanese squares were also cut with dimensions of 6"x6", 8"x8", 10"x10", 12"x12", 14"x14", 16"x16", and so on, up to 24"x24". In addition to the term baby square, there were the big squares, which are any of the squares from 10"x10" through 24"x24". All of the sizes in between the baby squares and the big squares were specialized deals, and they'd have to be ordered specially.

An operating schedule was arranged by which the Reed Mill sawmill operated two seven-and-a-half-hour shifts at night to break down hemlock logs to four-foot long 4"x4" for the chippers and one seven-and-a-half-hour shift during the day to cut Douglas-fir logs into Jap squares. When it was time for a shift change, the crew coming on would all be right on station ready to take over as soon as the clock ticked the end of the other shift. One crew just stepped off, and another stepped on. The half-hour was for lunch. So that little sawmill ran three shifts a day for a number of years after that. We went to great lengths to pool our equipment with the pulp mill--electrical equipment, motors, et cetera--to create the highest degree of efficiency. At any rate, that's when the Simpson-Reed Mill first began to cut Douglas-fir lumber.

It was this sort of situation that also allowed the logging company to begin restoring its operations. We were putting the men in all of the Simpson-Reed operations back to work again, which permitted the employees to look to the future more hopefully. You see, when we started up the plant again and the Simpson Logging Company began to get back into production, Mark Reed asked all of the employees who ran obligations at the Lumbermen's Mercantile Company to sign notes for their obligations. He told the men that their credit rating would revert to what it had been before the shutdowns. They could go on buying from the Lumbermen's Mercantile Company and begin repaying the notes as they could afford to do so.

Well, as I said, most of those notes were being paid back because these people appreciated what was being done for them. But there were some large families with ten, twelve, thirteen children, and those people had a terrific struggle. They were trying their best, and they were still hardly able to pay a thing. I called Mark Reed's attention to this one day and he said, "Let's see these accounts." So I got them out, and he looked them over. "Let's wipe these off the books and forget about them," he said, "and tell these people to go ahead and get back on their feet again."

So that's the way it happened. This was the situation that existed when we went into the NRA. I'm not sure of the exact dates when all this took place.

The National Industrial Recovery Act, 1933 *

ERM: What part did you have in the deliberation within the industry leading up to the NRA?

CHK: We were only involved insofar as we took part in the meetings of the industry for the organization of the administrative machinery of the local Code Authority for the Douglas-fir region. That was the West Coast Lumbermen's Association, of which the Reed Mill Company was a member.

*National Industrial Recovery Act of 16 June 1933, 48 Stat. 195; For additional comments, supplied by W.G. Reed, on the Simpson Logging Company's response to the National Recovery Act, see Appendix B, p. 147.

The Simpson Logging Company was a member of the Pacific Northwest Loggers' Association, as was the Phoenix Logging Company. Ed Hillier was manager of the Phoenix Logging Company and represented both logging companies during the Code Authority period. Mark Reed, of course, participated in the meetings which were concerned with the organization of the national Code Authority in Chicago. It was at this time that he became ill, resulting in his death in 1933.

ERM: You helped establish the local Code Authority through a committee of the West Coast Lumbermen's Association? Were you a member of a code-formulating committee?

CHK: Well, it was a lot simpler than that. The committee organization of the West Coast Lumbermen's Association, with the exception of the compliance committee and price committees, was all set up and had been in motion for some time. I sat on most of these committees prior to the Code Authority. When the men who had participated in the Chicago meeting and the organization of the national Code Authority returned, they assumed, by action of the boards of the various local associations, the responsibility for the code covering their part of the industrial activity--the West Coast Lumbermen's Association, the Pacific Northwest Loggers' Association, and the Pacific Red Cedar Shingle Association.

ERM: To what extent, Chris, had WCLA taken the pattern of this from the Western Pine Association? Western Pine was headed in 1930 and 1931 by Dave Mason. Sustained yield and industrial self-government were red-hot ideas that Dave was constantly stumping for. Also, an economics committee of WPA--which was chaired by Phil Weyerhaeuser and on which, I think, John Tennant also sat as a member--came in with a very specific program along these lines. How close were the WPA and the WCLA at this time?

CHK: As close as the relationship between W. B. Greeley, Dave Mason, and John Tennant. Tennant, of the Long Bell Lumber Corporation, had interests in Western Pine, and he had also been president of the West Coast Lumbermen's Association. With Greeley as manager of WCLA and Mason as manager of WPA, there was naturally a very close line of communication.

ERM: You were only in the fir group, though?

CHK: Yes, only in the fir group. After the establishment of the Code Authority I became a member of the compliance committee and the

production control committee. The latter was really the same as the old association economics committee. I was at that time president of the Puget Sound Associated Mills, Inc. Robert E. Seeley was its manager, and he became a member of the Code Authority lumber price committee.

ERM: Chris, can you spell out the committee responsibilities in those assignments? What did the compliance committee's job entail?

CHK: The compliance committee turned out to be the prosecutor, judge, and jury--or to better describe it, a grand jury--of the industry. It had been created to determine violations and to prepare cases for court action. The attorney, Charles Paul, referred to as Judge Paul, was attorney for the West Coast Lumbermen's Association and, of course, continued as attorney for the Code Authority. It was his task to receive complaints made to the authority, advise the compliance committee, and guide the committee during hearings of violations.

Only two or three violations were ever reported, and these were small operators who appeared with their attorneys before the committee. These were pitiful performances. Some of these men were our friends, and the experience was sickening. The task of deciding the question of violation involved ignorance of the code price lists or regulations and deliberate intent to violate. It became clear to members of the committee that some of these small operators did not have the organization, time, and staff to follow the volume of rules and regulations which were coming out of the Code Authorities.

ERM: Do you mean to imply that it's not possible for businessmen to act in concert in what is traditionally a government role?

CHK: Yes, that's right. Can you imagine a group of businessmen bringing an indictment against a small operator when it was possible that he was ignorant of the differential price list requirements? Now, here is an example of the problem. Although I cannot remember exactly how many items there were in the price lists, I am sure that there were at least nine hundred. That figure sticks in my mind. We must also remember that there were two distinct types of lumber operations on the western coast of the states of Washington and Oregon.

One group of operators was represented by those who controlled their raw material through the ownership of timber. These operators usually had air drying yards, dry kilns, and large storage sheds and docks. Their sales covered the intercoastal and coastwise markets, within which shipments were transported by rail, and the world markets, within which export was via ocean-going tonnage.

The other group of operators had no timber, for they were the log-buying operators with sizable plants on the waterfront. These operators had either very small drying facilities for the local market or none at all, depending entirely on the export, the coastwise, and the intercoastal markets.

Each of these two groups represented plants, and each group had a large annual production. Also, within both groups were plants specializing in the production of different species of wood: Douglas-fir, hemlock, cedar, spruce, and so on. Our price lists covered this complex market situation.

At the same time, substantial volumes of lumber were being shipped, by rail and by ocean-going vessels, both into the United States from British Columbia and other Canadian provinces; and neither the production nor the prices of this timber could be controlled.

ERM: That was outside the jurisdiction of the United States?

CHK: True. But they were, nevertheless, shipping lumber into the U.S.A., across the line and into the Midwest and to the Atlantic Coast. The problems mounted up, and soon the production control committee was being asked to decide things like the number of production hours a plant might be allowed, the type of new equipment a plant might install, and so on. Of course, there would be all kinds of situations peculiar to a particular plant which the programs that had been set up simply didn't cover. Well, the problems began to grow. They multiplied with each succeeding day, and some of these little operators coming in before the committee had no more idea than a jackrabbit of what the requirements were.

ERM: Who brought the little operators in before you? Did you have a policing system whereby you could keep a regular check on things?

CHK: Someone would learn about lumber that had been sold under code prices, the Code Authority would be notified, and the complaint would go to Judge Paul and then to the committee. I have forgotten just what processes Judge Paul used to induce these operators to appear before the committee, as only one or two sessions were ever held.

But, you see, there was a great fault within the price setup; the question of adequate compensation for the wholesaler. I do not remember that the wholesaler was ever adequately covered or regulated by the authorities. Can you imagine a small operator managing his operation, selling to a western wholesaler who, in turn, was selling to a midwestern wholesaler who, in turn, was

selling to a retailer or distributor in an area between the Dakotas and the industrial East? Again, the operator could be selling to a western wholesaler who had engaged ocean-going tonnage and was selling to an Atlantic Coast wholesaler--the operator's office staff consisting of a combination bookkeeper and stenographer to check on the rules and regulations of the Code Authorities.

Now, let's try to imagine the West Coast Lumbermen's Association, as the Code Authority, trying to check prices in the Douglas-fir region. There were hundreds of companies and active sawmills. Checking the original order and invoice of each company and each plant would have required an army of clerks. The Code Authorities never did do this sort of policing. Lengthy discussions took place about the possibility of spot-checking, and I believe it was tried. But the task was an impossible one.

ERM: Yet you may have recognized that if there was to be order brought out of the chaotic situation there would have to be rules and regulations, and that those rules and regulations would have to be complied with, or, if they were not complied with, there would have to be penalties imposed upon the violators. Regardless of how you might feel about the little operator, you still can't have a rule or a law and not apply it uniformly across the board. Doesn't the whole thing come undone otherwise?

CHK: True. But the point that I'm trying to bring out here is the way a judge would look at a case like those two, three, or four little mills that we were talking about. Their situation, as they explained it to the committee, in itself would make it questionable whether the administrative machinery of the Code Authority was adequate to keep these people informed. Now, a little guy who was way out there in the woods running a sawmill didn't know what was going on in the Code Authority; how could he? We had to have people in our offices reading the rules all the time to make sure that we were complying with them! It meant a reorientation of staff functions in the best of the producing companies. It was just a very difficult position for a businessman to find himself in. I didn't like it, and I wanted to get off of the compliance committee.

I began to lose interest in the production control committee, too, because there was a very serious question about controlling production. As the price situation weakened, the demand arose for the application of a shorter work week; and the work week, in my estimation, was short enough for the employees. It took hours and hours of discussion, and soon I was spending as much time sitting around working on code problems as I was spending on company problems, and they were big

enough. This was the situation with every man sitting on these committees. Of course, the National Industrial Recovery Act was an emergency act and had two years to run. For the first six months or year, I daresay that the compliance was fairly good. Oh, there were probably infractions of the rules someplace, some of it unintentional.

ERM: Some of it out of ignorance, and some of it deliberate?

CHK: Yes, and some deliberate; but you couldn't tell which was which.

ERM: Did your committee penalize anybody?

CHK: No, no. The committee never took anyone to court.

ERM: What were the Lumber Code people in Washington saying about this situation?

CHK: Well, to refresh my mind on it, I read Mason's book.* He made a statement in there that I've read a good many times. He stated that in the beginning of 1934 the compliance on the West Coast was fairly good. It was not as good in the Midwest, and it was poor in the South.

ERM: Yes, Mason has told me that the compliance was far better in the pine region than it was in the fir region, and it was better in the fir region than it was in the southern pine region.

CHK: That might be true.

To go on, Simpson and its Reed Mill and a good many operators to whom it was selling logs, all of whom were members of the Puget Sound Associated Mills, were able to maintain their production schedules and comply with their production quotas. The sales company-- this was when the NRA was first established--was still able to sell its share of the market for its member operators.

ERM: What was the Puget Sound Association's role in the NRA? Did it continue to function?

* Rodney C. Loehr, Forests for the Future, The Story of Sustained Yield as Told in the Diaries and Papers of David T. Mason, 1907-1950 (St. Paul: The Forest Products History Foundation, 1952).

CHK: Yes, it did. It continued to sell its share of the Atlantic Coast market and to cover its commitments for chartered, ocean-going tonnage. We must remember that the sales company was chartering large tonnages to move its member sawmill production, and as its market began to shrink these charter arrangements had to be adjusted, which at times was not easy to do. At first we were not too disturbed by violations here and there, which no one was paying much attention to.

I have in front of me some statistics taken from Lumber Production in the United States, 1799-1946, by Henry Steer, forest economist, Division of Forest Economics, United States Forest Service. You've seen this. From reading Mason's book and his review of that period it is evident that the administrative officials of the Code Authorities did not then realize the magnitude of the problem in the marketplace, certainly not as it has been revealed now in these statistics. I want to say again that it took time for these facts to be collected and put in shape to be published. But as the National Industrial Recovery Act officials began to fumble with the administrative machinery of the sales company--that is, the Puget Sound Associated Mills--it began to lose its ability to sell its share of the market for the mills who were its members.

ERM: Where was this fumbling in the NRA taking place?

CHK: As I recall now, reading through Mason's book, they didn't get their administrative machinery or their compliance machinery in shape until 1934, although the Code Authorities were all started in late 1933. Now the West Coast Lumbermen's Association was well organized, but you couldn't have these committees sitting in the office every day of the week, every week of the month. They met periodically, depending primarily on the good faith of the individuals in the industry to function in accordance with the spirit of this self-regulating industrial venture. This was a very strong feeling among the officials of the association, W.B. Greeley, for instance, and the committee members. It took time to adjust to the fact that here were laws which were regulating everything we were doing with the individual plant and its sales. It took time to get the paperwork out. Besides, the association had neither the money nor the means of raising it to pay for a huge staff to check its members and nonmembers.

* U.S., Department of Agriculture, Forest Service, Lumber Production in the United States, 1799-1946, by Henry Steer, Miscellaneous Publication No. 669 (Washington, D.C.: Government Printing Office, 1948).

ERM: You have to determine whether this work is going to be done by a government agency created by the act or whether it's going to be done under the conditions of industrial self-government, which you, as lumbermen, were pushing, you tell me. You didn't want government control. You wanted to do it by yourselves. But when it came to doing it by yourselves, you couldn't do it, could you?

CHK: Yes, that is correct. The critical part of this thing was: How do you set prices for lumber that had gone down to the point where you could scarcely give it away? How do you regulate your production and get your prices heading back up before you know what the demand is going to be? The demand was slipping along with everything else. How do you turn that around? Do you put prices up 50 percent again, or do you put them up 10 percent?

It took some time to establish a presumably practical relationship in the minds of these men, some time to try to develop a price list that would be effective. So what the southern pine industry did, after the Code Authority was established in August, 1933, was to jack its prices sufficiently high so that the average recorded price realized for 1933 showed an increase of 31 percent over the average for the entire year of 1932. The Douglas-fir industry jacked its prices sufficiently high so that the average price realized for the year 1933 was 29 percent over 1932, and the average price realized during that same period for western hemlock increased 22 percent. All of this was simply an effort to get prices back to what they had been in 1930.

Now, here's what happened to demand. Between 1932 and 1933, the same period during which prices were increased, expenditure for residential construction decreased 25 percent in the United States.

ERM: What demands for finished forest products were there, if any, to support this jacking up of the prices? On what grounds did the southern pine people obtain the 30 percent increase? On what grounds did you people in the West get your increase of 29 percent? You must have had some arguments for doing this.

CHK: These price increases did not comprise price list averages. They represented the increase in the industry's average sales realization between 1932 and 1933. What happened was this. When the lumber prices were declining--actually the trend commenced in 1923 and continued downward through 1932 into 1933--the retail lumber trade in the United States and the 20,000 to 25,000 lumber

distributors who had to carry an inventory were reducing their inventories to a bare minimum because they could not continue to lose value on it year after year. By 1933 they were operating on shoestring inventories.

As soon as prices could be jacked up, with legal sanction, the retailer and the distributor began to realize that if they wanted to protect themselves against increases in prices, they were going to have to start buying. So the buying of lumber commenced. That's why the industry was able to realize these jacked-up prices, even though they were jacked up in the face of a reducing trend in residential construction. What's more, although the trend in home construction was reversed, it did not do so in apparent volume until 1935. There were actually fewer housing starts in 1934 than there were in 1932.

Now here are the statistics on total construction, but I don't think they are going to be much different, even when you include public construction. Here is total construction, private and public, in billions of dollars. For 1932 it was \$6,114,000,000; for 1933 it was \$5,357,000,000; and for 1934 it was \$6,663,000,000. True, it rose between 1933 and 1934, but you have to try to determine how those figures apply to the kind of construction that was using lumber, because a lot of public construction at that time was such that required concrete and steel. It was private residential construction that used most of the lumber.

ERM: What you're saying, Chris, is that the level of prices was raised about 30 percent. It would appear that the rise in total use of all construction materials, including lumber, was also increasing about 30 percent. So there was some real relationship between the rise in the allowed selling price and the rise in the volume of sales. Wouldn't you draw that conclusion from reading those statistics?

CHK: If you want to accept total construction and lumber production as being related in that particular way, yes.

ERM: Is there anything fallacious about accepting that? After all, lumber did have its share of the increase, and the total increase was about 30 percent. If the price goes up roughly that amount it would appear to have some relationship to what's going on in the marketplace.

CHK: Well, I think if you'll follow the statistics on lumber production and total construction, you'll find that the fluctuations in the

price of lumber and in the welfare of the industry are much more closely related to the statistics on private dwelling construction than to those on total construction.

ERM: I would agree with you that that would be true, Chris, in normal times. But I'm not sure that it would be true in times of crisis, like war, the Great Depression, during which there are unusual amounts of made construction financed by the government. You wouldn't judge the production of the lumber industry in war years on the basis of home construction, would you? Where's your lumber going then? It's going almost strictly into war uses. Home construction doesn't figure very much in the years 1941 to 1944 or 1945. Where were the products of the Simpson Timber Company going in those years? A national disaster brings with it unusual circumstances that don't normally obtain in the marketplace. So your production in the industry is geared to what the new demand is, and your market may change from one area to another.

CHK: Okay, now, let's look at military construction. Military construction in 1930 was \$29 million; in 1931, \$40 million; in 1932, \$34 million; in 1933, \$36 million; in 1934, \$47 million; in 1935, \$37 million.

ERM: Yes, I wouldn't expect that it would be much in those depression years. The spending was being done by the nonmilitary bureaus. You would get big increases in military use when you get up to the war years, 1940, 1941, and 1942. I would imagine those statistics double, triple, even quadruple when you get to those years.

CHK: You mentioned New Deal spending. We must realize that plans for spending huge sums of money to bolster the economy had to include determination of location, time for engineering and blueprinting; appropriation bills, et cetera, through Congress; and this did not take place for several years after the National Recovery Act was declared unconstitutional. Let's look at the public sector of spending. Between 1932 and 1934 practically the entire increase in expenditure in the public sector took place in a category called conservation, where it totaled \$368 million. Most of this was for wages for the men induced to leave the cities and work in the forests. Another large increase is shown in a category called maintenance and repair, and I am assuming that this covered every type of construction. The increase in this category between 1932 and 1934 was \$366 million. The total of these two increases is larger than the entire increase in total construction.

ERM: Aren't you saying, in essence, Chris, that the prices that were set by the NRA for lumber were unrealistic? They were set too high, and they were changed too rapidly?

CHK: That's right. Now, price realizations increased again for the year 1934 over the year 1933 because of the very high prices being obtained for lumber during the early part of 1934. The increases were 25 percent for southern pine and 19 percent for Douglas-fir. Beginning with the summer and fall of 1934 the situation began falling apart.

ERM: Did you find at Simpson that you were having a hard time selling your lumber in competition with other people?

CHK: We were having a difficult time getting our share of the market at code prices, and lumber inventories at all our sawmills were accumulating at an alarming rate. The sales company was having difficulty complying with its steamer charters. These adjustments were not easily accomplished. We appealed to the Code Authority to try to get them to recognize this situation.

ERM: Who was profiting by this situation? Were some of your competitors in the same region doing better than you were? Or were you losing the trade to competitors in other species, in other parts of the country?

CHK: We were losing our share of the market for the most part, I think, to southern pine along the Atlantic Coast. That's where the real trouble came.

ERM: In other words, you weren't at war with your fellow pine and fir producers?

CHK: No, we weren't. That's not where our trouble was.

ERM: Your trouble lay with your ancient enemies in the South.

CHK: Yes. Now, I sent Robert E. Seeley, manager of the Puget Sound Associated Mills, back East to make an investigation for us. He came back with a very, very dark picture. Some of the mills that were members of the Puget Sound Associated Mills were bypassing their contractual obligation to the PSAM, Inc., and were selling lumber to wholesalers to whom they shouldn't have been selling.

ERM: Are you suggesting that because your southern competitors were undercutting you and violating the code in doing so, some of your

western operators felt they couldn't abide by the code any longer, but had to sell at a lower price in order to compete? Was this the basis for the stand you took, both as a company and as an individual, in 1934?

CHK: In late 1934, that's right, or early 1935. We were faced with having to shut down our plants or accept the suggestion of the Code Authorities that the industry curtail its operating time to such an extent that employees could never have lived within the amount of the take-home pay. In particular, the Simpson interests were working their way into the exact situation as that which prevailed in 1932 when the Lumbermen's Mercantile Company was carrying our employees at Shelton. We had remedied that situation then. But then here again in 1934 we were facing the same predicament, and it was not something that we looked forward to with any great pleasure, that's for certain. So I proposed to Bill Reed and Frank Reed that I write a letter to the Code Authority, the West Coast Lumbermen's Association, resigning all of my committee memberships. They approved. I then wrote a separate letter advising the Code Authority that, henceforth, the Reed Mill Company was going to sell its lumber at the market price.

ERM: Do you recall the month in 1934 in which this happened?

CHK: No, I don't recall exactly, but I do remember that the court hearing that took place shortly afterward was in the spring of 1935.

ERM: What was Bill Greeley's reaction to your letter and your resignation from these committees?

CHK: Well, the very next day after I wrote the letter, Colonel Greeley called. He was very much alarmed and came over to see me. When he got to Shelton I outlined our entire situation for him. His reaction was a questioning one. Did we have facts enough, really, to take such drastic steps? And did we have any idea how widespread this violation of the code prices was?

I sent Greeley to see Bob Seeley, and Seeley had some facts. He had plenty of them. So, when he showed them to the Colonel, the Colonel was absolutely astonished.

ERM: You mean when Seeley showed him what prices other companies within the family of Puget Sound had been selling their products for, Greeley was surprised?

CHK: He was surprised. And he was even more surprised to have Seeley tell him the extent to which Seeley thought this had been happening on the Atlantic Coast. So, Colonel Greeley had only one possible course. He went to the board of the West Coast Lumbermen's Association. I was no longer involved in the West Coast Lumbermen's Association; I'd resigned. I had no desire to go back and attend any more meetings to find out what was going on. I had taken my stand, and that was that.

I had the greatest regard for Greeley. I had the greatest admiration in the world for him; he was a friend of mine. I played chess with him at his home. He visited with us at Shelton, and we visited with him and his wife. We were as close as two people could possibly be. But this was an economic situation with which we were faced. I felt that there was nothing I could do except exactly what I had done.

ERM: Were you sick of the sham of it?

CHK: Oh, yes. And Greeley was sick at heart; the man was, well, he was so depressed.

ERM: There's one thing I don't understand. One of the traditional functions of the West Coast Lumbermen's Association, inasmuch as it is a trade association, is the keeping of statistics and records regarding lumber sales, lumber inventories, production records, and so on. It seems amazing to me that Greeley, as head of the WCLA, could have been so out of touch with a condition like this right within his own membership. How do you explain this?

CHK: Elwood, that was another one of the troubles with the Code Authority. Mason, Greeley, and all of the men who were burdened with the administrative problems had no time to go into the field where the problems were and check on the ground swell of violations. They were depending on the committees to do this.

The statistics that these lumber associations were collecting prior to the National Industrial Recovery Act pertained to the production, cost, employment of their members, et cetera, but not to prices. Market potential was always estimated by relating the association membership production to the national demand for housing, to housing starts. These associations were never permitted to check industry price lists prior to the NRA. At least, the West Coast Lumbermen's Association was not. As I said,

spot-checking of invoices and orders was, I believe, attempted; but they had no policemen.

It was the price committee, the production control committee, the compliance committee, and that sort of contact that Greeley was talking to all of the time. The administrators of these authorities had an impossible task. They were depending upon the integrity of the individual in the industry to try to make the best effort possible to help pull the economy out of the depths. Any change in the detailed complexion of the market in the field only became known long after the event.

ERM: So Greeley was shocked to learn from you and from Seeley just what the condition of things was?

CHK: Yes, shocked. So, as I learned afterwards, he went to E. W. Demarest, who was president of the West Coast Lumbermen's Association at the time. Demarest felt very deeply about the responsibility of the Code Authority and the real objective of the NRA to spread employment and to give the economy of the United States a lift. Anyway, he called his board together quickly, and they ordered Judge Paul to go to court and get an injunction to stop us from following through with our intention of selling at the market price.

ERM: In other words, Greeley leveled with you when he talked with you in Shelton and must have told you that under these circumstances he had no choice but to prosecute you if you took this course of action. Is that what he said?

CHK: He couldn't have said that at the moment because he wanted to get more facts. Of course, he got them from Seeley. But a few days later, the Colonel, like the grand gentleman he always was, called me and said, "Chris, I'm sorry, but we've got to take the course we're taking because we've got to comply with the basic laws, or I've got to get out, and that's it." I said, "I appreciate that. So, we'll see where we wind up." And that's the way we left the issue.

Then, the second day after I had written the letter, they got their injunction from Judge Cushman of the federal court. When I say they, I mean Judge Paul under the instructions of Demarest and the board.

ERM: So they were going to close you down?

CHK: We did close down. When that happened, we could go to the people in Shelton, Mason County, and eastern Grays Harbor County and say, "Here we are, we're down. And we are down because we will not sell lumber under the code prices."

Of course, we knew something like this would happen when we took this step. We weren't that naive that we thought we could get away with that sort of thing, but we had to find out what was possible. The only way to do that was to force the issue, so we forced it.

ERM: Did you want to find out where the rest of the people stood, too?

CHK: That's right. So attorney Raymond Wright, who was the attorney for Puget Sound Associated Mills, Incorporated, had become the attorney for the Reed Mill Company as well. It is the Reed Mill Company that is involved here, not the Simpson Logging Company. The Reed Mill Company was still a wholly owned subsidiary of the Simpson Logging Company. I was in the doghouse because I was president of the sales company, I was manager of the Reed Mill sawmills, and we were selling logs to the log-buying mills, members of the sales company.

Anyway, Raymond Wright, as attorney for the sales company, sat in at every board meeting so that we would make sure we were keeping our skirts clean with the Department of Justice. We wanted to make certain that we weren't making some move or taking some action that would get us in trouble. Because of this, Wright was as well acquainted with the problem as was Seeley.

"Let's don't let this thing get messed up in my office or in your office," he said to me, "let's go someplace where we can be alone and work together." So we got a suite at the Washington Athletic Club in Seattle. Then he said, "The first thing I am going to recommend is that we subpoena all the lumbermen within legal distance--I forget what that was--of your operation and all their sales and invoice records.

ERM: This would enable you to ascertain the extent to which the practice of selling below the code prices already existed right there in your own midst?

CHK: Exactly. So then he said to me, "You're going to be an SOB if we do this, and you should understand where we're headed."

ERM: You'd be the Judas to everyone there.

CHK: That's right. But we approved, and he took action. The subpoenas covered every operator, large and small, within legal limits. After the subpoenas were served, a number of lumbermen came to see us and asked for a break. They had discovered that some of their salesmen were not exactly angels. A decision was made to ask all of the operators who wished to join us to attend a meeting with their attorneys and our attorney for the purpose of charting a course of action.

ERM: Were there any of them whose skirts were so clean that they didn't have to worry about having their records subpoenaed?

CHK: Having to collect all your files and prepare them for examination by a court is a task regardless of whether a fellow was clean or not, and no one likes this sort of disruption in his office. There must have been some, but the court never ordered an examination of the records after all, because it was decided that the case would be tried on constitutional grounds. No one ever mentioned the names of the small operators who appeared before the compliance committee.

ERM: In other words, Chris, the intent was to break the NRA code on constitutional grounds, just as it was ultimately broken in the Schechter case? This was, then, a determined, organized, planned endeavor on the part of the industry to get this monkey off its back? What did Greeley have to say about this decision?

CHK: Well, Greeley's testimony on the stand pretty much tells that story.

ERM: At the trial? But that's leaping ahead quite a ways.

CHK: Yes, but Greeley's position at the time of the decision was the same that he maintained on the stand at the hearing, and that's a matter of public record.

ERM: Yes, but what I'm getting at is that within the ranks of the companies Wright called together there was a dedicated group which was planning to force the issue on constitutional grounds. But these were the same people that sat on Greeley's board of the West Coast Lumbermen's Association. And Greeley, as the head of that Association, was pledged to Mason to uphold the Lumber Code Authority. How did he deal with this impossible situation?

CHK: I cannot remember whether this took place before or after the court hearing, but the industry was badly split between those who were determined to abandon the Code Authority--many of whom were members of the association board--and those who were determined to continue the Code Authority. Some of these latter men were also members of the association's board. And yet, Greeley was in an impossible situation. At any rate, he was ordered by the board to take an extended vacation until the association could be reorganized.

ERM: Is this you're trial that you are speaking of?

CHK: The injunction was brought against the Reed Mill Company enjoining it from selling lumber at less than code prices, or I should say, enjoining it from following through on its declared intent to do so. Since I was manager of the Reed Mill Company and wrote the letter threatening to make such sales, I suppose you can say it was my trial.

ERM: How much time was there, Chris, between your getting the summons and your being brought to trial?

CHK: I don't recall, but it was pushed very fast. There was certainly no long delay in bringing the case before the court. I would think now that it was no longer than the time it took the attorneys to prepare their cases, including those who were supporting our action.

ERM: Who were some of the principal companies that came in with amicus curiae briefs?

CHK: There were a number of them. I can't now recall all of them, but it is all a matter of court record who they were.

ERM: You say Greeley testified against you, in a sense. How would you characterize his testimony at the trial?

CHK: There were no complete statistical records upon which to base a clear exposition of what was happening in the field. The necessary facts would have meant a consideration of thousands of instances in the field; not only of violations, but also of the tremendous pressure to sell by the many operations which had been shut down and were now coming into the market because of the high prices. Greeley, therefore, testified as to his experience in the lumber industry, his position with the Code Authority, the efforts which his administration had made to comply with the recovery act, and what in his

opinion would happen should a large group of operators sell lumber under code prices.

ERM: So your skirts were clean as far as adhering to the law, up to the point of your writing your resignation from the association's committee?

CHK: That's right. What the authority did was to attack the action taken in writing the letter itself, which would have had the effect of unsettling the whole situation and casting a bad reflection on the ability of the Code Authority to administer its affairs.

ERM: Of course, Greeley was in the position of being the executive of the trade association which had a recognized responsibility for administering, and your defection from the ranks put him in the position of having to admit that he couldn't control his own group.

CHK: He was really in a terrible spot.

The straw that finally broke the camel's back for the Code Authorities was the increasing number of revived sawmills throughout all lumber producing regions; each of these was seeking its share of the market after lumber prices were raised in 1933. From the peak reached in 1929, when there were 20,037 active sawmill units, the number declined to a low of 6,838 during 1932. The average lumber prices reached a low that same year. Southern yellow pine and Douglas-fir average lumber prices were \$13.79 and \$10.42, respectively.

Organized in late 1933, the Code Authorities immediately raised their prices hoping to stimulate buying by the retail lumberyards, and this hope turned to success. Average lumber prices during 1933 increased 31 percent in the southern yellow pine region, and 29 percent in the Douglas-fir region, even though expenditure for total of all construction declined 12 percent. The increased lumber code prices, sustained by the upsurge in retail lumber buying to replenish depleted inventories, encouraged increasing numbers of sawmills to enter the market in 1933 with revived production. The reporting active sawmills increased to 7,742, or 13 percent, and lumber production increased 27 percent. The total of expenditures for all construction during 1934 increased 24 percent. However, the increase in the number of reporting active sawmills fighting for a share of the market increased to 15,012, or 94 percent, and lumber production increased only 9.8 percent. This was the national picture.

Violations of code prices and loss of control of production, we know, occurred first in the southern yellow pine region before it spread to other regions. The Pacific Northwest region covered the states of Washington and Oregon and included all sawmills producing ponderosa pine, Douglas-fir, western hemlock, western red cedar, et cetera. Greeley's Douglas-fir region and part of Mason's western pine region were included. There, the number of active sawmills in 1934 increased only 17.8 percent over 1933, and lumber production only 1.3 percent. But in the southern yellow pine region the number of active sawmills in 1934 represented an increase of 152 percent over 1933, while lumber production increased only 2.4 percent. The production control committees in Washington and Oregon were reducing sawmill operating time to control production. This was successful at first, and in this region code price levels seemed safe; but late in 1934 it seemed impossible to reduce operating time any further to sustain prices in the face of what was happening in the South.

To restrict production by control measures and to police prices during an avalanche of new producing units seeking a share of the market was an impossible task, and this situation gave way to the price breakdown. Greeley and Mason faced conditions which no human being could have prevented.

William Greeley and the West Coast Lumbermen's Association, 1928 to the 1940s

When Greeley came with the association in 1928 we had had a few years of declining lumber prices. With the backing of the leaders of the industry Greeley was able to convince the most hardboiled skeptics that a start should be made at trade promotion and advertising by the industry. He did it by showing them exactly what to do, with a program directed at their biggest interest--the farm trade.

The midwestern farm trade was growing to beat the band and it was an important part of our market. Greeley brought in an industrial engineer, or sales engineer, to design farm buildings: hog pens, chicken houses, and so on. Since it was decided that to do the best possible job these buildings should be properly designed, this engineer--I don't remember his name--went out and

consulted with several agricultural colleges in the Midwest. With their advice and support the engineer and his staff drafted new designs for every type of farm building.

Then they began advertising in farm journals, directing their advertising to the growing rural market, stressing the renewal of old buildings, and so on. This was what the association needed to see, an advertising program that was specifically directed to a specific customer. It was something that everybody could see; it was clear, and the notion began to grow from then on. Unfortunately, this particular program was gradually reduced because of the oncoming depression until, finally, the cost of such a program was thought too great to carry.

Now, when Greeley entered the scene in 1928, John Tennant was president of the association, and the two of them labored mightily in their efforts to create a constructive atmosphere for such a program. Any man who accepted the job as president of the West Coast Lumbermen's Association had to make a lot of sacrifices, particularly an executive who had, at the same time, his own company problems to deal with. I came to appreciate those sacrifices even more when, some years after the depression, I spent a one-year term as president. Even then, I had spent four, five, maybe six years as vice-president before I'd finally accept the job.

ERM: When did you become president of the WCLA, and how long did you serve, Chris?

CHK: Just that one year, 1946. That was the agreement I had with the committee that asked me to run. You see, although the president was elected each year and generally a vice-president was chosen, it was the practice to have him agree to accept a second term once he'd been elected. However, I couldn't see taking two years away from my business, so I agreed to accept the nomination for president only if I would not be asked to serve a second year.

ERM: You say that this position, as well as the entire time you spent in active leadership of the WCLA, was very demanding?

CHK: Yes, it really was.

ERM: I'd like you to describe more fully the responsibilities of this assignment with the association. How did you accommodate both your association responsibilities and your activities as the executive officer of your own company?

CHK: Well, Elwood, let me see if to begin I can't give you some sort of background. I mentioned that when Greeley came on the WCLA scene back in 1928 he'd concentrated on convincing the industry of the necessity for trade promotion and advertising. Things were going great guns until such programs had to be cut back in the face of the oncoming depression. There just wasn't the money to support them. Then, after the depression, Greeley renewed the drive for a broad trade promotion and advertising program; but, again, this subsided somewhat as we moved into the Second World War.

Beginning in the late 1930s industry production began to move out of the state of Washington and into Oregon because of the very large untapped timber holdings there. This movement gained momentum in the early 1940s owing to the increasing integration of lumber-producing units having no timber and timber ownerships in the state of Washington. These ownership changes, in turn, affected a reduction in the volume of the Puget Sound and Grays Harbor log markets. During the war every timber holding which had been opened up with roads and within which the necessary equipment was available was asked to increase its output of logs.

As a result, almost every logger had overcut his timber for war purposes, and after the war the decline of the great Washington log markets on Puget Sound and Grays Harbor accelerated rapidly. The industry movement into Oregon became pronounced, and the West Coast Lumbermen's Association offices were moved from Seattle, Washington, to Portland, Oregon. I can't tell you exactly when the move was made, but by the time I became president in 1946 the association offices were in Portland.

Peace was declared in 1945, and that was a year of great activity. The industry went through the process of breaking out of the many controls occasioned by the war, and Greeley helped to spark an intensive drive to raise a large sum of money for association marketing programs. Working with Greeley in this was Hal Simpson.

Now, Simpson already had a wide working knowledge in the fields of lumber production and sales when Greeley picked him to manage the WCLA's Washington, D.C., office. It was through Simpson and that office that Greeley kept in very close touch with whatever was going on in Congress and in national association affairs. When Greeley retired in 1944, Hal Simpson was elected to take Greeley's place. His title was executive vice-president, and he had occupied this position for a year prior to my becoming president. Of course, when I did become president, I was the beneficiary of the years of planning and effort by Greeley to build a strong and able staff for the association.

I had served as a member of most of its committees over the years, as a member of the executive committee, and as vice-president for several years. I have a suspicion that most men who have given of their time to these things have developed a sort of feeling of obligation to their industry because of the benefits which they and their companies derived from the time given by men who performed these tasks before them. These men were dedicated individuals and set an example for those to come by their cooperative effort and their accomplishments. I felt that obligation when I accepted the responsibilities of the association presidency.

Fortunately, I had Hal Simpson to look to. Not only had he had extensive experience on the West Coast, he was also very familiar with the national picture after his work in the Washington, D.C., office of the association. He was well informed in many areas, and I leaned on him a great deal whenever it was necessary to decide what committee meetings we should have, what direction should be taken, and who were the right men to bring in to discuss the current problems of the industry.

ERM: Chris, what kind of salary did you pay your association director?

CHK: I can't remember what it was, Elwood, but this is one of the things that bothered me a great deal. Many of the salaries at that time were inadequate, and this was true in the case of Hal Simpson. Now, this was a result of action at times taken by Greeley himself when he was secretary-manager. On several occasions during his regime as president, John Tennant woke up and found out that Greeley had cut his own salary. When things were really tough, Greeley's conscience wouldn't let him alone. He'd make drastic cuts in his own salary to keep association income and costs in balance, and no one would know anything about it but Harris Smith, the comptroller.

Well, when Tennant found out, he would have a meeting of the board. He'd ask Greeley to step outside, and then he'd tell the board we couldn't stand for this kind of monkey business. Then we'd have to raise his salary just to get it back to where it was, and we'd have to make sure he didn't cut his own salary again! Then Greeley's salary would be restored with an admonition to stop such practices. But no one could really tell him "Stop, or else!" because everyone knew that through those trying times, he was the association.

Anyway, I don't think Greeley ever was paid what he should have been paid. I have a difficult time remembering what the salaries of men like Hal Simpson were; there were so many of them involved! But it always seemed to me that, whatever they actually were, they were

too conservative. We just had to bolster them. Salaries and wages were going up all over the place in 1946, so, in keeping with what was taking place in the industry, we had to begin to follow suit. Hal Simpson had an opportunity to take on other employment, and that's when I asked the board to give some thought to raising the dues. And they suggested that if I could get the industry to favor such a move, they would certainly be in accord.

You see, what had happened was this. Greeley's cutting his own salary when things were tough, inadequate salaries, and so on all added up to an image of austerity for association policy, and that tone was to linger for some time after the depression. Then, when peace was declared, the relief and the sense of renewed freedom from the anxieties, the tensions, and the wartime controls brought about an energy in the industry which I will never forget. Association peacetime programs were renewed in 1945 on a scale never before attempted by the industry.

Now, this occurred during Dean Johnson's presidency. Since in almost every endeavor a lull usually follows such a sudden outburst of energy, I had quite a job waiting for me in 1946! It was my task to sustain the momentum, to keep things rolling. In addition, it was up to me to find a way to pay for the then recognizably increasing association costs.

Of course, by 1946 when I became association president, the Simpson Logging Company had already purchased the McCleary properties, it had begun construction of its fibreboard plant, and it had purchased the Puget Sound Associated Mills from its members. In other words, it had completely integrated its properties, and I had an excellent and able staff in every department, not only within the association, as I mentioned, but within the company as well.

Having men like George Drake and Sid Hatcher, who were running our woods and mills, and Bob Seeley, who was in charge of all sales, and Morris Sekstrom in McCleary meant I was able to move freely. I had great confidence in all these men. I kept in touch with everyone by telephone, and if anything should come up, why, I was always able to get home quickly.

So I began work. I started down in Roseburg, Oregon, and worked my way all the way up to the Canadian border, just to get some kind of idea of how this business of raising the dues was going to go over. I had to find out what they were thinking about.

ERM: Was this something you had to put to a vote of the members?

CHK: That's right. The board made policy and approved programs, and the association committees and the appropriate staffs steered and kept the programs rolling. But to get increased revenues meant membership approval. So the idea had to be sold to the membership before you could take it before any meetings for membership approval and before the board could approve.

ERM: So you were really just trying to get the ball rolling at the grass roots?

CHK: That was it; that's what had to be done. And it took some doing. The physical changes in the industry as a result of the depression and the war created a marked change in the attitudes of management. The men in the state of Washington were talking a new language. The change was toward long-range planning. But in Oregon, where the industry was moving because of the large volume of untapped timber, the movement itself was short-range planning. And yet, it must also be said that it was the old-timers in Oregon who helped develop the long-range programs of the industry. Great changes were taking place; Greeley retiring, new faces showing up everywhere.

ERM: Where does Hal Simpson fit into all this? Did he accompany you on these trips?

CHK: We worked together. It was strictly a team affair. I was also able to prevail on Dean Johnson, immediate past president of the association, to accompany us. We'd depend upon the board member in each district to help bring out the lumbermen, nonmembers as well as members, to an evening dinner and meeting at which we'd make speeches, discuss the subject, and get an idea of their attitudes and reactions.

ERM: Now, when you stopped at these various places, Chris, did you tackle the members and the nonmembers only in groups? Or did you talk to them on an individual basis in their offices?

CHK: Well, it would depend on the location. When we were on our way to a town where we knew there was going to be a large group, we'd try to time our arrival for the afternoon. When we got there, we'd go to the office of the district board member or we'd go to see one, two, maybe three of the important men in that area, men who were influential with the group. We'd spend maybe an hour or so discussing arrangements for the evening--usually we'd arrange a dinner to which we'd invite the whole group, and after dinner we made our appeal. In these meetings we learned what we could about what the lumbermen in the area thought the industry should be doing. Then that evening we'd meet the group at dinner, talk to them after dinner, and make our pitch,

and the next morning we'd head off for another place.

Between stops at towns like these, we'd stop off at the offices of individual lumbermen. Then, too, we'd try when we were in the towns and communities to talk with individuals with whom the district board member thought a person-to-person discussion would be most productive.

Anyway, by the end of that year I was really pooped. That was a period of very strenuous activity. Of course, I was a lot younger then than I am now, but, boy, I'd think a long time before I'd take on that kind of an assignment again! It was a rugged deal, and you didn't have the roads and the automobiles that you have today. It took time to get from one place to another, time to cover the industry, talking every night or every other night to big groups and different individuals. Why, I knew every lumberman from Vancouver, British Columbia, all the way down to northern California when I got through with that deal!

ERM: Now this was a two-time tour, wasn't it?

CHK: That's right. We actually made two separate tours that year, with two months between the first and the second.

ERM: How did you try on the second tour to consolidate what you'd achieved on the first?

CHK: Well, for follow up we had to rely on the board members who represented these various districts and on staff work, the idea being to interest new members as well as old members in accepting committee assignments and taking an active interest in the association's work.

Then when we thought the time was just about right we put it to a vote of the industry, and the board approved the thing! So we went out and canvassed the industry, and that's the way it was done. That's the way it always had to be done. But I never realized what a terrific job it was. John Tennant and Bill Greeley, who set the pace for the period, worked at it constantly.

ERM: Was Greeley working on this, too, or was he retired by then?

CHK: No, he was retired by that time.

ERM: Greeley had had some very difficult times sustaining the association in the years that he was head of it.

CHK: Oh boy, I'll say he did.

ERM: There were a couple of times, when, by golly, it looked like the association was going to go down the drain in spite of his leadership ability.

CHK: That's right. I had the greatest admiration in the world for the man. I think he did a monumental job with the industry, in the first place, keeping it afloat!

ERM: And moving it to do certain things and adopting certain principles which are now more or less accepted everywhere.

CHK: Accepted all over, everywhere. The West Coast lumber industry will never be able to fully appreciate what he did for it. The feeling among Greeley's contemporaries at the time he retired, I thought, was expressed best by an old lumberman, who was discussing the subject in a group of which I happened to be one. He compared the occasion with the graduation ceremonies at the end of his junior year in college. In effect, this is about how he put it. The college football team during his junior year was the greatest, and its quarterback was the greatest of the great. He attended the graduation ceremonies and watched the quarterback graduate and prepare to leave the scene, and it seemed to him that the world had fallen apart. Greeley's retirement was a repeat performance.

ERM: What do you remember most about Colonel Greeley? Can you pick out a story or two which perhaps will illustrate what you mean by his great contribution to the industry? I'm looking now for little nuances, that reveal his character and that aren't documented elsewhere.

CHK: I do recall an instance that will give you something of that picture. I don't remember the subject which was involved, but I remember vividly the result of the association board meeting at which it occurred. Greeley was requesting the board's approval of a program. It seems to me that he needed at least a favorable sentiment, if not approval, for a proposal he wanted to present at a Washington, D.C., meeting of the national association. It was the last subject on the agenda, and the board adjourned without giving Greeley what he wanted. After the meeting adjourned and everyone had left the room but Greeley and, I believe, Ralph Brown and me, Greeley looked dejected. The only remark I could think of making at the time was, "Colonel, why in hell don't you just throw your papers out the window and forget about it?" I'll

never forget his answer, "Chris, you don't get things done that way. If we'll bide our time, there'll be another day."

I used to play chess with him on occasion. During these visits our discussions ranged the entire field of industry problems. We used to have long discussions on the pros and cons of tariff protection. In economic philosophy I was a free trader--he called me a rabid free trader--and he could not justify in his own mind such a policy in the face of the Canadian lumber imports. His approach to such problems was that of reciprocal arrangements. However, he later plugged for tariffs. He was a great compromiser of opposing forces. His philosophy was, "If you can't beat them, join them; there'll be another day."

ERM: Did you see him defeated more than once?

CHK: An innovator never finds his path without stumbling blocks, but he always carried the day, even if he did have to bide his time.

ERM: Did the membership of the association break down into recognizable groups whose reactions you could usually anticipate?

CHK: Yes, there were interest groups, very much so. There were the operators who were located in the interior with no local tidewater outlet, and these operators had air drying yards and dry kilns. They, of course, dried their lumber because freight rates on lumber shipped by rail was calculated by weight and their only transportation method was by rail. On tidewater were operators who also dried and kiln dried their lumber, but also had the means of shipping green lumber by ocean-going vessel. Then there were many operators on tidewater who did not have any air drying yards or dry kilns and shipped all of their production green by ocean-going vessel. Also, there were a few operators who produced only cedar, hemlock, or spruce lumber, and some operators who produced lumber from all species.

Air dried or kiln dried lumber was supposed to be preferred by the carpenter in the consuming field because he did not have to contend with shrinkage, it was easier to handle, it had a superior appearance, and the variables in weather conditions in the wide range of consumer areas did not alter its quality. Green lumber had to be cut full at the sawmill to compensate for shrinkage, and quality deteriorated more rapidly under the many conditions to which it was subjected through shipping and storage. Also, different species of wood acted differently.

In the early days it was a never-ending task to reconcile the various opinions and interests when trying to establish standards for lumber grades and sizes. I recall a journey I made to New York in the 1920s. A short time before I arrived, a heavy grand piano in a third floor apartment of a Brooklyn apartment house collapsed the third floor under it and then the second floor, and it landed on the first floor with a heap of other furniture which was in the rooms on the two floors. The incident was a topic of discussion among the wholesalers and the retailers when I arrived.

Rumor was that the building inspectors were palmed by the builder, that the floor joists were green hemlock, and that they were #3 and #4 grade and scant in thickness. One wholesaler said, "I'll give you a fancy name for the joists--shyster plank." The universal opinion was that the joists did not comply with the city building codes.

There were fears among the trade that the furor raised over this incident by the city authorities and the press would have the effect of tightening the city building codes by eliminating the use of all green lumber and hemlock, in particular. This was probably an extraordinary situation, but building code authorities and city administrations all over the country, which could be influenced by competitive materials, were a constant source of irritation for the industry. This was reflected in operator opinions of what should be done about it.

The association's lumber standards committee and its trade promotion and advertising committees were constantly aware of these problems, and Greeley's task was to keep these groups moving in a constructive direction. The independent loggers had their association, and most of them did not support the West Coast Lumbermen's Association. A number of West Coast Lumbermen's Association members owned their timber and did not support the loggers association. Greeley's ability to work with and influence these divergent interests was a great accomplishment, and the constructive forestry programs of the industry were the result.

THE MEN OF THE SIMPSON LOGGING COMPANY

Mark Reed and Family

ERM: Well, I would now like you to give me your personal view of Mark Reed as a person, a family man, an employer, a community builder, a state leader, and one of the few lumbermen of his time who foresaw continuity in timber operation through retention of land and proper forestry.

What can you tell me, for example, about the relationship between Mark Reed and his contemporary in the forest products industry, Alec Polson of Hoquiam.

CHK: Well, the Polson Logging Company timberlands were located north of Hoquiam in Grays Harbor County along the Humptulips River watershed and at some points near the Simpson Logging Company lands in the Wynoochee River watershed. The Polson lands contained a considerable stand of western hemlock timber for which there was little market in those days. It was as difficult to sell hemlock logs on Grays Harbor as it was on Puget Sound.

The Polson interests established a lumber-producing operation cutting hemlock logs at Hoquiam as a necessity for the purpose of utilizing their hemlock timber, just as Mark Reed did at Shelton. I used to visit with their managements frequently. Mark Reed and Alec Polson had many mutual problems. Alec Polson, I believe, served at one time in the state legislature, and he was a very influential man in that part of the state.

The Schafer Brothers Logging Company lands and timber were located between these two properties north of the town of Montesano, as were the Henry McCleary Timber Company lands around the town of McCleary. There were other smaller ones but these were the principal operators in the area. South of these properties were the timberlands of the Bordeaux Lumber and Shingle Company, and the Mumby Lumber and Shingle Company. A. H. Anderson, who was Sol Simpson's partner, had an interest in the Bordeaux, Simpson, and other properties. It seemed that the Schafer people preferred to keep to themselves more or less,

but the other interests had much in common and they conferred with Mark Reed frequently.

ERM: Was it to some small extent similar to the combination of lumbermen in the Midwest that made up the Weyerhaeuser group?

CHK: Probably in appearance.

ERM: In other words, there was a great deal of overlapping of investment and ownership in the operations of all of these companies.

CHK: There never was any investment connection between the Simpson interests and the Polson interests, but in every other direction their interests were mutual. Let me describe just one situation which would be hard for people to visualize today. When I arrived in Tacoma in 1912, the virgin timber line was not too far distant from many of the populated communities and cities on Puget Sound or Grays Harbor. The road from Tacoma to Mt. Rainier was paved for only a very short distance from the residential area. The balance of the road was a rough dirt road, and over miles through the Nisqually River canyon, it was a single-lane road with passing side roads. As late as 1923, the road from Olympia through Shelton to the Chehalis River valley and to Hood Canal was a rough dirt road.

This was true of all roads leading to Aberdeen and Hoquiam in Grays Harbor. The road for many, many miles from Shelton along Hood Canal to Port Angeles was a single-lane road with passing side roads. This situation was typical of the road system in the northern part of Puget Sound and up the Skagit River valley where the Dempsey timber was located. To get an injured man from a logging camp or from a small community to a hospital was a problem.

The battle between the counties east of the Cascade Mountains and the counties west of the Cascade Mountains for good roads was intense. There was a Good Roads Association which worked for better state road systems and for equitable distribution of state funds appropriated for the purpose. At times, lobbying for good roads in the state legislature became a topic for the press to headline.

The timber-holding companies had much in common besides forest fires, taxes, and other problems. Mark Reed and Alec Polson in southwest Washington were the spearheads for this area

in such civic and legislative problems, and the county toes that might have been tromped on was of interest to Mark Reed and George Long when they decided who would support what forestry or other legislation. The problem of good roads was basic to the development of the state and entered into the consideration of many phases of state legislation.

ERM: Did they share in banking investments ?

CHK: They had some joint financial ventures involving the acquisition of timber which was divided between the two companies. Banks were basic to the development of isolated local areas, and the men who created wealth from the natural resources were also interested in the financial and commercial development of their communities. The Bordeaux, Simpson, Anderson group were such people.

ERM: Where did lawyer W.H. Abel of Montesano fit into this whole complex.?

CHK: He was an able corporation attorney who represented many companies in western Washington, including the Simpson Logging Company and the Henry McCleary Timber Company.

ERM: I don't know what I detected in your statement of this, but earlier when you mentioned him you said you didn't know how he got to be so influential. What did you have in mind when you said that?

CHK: Well, first, for an attorney he was located in a very small community. His interest seemed to me to be in a number of enterprises in Grays Harbor County.

ERM: Financially?

CHK: Through family connections, such could have been the case.

ERM: How much personal contact did you have with him?

CHK: Well, I suppose you could say not too much. When I became vice-president of the Simpson Logging Company, I learned to know him, of course. He was one of our company attorneys. After we acquired the McCleary properties I conferred with him over many of the local problems that arose. He prepared the charter for the town of McCleary. His office consisted of a two-story building in Montesano, and in every room in the building the walls were lined with law books. On the second floor he had a book

bindery in which his staff bound and repaired books. I was interested in his library, and we talked about it often. He would call on me in Shelton occasionally. On one such occasion he presented me with a very old, two-volume copy of Adam Smith's Moral Sentiments because he had seen on my bookshelves a copy of, so he said, a beautifully bound set of Adam Smith's Wealth of Nations. I was told that Abel was considered a great authority on ancient land titles stemming from colonial times and the Indian treaty period.

ERM: What was his relationship to Mark Reed?

CHK: I remember Mark Reed mentioning Abel in connection with some legislation.

ERM: Do you think that he called upon Abel to help him frame bills?

CHK: That may be possible, but I cannot say.

ERM: Perhaps Abel was an architect of many of the organizations that were set up, business and otherwise-- drafting articles of incorporation, various business enterprises, and things of this kind?

CHK: He must have been. I would imagine so. He probably knew the genesis of many corporations and wealthy families there. The Grays Harbor communities of Aberdeen and Hoquiam were very busy lumber-shipping ports because of the many operations located around the harbor. I used Abel's services for those problems affecting the McCleary properties because he had been Henry McCleary's legal advisor and was familiar with those properties. In Shelton, the company's attorney was Charles R. Lewis.

ERM: Abel is deceased?

CHK: Yes.

ERM: Mark Reed's own death was the result of amoebic dysentery he got while taking part in the Code Authority meetings of the NRA in the Congress Hotel in Chicago. Several others in attendance were also stricken.

CHK: Yes, that was a tragedy. Within a short period of time, tragedy

also cut down Bill Reed's two brothers, Sol and Frank. Two years after his son Sol was killed, Mark Reed's family moved to Seattle. The company's operations were all located at Mason and Grays Harbor counties; therefore, all of the operating office activity remained in Shelton. And after Mark Reed's death his second-eldest son, Frank, became president of the company and remained in this position until his death.

ERM: What can you say about these blows that fell in rapid succession on the family and the company?

CHK: I was fortunate in that I had the opportunity of working under the leadership of Mark Reed for between eight and nine years before he passed away, George Drake for between three and four years, and Frank and Bill, of course, had always had their father's counsel. Bill came with the company in 1931, and, therefore, his experience working with his father within the company extended over two or three years.

ERM: He was confronted with many responsibilities almost as soon as he came out of college.

CHK: Yes, he was secretary of the company. The family partnership, the Simpson Investment Company controlled the Simpson Logging Company; it also held many other investments. The estate problems and the partnership problems fell on Bill's shoulders.

Frank, as president of the company, and Bill, as secretary, lived in Seattle, and their offices were in Seattle. I lived in Shelton, and this was the situation when the company purchased the McCleary properties in 1942.

The man who came in to tell me about Henry McCleary's intention of selling or junking his company properties was Carl Macke. Carl Macke was chief engineer for the McCleary Company for some twenty years before he came to live in Shelton to design and build the large power plant which furnished power for the two sawmills and the pulp plant, as well as for the town of Shelton.

When the company dismantled its red cedar shingle mill, Macke was instrumental in persuading the company to organize the Olympic Plywood Company. It took over the shingle mill buildings and facilities, installed plywood-producing equipment, and utilized a grade of logs which at that time was thought to be too small for that purpose by the industry. The Simpson Logging

Company, of course, had the largest interest in the company, but there were other stockholders, including Macke and me. Macke still had a financial interest in the Henry McCleary Company. He was manager of the central power plant and became manager of the Olympic Plywood Plant, so it seemed natural for McCleary to get the word to me through Macke that he was going to withdraw from active business life and dispose of his properties. I called Bill and Frank Reed about the situation and went to see Ed Hillier, who was the oldest operating executive then in the company. He was a director of the company, president of the Phoenix Logging Company, and liquidator of the Mumby Lumber and Shingle Company. Ed Hillier lived next door to me, and I leaned on him to a great extent. Discussions revealed agreement with my reasoning for the acquisition of the properties. We met with Henry McCleary two or three times, but we could not reach an agreement so we dropped the subject. I was interested in the door plant and the plywood plant in the town of McCleary and the sawmill in Shelton. The Shelton sawmill was important to the economy of the area.

On the morning of December 31, 1941, attorney Abel called me on the phone to tell me that McCleary was in his office and that if I could make a reasonable proposal we might be able to reach an agreement if we were still interested. I went to Abel's office in Montesano, dictated a proposal, and McCleary thought it was acceptable as a basis for negotiation. I called the Seattle office, but it was the last day of the year, and Bill was the only one there. He asked me if I really wanted the properties, and his question created some thoughts in my own mind. So after some pause he asked me if I was still on the phone, and, of course, I finally said that I did want them as part of our future program. He cautioned me by saying that I was going to have to be responsible for their management. Frank and Bill had some very able men on their staff at Shelton during this period.

ERM: I take it that they were inclined to let you run the production end of the company.

CHK: They were organization-minded and delegated authority. From the time I came to Shelton until I became executive vice-president of the company in 1938, my title remained as sales manager. Titles didn't mean much. After Mark Reed passed away in 1933 my responsibilities increased rapidly because I had been moving into them. Mark Reed's title was president and manager of the Simpson Logging Company and its subsidiaries, the Peninsular

Railway Company and the Reed Mill Company, until he passed away.

ERM: While the elder Reed was alive, didn't he keep a close control over the company?

CHK: He kept the responsibility for results firmly in his own hands. He had a gentle way of easing responsibilities over onto your desk, after which his direction was by suggestion. I can remember very few times when he was positive about detailed direction. He was a leader, not a driver.

C.H. Kreienbaum: President, 1945 to 1949

ERM: You were president of Simpson for four years, 1945 to 1949. Then you continued on, after a breakdown in your health in 1949, as vice-chairman, and you stayed in that role until you reached retirement in 1960.

CHK: That's right. When I came back from Europe in 1960, I was asked to remain active with the company in a consulting capacity, which I did until Mrs. Kreienbaum and I moved to San Diego.

ERM: Was there any difference in the way things operated after you became president?

CHK: Well, titles changed; very little else changed. I carried on as I had before. As far as the operations of the company were concerned, not too much changed until we branched out into northern California. First, we purchased a tract of redwood timber. Then we purchased the Coast Redwood Company's old sawmill at Klamath. We were not staffed for the proper management of these properties, found it necessary to shut them down, and then my physical condition worsened.

ERM: What indication did you have?

CHK: I had my first indication of trouble--chest pains--in the fall of 1948. I was 53. After learning of the history of my family--my father dropped dead on the job as plant manager of the Augusta Veneer Company in Augusta, Georgia, at the age of 47--my doctor

advised a long vacation immediately or at least a change of pace. We were approaching the year's end with a number of problems, and I thought such a situation might be worked out after this. In February, 1949, I was hospitalized with a defective heart.

ERM: How would you characterize your routine in these years of your business activity?

CHK: Oh, I was up most of the time by 6:30 or 7:00 A.M. and got to the office as fast as I could get there. The time spent in the office depended on meetings, appointments, et cetera. While in Shelton during the early years I spent much time out in the operations getting acquainted with the problems of our growing properties. The routine of the office never allowed anyone to really project long-range plans. I took a briefcase home with me almost every night.

Early in my life I acquired the habit of awakening about 2:00 A.M., and between that time and 4:00 A.M. I did most of my analyzing, solving my problems. It seems that during such meditating times the atmosphere would clear and solutions became more discernible. I wrote many notes during these early morning hours, some of which didn't seem so smart the next day. We did not have economic research staffs in those days, and I did most of this sort of thing myself, at night.

During most of my life the most important decisions I made were not done by talking to someone. They were made during a time when I could think them out, when it was possible to decide when and how to proceed in getting things moving. And this sort of thing usually took place between two and four in the morning. The moving, however, never seemed to travel the road you planned. I found, many times, the course you set to hit a particular target is not the course you have followed when you got there.

ERM: Mark Reed seems to have had a very widespread reputation among people in different sectors of the community. How did he do business with these people? How did he establish this widespread reputation?

CHK: Well, the first inkling I had of this influence after I came with the company was on an occasion when he sent me to a meeting of the Loggers' Association. The Loggers' Association was the only industrial affiliation Simpson had as far as I knew at that time. The company had no sawmill and all of his contacts with industry

associations were through his friends who were influential in these organizations. My contacts previous to this had been as a representative of the Dempsey Lumber Company with organizations which were concerned with lumber production and sales. The exclusiveness of the independent logger at that time seemed to create in my mind a very special breed of businessmen.

This particular meeting was held in a restaurant in the Smith Building in Seattle. I entered the room as a timid and very curious lumber sales manager, not knowing how a group of loggers would regard such a representative of the Simpson Logging Company. The only person I saw in the group who I recognized was either Ed English or his partner. English had a joint interest with the Dempsey's in the Puget Sound and Baker River Railroad Company, a logging road running up the Skagit Valley to each of their logging operations. Through him I was introduced to Joe Irving, who was chairman of the meeting.

I was impressed by the bottle arrangement on the long dining table. Among each cluster of ketchup and Worcestershire sauce bottles was a bottle of bourbon and a bottle of scotch. They were rugged fellows. Naturally, the price of logs became the subject for discussion, among other subjects, and while I was not familiar with all of this long history, I remarked that I could remember the price of logs in 1913 on Puget Sound because I always associated them with the expression of the Negroes in Virginia while they were shooting craps, and it was "seven-come-eleben." The price of Douglas-fir logs was for the grades #3, #2 and #1, \$7.00, \$9.00 and \$11.00. After that I was accepted.

I merely sat and listened so that I could report to Mark Reed what action had taken place, if any. He was in the legislature at the time and wanted to know what was going on, but the respect these men showed for Mark Reed was obvious in the manner with which they regarded me, the manner in which they referred to the Simpson Logging Company during questions about this or that action which they thought should be taken.

ERM: You mean how the company would view the action?

CHK: Yes. The only answer I could give was that I was merely there as an observer and would report to Mark Reed. One thing I'll never forget was Joe Irving's remark, "You don't look old enough to represent Simpson Logging Company. How long have you been with the company?" "One year." "Well, you're really working for a

great teacher, and before you get through you'll know something about the logging business." It was evident that they had a great regard for Mark Reed.

ERM: George Long had a similar reputation. I've heard many people say that George Long's word was as good as his bond.

CHK: If George Long said he'd do something, that was all anybody needed. There was never any need to get it down on paper; you could be sure it would be done. The same thing was true of Mark Reed.

George Drake and Fire Protection

ERM: Simpson had a great record of forest fire prevention. I've got some of this story from George Drake, but is there anything you might add?*

CHK: Well, I might add a little that George would hesitate to talk about. Yes, the company had a good record, but the old-line logger was a practical logger. The experience of these men extended back to the days when logging and fire fighting was in its early day, primitive, as we think of that period today. They had fires, but they did not have disastrous fires on company lands. When disastrous fires took place in the early days, the Simpson organization was affected like all others. Simpson's experience probably was a little better than a lot of others.

When George came with the company he was, of course, a college-trained man and, in particular, a U.S. Forest Service man. Looking back on it now it seems that there was a feeling among the old-timers in the company that George was overcautious and a theorist. I cannot remember more than four college-trained men in the whole Simpson outfit when I became acquainted with the personnel: Mark Reed; Sol Reed; Fred Snelgrove, the railroad engineer; and Carl Macke. I can remember a few heated responses

*For more information on George Drake, once manager for Simpson Logging Company, see George Drake, typed transcript of tape-recorded interview by Elwood R. Maunder, Forest History Society (Santa Cruz, California, 1958).

to George's remarks about following written instructions about the care of fire tools, et cetera.

Every man was fearful of fires. They'd seen some bad ones and had occasion to fight bad fires. But George, as a college forester and U.S. Forest Service man, was a peculiarity. However, as they saw the results of his constant demands for the ultimate in fire prevention, he had the whole crew talking his language, and respect for this peculiar type of logger became high.

SIMPSON LOGGING AND THE SUSTAINED-YIELD MANAGEMENT CONTRACT,
1940s

The Schafer Purchase

ERM: You've talked about adding to the company land holdings by the purchase of county lands. But I don't think, however, we covered the acquisition of the Schafer Brothers' property, and that's something you ought to speak about.

CHK: Well, that came after we had solved some of our problems in northern California. After my heart attack in the spring of 1949 I took an extended leave of absence. Upon my recovery I was advised to take it easy, and Bill Reed proposed that I open an office in San Francisco, live there, and take over the management of the northern California properties. The proposal appealed to me because the plant at Klamath was shut down and because the processing of redwood was a problem with which we had no previous experience, it seemed an interesting challenge.

I was fortunate again in that we had good men to staff the operation. I was able to interest Fentress Hill, who was president of the Northern Redwood Lumber Company, in working with us by furnishing a large area of land near his company's plant at Korbel for an air drying yard. Lumber was transferred from this yard to his operation, put through his dry kilns, and his sales organization sold the lumber. It was then shipped from his plant. Through our study of this operation we finally determined our needs.

We purchased a large tract of land at Arcata upon which we started the construction of our own drying, storage, and shipping facilities. Thomas Glead, who had been president of the Seattle First National Bank and a member of the Simpson board of directors, became president of Simpson, and I worked with him closely on company problems during the four years I spent in the San Francisco office. In fact, so much so that Mrs. Kreienbaum and I sold our home in Marin County and again established a home near Seattle.

ERM: But you lived in Marin County for how long?

CHK: Four years. I was merely acting as a consultant from this point on during the balance of my active career with the company. Henry Bacon had become executive vice-president, and the operations were his responsibility.

We were talking about the Schafer purchase when I took off on our California venture. This purchase was made after a proposal by the Schafer Company that if Simpson would be interested, the Schafer family might be willing to sell its properties. Their lands in Grays Harbor County were intermingled with the Simpson lands. The purchase of these properties was negotiated through Tom Glead, who was then Simpson's president.*

ERM: How much property was involved?

CHK: I do not remember, but they had a considerable acreage of mature timber in Lewis County and a large acreage of well-stocked, second-growth timber on their logged-off lands. The second-growth lands were intermingled with the Simpson lands. They were hauling some of their logs over the Simpson railroad in Grays Harbor County, and Simpson seemed the logical people to acquire their holdings.

ERM: Didn't that add a considerable block of land to your holdings?

CHK: Yes, it did.

ERM: So this really strengthened your sustained-yield position.

CHK: Strengthened our position because we were able to block up a lot of land that was checkerboarded. The Lewis County land and mature timber and the plant sites in Hoquiam were out of Simpson's area of interest, and the company disposed of these properties.

ERM: It consolidated a lot that had been done before, including the sustained-yield contract with the government.

CHK: That's right. The consolidation of the landholdings simplified the problem of land management. Intermingled landownership holdings create problems of road maintenance, right-of-way, fire prevention and suppression, et cetera.

*For W.G. Reed's comments on the Schafer purchase, see Appendix C, p. 148.

Objective: Community Stability

ERM: What were Simpson's objectives in obtaining a sustained-yield contract? I know you wanted long-term stability for the community. What else did you have in mind?

CHK: Well, community stability is essential for future potential growth. Stable landownership, the lands of which can be kept productive, is necessary to such stability, and because timber is basically the raw material upon which the whole structure of stability was built, the sustained-yield contract was essential to such an accomplishment.

Also, the government of a community cannot function properly without the tax base, which is assured by stable landownership. Large areas of logged-off lands reverting to counties for nonpayment of taxes cannot provide such stability. Simpson has invested many millions of dollars in new plants and the improvement of old plants. It has spent much time and effort and money on planting of denuded lands, et cetera, the results of which will not come to fruition for a long period of time.

ERM: What did the company do to qualify in good faith?

CHK: All of the elements just mentioned are essential to the kind of stability necessary to encourage the expenditure of capital in the millions of dollars for improvement and growth. The old Reed Mill has been dismantled. Other old plants are now to be destroyed, and new and efficient plants will replace them. The efficiency of the door and plywood plants have been increased by the installation of new equipment. Power plant facilities have been improved. New products are being produced as a result of an extensive research and engineering program. All of this activity has cost millions of dollars, and none of it would have been possible without the stability of landownership and the communities supporting the effort.

Waste-Utilization Plants

ERM: Did you develop waste material? Were there additional plants developed.

CHK: The waste material was developed by the Reed Mill Company sawmill and the McCleary sawmill on the Shelton waterfront. At this time, of course, these two sawmills were Simpson Logging Company plants. The insulation board plant was built on the waterfront at Shelton, alongside the McCleary sawmill. Incidentally, I should mention that by this time the McCleary sawmill was known as sawmill #2 and the Reed Mill sawmill as sawmill #1. The pulp mill stood on the south side of our waterfront property alongside of sawmill #1, which was cutting hemlock logs. The pulp mill utilized the waste coming from that sawmill. The insulation board plant was built on the east side of our waterfront property alongside sawmill #2, which was cutting Douglas-fir logs. The insulation board or fibreboard plant utilized the waste from that sawmill.

ERM: Who conceived the idea of the insulation mill?

CHK: Well, before the sustained-yield contract was signed, when we were approaching the period during which this sort of thing seemed a possibility, it was obvious that we needed more waste-conversion facilities than just the pulp mill which was taking our hemlock waste.

ERM: Were you still burning up some of your refuse?

CHK: Yes, we had an extraordinarily large refuse burner standing between the two sawmills. The large power plant also stood between the two sawmills, and it was fueled with the waste from these sawmills, and the refuse burner consumed the excess waste. Additional pulp production was an impossibility because of the pollution problem, and the technique of using Douglas-fir for pulp production was not too well known. Most, if not all, pulp production on Puget Sound at that time was from hemlock waste material.

Also, we had another incentive for wanting a process which would utilize Douglas-fir. We had purchased large acreages of restocking second-growth lands, and the proper management of these lands called for a thinning of the growing young timber. There was no visible or foreseeable market for such material.

We had two plant managers and an engineer with whom I discussed this problem at great length: Morris Sekstrom, manager of our McCleary properties; Carl Macke, manager of our Olympic Plywood plant; and William McKenzie, our plant engineer. Each of these men had examined fibreboard plants during our discussions

and knew the process. However, Douglas-fir had never been used as a raw material in the process. We decided on a research project which was given to the Madison Laboratories at Madison, Wisconsin. The Oliver Company and the Coe Company engineers were brought into the research work by McKenzie.

ERM: All of these were in the Midwest?

CHK: All in the Midwest. Out of these efforts the decision was made to build the plant. Morris Sekstrom, Carl Macke, and I were in Madison on the day the Allies hit the invasion beaches of France in June, 1944. We did not accomplish much that day.

ERM: So the concept of this had taken shape even before the sustained-yield contract was completed?

CHK: Yes, during the war years. The project of planning and design of the plant was turned over to McKenzie. Before the termination of the war, contracts for the equipment had been placed with the machinery manufacturers. Upon termination of the war, and after wartime controls were eliminated, the equipment for the plant was among the first such produced by the machinery people, and construction of the plant was started immediately to receive the equipment. The plant was put in production in record time.

ERM: What did your market survey show?

CHK: I cannot recall now just who made the survey, but it was an eastern economics research outfit. The survey projected a market for 40 million feet of insulation board in the ~~eleven~~ western states. Freight costs were thought to limit the market to these states. The most troublesome decision we had to make was caused by the results of this survey. Our engineers discovered that by extending the width of the production machinery, the Fourdrinier and dryer could be built to produce 80 million feet or twice that which the survey projected for the market, and I believe for an increase in capital cost of only 10 percent. Between a 40 and 80 million foot capacity plant, the projected production costs were considerable on the side of the larger plant. Such costs for the larger plant capacity were thought to be on the most favorable side of the same costs for existing plants then in production. We had a potential volume of waste material far in excess of what was necessary for the larger capacity.

An examination of the market survey revealed that the projection for residential construction was based on past construction records. Actual residential construction during the depression and the war had not been in keeping with the potential based on population growth because of the economics of the depression and the restrictions during the war; therefore, it appeared that the survey was on the ultraconservative side.

For all of my life I looked at things through the eyes of a salesman, and my theory was that the fellow who could produce the lowest cost product always set the pace in the marketplace. I had great confidence in the realistic view that our sales organization always took of the market, and, therefore, we finally decided on the capacity of the larger plant. The better risk seemed on the side of the lowest cost producer, particularly when there was such a small difference in capital investment.

To fulfill our commitment to the Forest Service, on termination of the war we reduced the cut of our forest by shutting down one of our logging camps. We offered the men in this camp jobs in the insulation board plant. The experts seemed to think this was an insane gesture, but we maintained a level of employment, although we were reducing activity in many other directions.

Steve Viger, a pulp and paper maker, formerly with the pulp plant at Shelton, was employed to help work out the technical problems. I arranged to have him visit a Johns-Manville fibreboard plant at Jarratt, Virginia. In disbelief that a logging company would attempt to build such a plant, the manager told Viger that loggers did not know how to deal with tolerances of less than 1/2-inch. Macke became manager of our new plant and Viger became the production chief.

The headquarters of the Olympic National Forest were nearby and between these foresters and those in the regional office in Portland, Oregon, these activities did not go unnoticed. Watts and Andrews were in Shelton a number of times to inspect our operations before the sustained-yield contract was signed. Following construction of the plant we built and staffed our first research laboratory. We had problems, but the plant was profitable and our loggers performed well.

TERRITORIAL EXPANSION HELPS THE SIMPSON LOGGING COMPANY ACHIEVES
SUSTAINED YIELD

Logging the LaValle Claim, 1938

ERM: Chris, you have been good enough to open your personal papers to me and let me look through a number of your letter files. In these I've come upon several very interesting letters which I think might be introduced into the transcript of this interview. They raise some questions that I would like you to answer if you please. You retired from the company in the winter of 1959 and 1960, and on January 28, 1960, Bill Reed, who succeeded you as president of the company, wrote you as follows:

Dear Chris:

Your retirement is a real wrench to me. Having worked in Simpson with you for thirty years, more than any other man, I will never get used to having to make decisions without sharing the responsibilities, the disappointments, and the satisfactions with you. All the while, from the Reed Mill days to the building of the Central Research Department, you have been the main source of strength for the company and for me. You led us through many a crisis and into many opportunities. Recall just two incidents which might now be in the minds of your other friends. One was your decision in 1938 to log the LaValle claim. This started us forward again at a time when circumstances were so black that serious consideration was being given to the permanent cessation of operation. The other was the meeting in W. H. Abel's office on New Year's Eve in the closing minutes of 1941 when, armed with authority only reluctantly given by the directors, you and I closed the deal with Henry McCleary which set the stage for the subsequent development of the company. Had this not been done, you can be certain that Simpson would have gone the way all its counterparts did. We would have had either to cut out or to sell out. In the history of

Simpson Logging Company, there have been three great names, three great men: S.G. Simpson, Mark E. Reed, and C.H. Kreienbaum.

Sincerely yours,
Bill Reed

That letter, Chris, is a wonderful testimonial to your role in the history of this company, and I would like you to comment on one or two things that are brought out in it. Mr. Reed makes reference here to two incidents which he felt were the turning points in the history of the company. The first one of these was your decision to log the LaValle claim. What was the LaValle claim?

CHK: Well, that was a piece of timber located in the Wynoochee watershed on a 160- or 320-acre piece of ground that was level, had large beautiful trees, and had very little hemlock on it. It was the most ideal logging situation, which, with ideal transportation, would make probably the lowest cost logging that we had.

ERM: Wasn't this the time of the recession?

CHK: That's right. The pulp mill was down, hemlock logs were hard to dispose of, and sawmills were shutting down everywhere.

ERM: Did you own this LaValle claim?

CHK: Yes. It was purchased many years before we decided to log it. We'd just been holding it. We called it the LaValle claim because it was one of a number of such claims in the valley that were settled by people who went in there at the time when timber claims could be acquired. In later years, the company's railroad ran west to liquidate some of the burned timber--a great fire had swept through that area, starting from Simpson's timber all the way over to the Humptulips River--before it became buggy and rotten. Well, there was a lot of good timber left among the burned timber, so the company began to buy up these claims in the watersheds as they moved through the area.

ERM: Were they doing that during the 1930s?

CHK: No. This would have begun in 1915 and 1916 clear through the 1920s. It took a long time to get in there! Anyway, the LaValle claim was one of the claims that were bought at that time.

ERM: How did it happen that this very excellent chance for logging had been passed over up until the time we've been speaking of?

CHK: There just hadn't been any need to get into it any sooner. We still weren't right up to it at that time. But there was quite a volume of timber in the area just like this, and the object at that time was to go into the best timber we had. So we used it as an experiment to see how we would come out on this kind of selective-tree logging instead of area selection, and it began to pay out.

So we did enough of this sort of logging to increase average revenues per unit of production. We completely changed over from a selective clear-cut area to a tree selection. We went into the hemlock tree stand and just selected trees here and there, wherever we could. We couldn't do it 100 percent, but we did it enough so that our costs went down, our recovery of our income was considerable, and the picture began to brighten.

It brightened to such an extent that when the market did come back, why, we went back and began to pick up the lower value trees, when it paid to do it. The hemlock market began to pick up, and the hemlock pulp mills became really active again. This was the lift that the company needed which allowed George Drake and I to do more long-range planning.

The Decision-Making Process

ERM: Mr. Reed gives you credit for making this decision, but I'd like to ask you how were decisions of this kind arrived at in the company? Did you go to the board of directors with your proposal and get their approval?

CHK: No, no. It made no difference to them. Oh, it did make a difference to them how we logged, but when we had to make a decision like this, it was the result of a conference in which ideas were expressed and proposals suggested. I talked it over with George. George talked it over with the Grisdales-- they were superintendents-- and the logging engineer. We'd cover the best and the quickest way to get into this, and what kind of equipment it took to do this kind of a job, and what kind of road building we'd have to do, and how much

injury we would do to other trees that we'd leave standing, and how much damage we would create, and that sort of thing.

Those studies were made, and George finally suggested, "Well, why don't we pick out the LaValle? It's the finest claim we've got, and we'll get in there and make an experiment of it and fall trees selectively and see how much breakage there is and whether we can get 100 percent of the trees out of there eventually." That's the way it came about.

ERM: In these areas of the company's operations, then, you were totally responsible and took the authority and exercised it?

CHK: That's right.

ERM: But in other areas the approval of the directors was necessary.

CHK: That was when we wanted to spend capital for expansion. I went to the board before we started this large land acquisition program--second-growth land, restocking lands, logged-off lands. My first proposal was to have in mind that, if I start doing it, I don't want to stop because I wanted to spend an initial sum of \$250,000. This was a long-term deal. In those instances I always went before the board.

ERM: Who was on the board then?

CHK: The members of the board then were Bill Reed, Frank Reed, Ed Hillier, and Miss Katheryn Wilson. Miss Wilson was a secretary to A.H. Anderson, and after his death she became secretary-manager of the Anderson estates for Mrs. Anderson. She was a member of the board of the Seattle First National Bank, she was on the board of regents of a college over in eastern Washington, and she was a member of the bar--a very able woman.

ERM: Is she still living?

CHK:

CHK: The last time I heard of her, last summer, she was still living. In Seattle, in fact. She's way up in years now, but she was a very able businesswoman, always involved in one way or another in the Simpson-Bordeaux-Anderson interests, that whole group of companies.

ERM: What interest did Hillier represent?

CHK: Hillier was manager of the Phoenix Logging Company in which Simpson--the Reeds and the Andersons and the Bordeaux--had an interest. He became president after Mark Reed died. Then he became managing director of the Bordeaux Lumber and Shingle Company and a member of the board of the Simpson Timber Company, the Simpson Logging Company at that date. He was the board member who had the most experience in practical logging and timberland management, and I leaned on him very heavily.

ERM: Were there any other members of the board?

CHK: Well, A.B. Govey used to be a member of the board. He'd been with the Simpson Logging Company from its early days when they were logging with ox teams and on skid rows. He was the accountant, then became treasurer. Mark Reed used to lean on him very heavily in the early days. I don't remember just what day he passed away, but he was, I think, still a member of the board at this time.

ERM: How did the board react to that proposal?

CHK: Very good. No opposition. Of course, these were all extremely conservative people. The only answer they could see to the whole thing was probable liquidation unless we could find some way to revive operations despite so deplorable a market outlook. So I had to explain why. I had to explain what the future looked like. We were either going to fold up, or we were going to go ahead. Everybody was talking about sustained yield, and no one was doing anything about it, but we needed these lands if we were going to go into the sustained-yield operation deal. So they approved.*

Acquiring Logged-Off Lands

ERM: There is another letter here in this file that I think is rather interesting. It's addressed to you from Tom Gleed, and his letter must have been written approximately about the same time as Mr. Reed's letter. It says:

*For W.G. Reed's comments on the LaValle claim decision, see Appendix D, p.149.

Dear Chris:

This letter is occasioned by the special significance March 1, 1960, has to me and in all Simpson. It is the day you leave the confines of Simpson to belong to the world at large. While prior to the beginning of our relationship, some twenty-five years past, you were an established leader in the forest products industry, to my personal knowledge no year has elapsed without a major contribution from you to the public interest. There have been other dedicated men, no doubt a good number, who have been unswerving day in and day out in their pursuit of something better, but I have had the privilege of acquaintance of only one, in fact, yours. You may recall one of our initial meetings many years ago when you were so pleased with the land acquisition that would come to crop in about one hundred years. It was hard for me to disguise the feeling that if this made good sense at all, it was not currently digestible. I have you to thank that I am now less ignorant. Countless incidents that could be recorded here and elsewhere would only confirm what a tremendous fellow you are, so let's leave it lie right there.

Sincerely, Tom

Here's a man who had doubts about purchases of the kind that you've been describing.

CHK: He was a member of the board, too. He was president of the Seattle First National Bank when he became president of the company. He'd been sitting on the board since 1942, and he knew most lumbermen in the area. Why, he could probably call more men in the state of Washington by their first name than anybody in the state. Many lumbermen were talking about the need for finally winding up and doing something else besides what they were doing. And our board was talking like that in 1938, as the letter from Reed indicated.

I asked the board for a quarter of a million dollars for no other reason than to buy logged-off land that had been allowed to revert to the county by others who couldn't see any value in it, and restocking lands from the county and from our other operators or other interested companies, like Phoenix Logging Company or

Bordeaux Lumber and Shingle Company. Being a banker, the first question he asked was, "When do you expect to get any income out of this land?"

ERM: Wasn't this the opportune time to buy?

CHK: Yes, because no one else wanted it. There was no competition, and the price was low. We bought great volumes of acres at \$1 an acre. No one wanted it; they were giving it away. A lot of these big logging companies had ads in the paper and magazines advertising their land for agricultural land, that sort of thing, hoping they could get a little something out of it instead of just throwing it on the county. Nobody wanted to be accused of just taking all of the wealth and then passing off nothing to the county. This was the opportune time to buy, and everything that we saw just made it so logical. If there was going to be a law passed to make cooperative sustained yield possible, it was time for us to start buying this land while it was available, when we could block it up and manage it so that we could keep fires out of it and all that sort of thing. The county had no organization to keep fires out of its 30,000 or 40,000 acres of land.

ERM: To what extent was such a law a live possibility in 1938? What gave you cause to believe there would eventually be such a law?

CHK: My business back East, working with the National Lumber Manufacturers Association, listening to Dave Mason, the attempts in Congress to get some kind of cooperative legislation passed, the McNary-Doxie attempts, and all that sort of thing.

ERM: Did you know Senator [Charles L.] McNary?

CHK: I met him once or twice. I can't say that I knew him intimately or personally, but on several occasions when I was back there, I had the opportunity to meet him, not as an individual going into his office, but with a group.

ERM: Wasn't he a tremendous force in this whole movement?

CHK: That's right. He was the one senator in Congress at that time from the state of Oregon who was looked upon as the guiding light in all constructive forest legislation.

ERM: Didn't he have a place down on the Columbia called Fir Cone? I remember reading in James Stevens's book about how it went

into a decline after the senator's death. Do you know whether anything has been done about putting that property back in shape for the benefit of the public?

CHK: Not that I know of.

ERM: Wouldn't it be a good thing to do?

CHK: It would be the finest thing the lumber industry in the Pacific Northwest could do to commemorate the memory of a man who really did so much. The men like Dave Mason and Greeley were great foresters, but it took a leader in the Congress to recognize the need for that sort of thing. And, of course, coming from Oregon, Judd Greenman, A.C. Dixon, Gerlinger, and those kind of fellows, all worked very closely with McNary.

ERM: When I get to Portland I'm going to run out and see what that property looks like and talk to some of the people in the industry about this situation.

Purchasing the McCleary Lands and Mills, 1941

Well, that's getting afield from what I was doing through this letter. Mr. Reed goes on in his letter to mention a meeting in W.H. Abel's office on New Year's Eve, 1941. We covered earlier the purchase of the McCleary land and mills, the decision that was made the night of the 31st of December, 1941. But here again, Mr. Reed notes that he and you "armed with authority only reluctantly given by the directors, closed the deal with Henry McCleary." Then there was some authority from the board but only reluctantly given. Do you remember the details of that?

CHK: I was first approached, as I mentioned previously, by Mr. Carl Macke, manager of the Olympic Plywood plant in Shelton, the Simpson Olympic Plywood plant. Mr. Macke, who'd been close to McCleary, told me that McCleary was going to sell or junk the plant before the end of the year and asked if I was interested. I told him I was interested. I told Bill Reed, Frank Reed, Ed Hillier, and the rest of the board the reasons why I thought we should be interested. They said, "Okay, we'll approve if you can make a

reasonable deal." So we met with McCleary several times during that summer, and we couldn't arrive at an agreement because all I wanted at that time was the door plant and plywood plant in McCleary and the large sawmill in Shelton. I wanted the three plants, but not the church, the town, the houses, the utilities, the hotel, and all that sort of thing.

ERM: Did McCleary want a cash settlement?

CHK: He wanted to get out with a cash settlement from the sale of all physical assets of the company.

ERM: He didn't want any stock in Simpson in exchange?

CHK: No, he just wanted to sell for cash and get out, or he was just going to shut down the whole works and junk everything he had.

ERM: What was the cash settlement for that property?

CHK: Oh, I think an initial payment was \$600,000, the balance to be paid after all surveys and inventories were made. The final sum I do not remember. That included the 6,000 acres.

ERM: Isn't that an awfully low price?

CHK: It was only a payment of the total price, and second-growth land wasn't worth anything.

ERM: What about the plants?

CHK: Three plants, and they were in terrible condition because he hadn't spent a nickel on them for a long period. They were all run down. The houses were in deplorable condition; the streets were all dirt streets and no sidewalks in residential areas; the hotel was empty, and a bunch of bums were sleeping there at night. It wouldn't have taken much to junk the place because it was in sorry shape.

When our negotiations broke down, Hillier said, "Well," he says, "you're damn lucky that you didn't get hold of that junkpile."

ERM: Are there any good pictures of McCleary and these plants at that time?

CHK: I think they're available. Dave James must have some. The

people of McCleary made an effort to develop the historical picture of McCleary, and the newspapermen in McCleary were very interested after the town was incorporated because they had something to talk about. It was their town, and it was their efforts to build something. They were proud every time they'd do something--when they started building sidewalks and streets and they acquired the utilities and all that sort of thing. Then they were comparing the past with what they were doing today.

ERM: If someone were to make a studied effort to reconstruct the history of McCleary, who are the old-timers to whom we should go to get information?

CHK: I think the second mayor of McCleary is still alive. Now, the people who put Out of the Woods, the Story of McCleary together could give you all the pictures for this story.

ERM: Ernest C. Teagle?

CHK: I don't know whether Teagle is alive, but there are Teagles still there, and I'm sure you could get pictures. Quite a few years after they built their new city hall and after I retired, I had an occasion to go through McCleary, and I met some of these old-timers. They took me to the city hall, and they said, "We want to show you something." And when I walked in the city hall here, in the city council room, they had hung a big picture of Henry McCleary, a big picture of Mark Reed, and a big picture of me! They were very proud of the fact that they had preserved these pictures. They also had pictures of the town and some of the old-timers all over the wall. I think you could pick up a lot of pictures down there.

ERM: Who is J.M. Thornton?

CHK: Oh, he was a very influential man. He worked in the door plant, and he was involved in all civic activity around McCleary. Dave James knows a lot of those people that are still alive. I haven't been down through there for four or five years, so I wouldn't know who was still there.

ERM: I'm sure I can get a copy of this from Dave James.

I think that this file of letters that I've been looking through, Chris, is interesting from an historical point of view, and I hope that you will someday consider placing these in a good repository library, such as one of these here in the West that we

work cooperatively with, or we'd be very happy to have them in our Forest History Collection at Yale, which is of national scope.

CHK: Well, what I have here relates only to personal family affairs. All of my business papers are in the company files and subject to disposal by the company.

The Northern California Redwood Venture, 1940s

ERM: Good. There are some other matters that I would like to go into before we close this session. One is the development in northern California that the company went into. What provoked you to go into that area, and when was the first step made?

CHK: Bill Reed initiated the first investment the company made in northern California. On the eastern slopes of the coastal range of mountains, fairly large areas of mature timber had reverted to the county, that is, Del Norte County, for nonpayment of taxes. This timber was completely isolated because it was not opened with any road systems leading to any processing centers. The nearest railroad connections were at Grants Pass, Oregon, and Arcata, California, sixty to seventy miles distant from the timber on the western slopes of the mountains, which had been tapped by a few small logging operations.

The incentive for the purchase of the timber was the potential value, which was then a possibility. George Drake and I made a tour of the timbered areas along the western slopes of the Cascade Mountains in western Oregon during the late 1930s and found the timber not only defective but the values also not attractive. Bill Reed sent a forester, Fenwick Riley, on an exploratory journey in 1944 or 1945, I believe, to take another look. His report on conditions in Del Norte County resulted in the company investment.

Del Norte County was an example of those counties which were having trouble during the depression. Because of nonpayment of taxes the county had to issue scrip to pay its obligations in lieu of money in order to properly function. The harbor of Crescent City silted so badly over a period of time that the Hobbs-Wall people,

who had a fairly large operation at Crescent City, closed their operations. Since the Simpson Company's whole history was in the field of land and timber management, and since it had the resources, it seemed that timber in Del Norte County would be a good investment.

ERM: The Del Norte Company had gone on the rocks.*

CHK: I don't remember the history of these early companies. Much of this timber was held by easterners, some in Michigan. The Dempsey family of Manistee, Michigan, held bonds covering redwood timberlands. Many of these bonds were in default. The timber covered by the first purchase the company made was located near the town of Klamath.

ERM: Approximately how much?

CHK: The first purchase could have been as much as 600 million feet.

ERM: What was Reed's motive in this instance?

CHK: Well, I believe the record is pretty clear. Let's review some of the history we have covered and begin with Mark Reed. As the industry was beset by the oncoming depression, it was obvious that great changes would take place in western Washington. The Reed family had their family partnership, which included many investments other than the partnership interest in the Simpson Logging Company. As the economic situation eased after the depression, thoughts about permanency just naturally entered the minds of men.

The partnership could have followed the easy course by liquidating the logging company timber and its operations and thereby recovering its capital for investment in many other areas of interest. Don't think this idea was never raised as an ultimate solution to what appeared to be overwhelming obstacles to a permanent structure base for the logging company in southwestern Washington. However, the traditional concern for the people in the communities was stronger. Mark Reed had strong feelings about what was to happen to the people he knew in his communities. The

*Duane C. Fischer, "The Short, Unhappy Story of The Del Norte Lumber Company", Forest History 11, no. 1 (April 1967): 12-25.

company had a splendid organization staffed by loyal workers, and it used every means at its command to move in the traditional manner envisioned by Mark Reed.

There was no assurance, however, that these efforts in western Washington would be successful. Therefore, before the sustained-yield contract had been signed, thoughts were given to entering other timbered areas for later development. The contract was signed in late 1946. The company purchased the timber in Del Norte County in 1945. It was an investment in an area that had potential. As operators in western Washington integrated and consolidated their properties in the early 1940s, log-buying sawmills were passing out of that area, and many old and new log-buying sawmill operators were locating in western Oregon. For many years, the large, old redwood lumber operations had been located from mid-Humboldt County southward, and the redwood timbered area in Del Norte County was the last of the undeveloped timbered areas in the country. After the initial purchase of timber the company made the purchase of the Coast Redwood Company.

ERM: You didn't get into the redwood area until 1949, did you?

CHL: Actively? Oh, no. Soon after the initial timber purchase the company opened a small logging operation and sold the logs to a small sawmill and plywood plant. The company then purchased the Coast Redwood Company in 1948. Among its properties was a small operating saw mill at Klamath. It continued operating until we had too many problems to contend with, and we shut it down in 1949.

ERM: Tell us about how your operations began in the redwood region.

CHK: Well, we were moving into a timbered region far from our home grounds, and we started operations in these new surroundings on a small scale, feeling our way. Mrs. Kreienbaum and I moved to San Francisco in 1950. I was not without some knowledge of the redwood industry problems. A number of years previously, hoping to build dry kilns and storage sheds for the Reed Mill Company at Shelton and learning of new installations which were considered exceptional for the ground area occupied at the Pacific Lumber Company in Scotia, Carl Macke and I drove down to Scotia to see these installations. I believe this was in early 1929. We spent a week in the area of Scotia and Eureka visiting with the Pacific Lumber Company and Hammond Company people, examining their

milling and logging properties. I traveled through this area several times between 1929 and the 1940s. Again, working on committees of the National Lumber Manufacturers Association, I was to learn of their industry problems during the NRA days.

I opened an office in San Francisco in 1950 and immediately called upon the California Redwood Association officials and, of course, many officials of the principal redwood companies whose offices were located in San Francisco. Later the company was invited to become a member of the association, and I became a member of its board. I learned much from these men.

ERM: Gordon Manary? Stan Murphy?

CHK: Yes.

ERM: And McCleod?

CHK: Yes, George McCleod and officials of the Union Lumber Company.

ERM: You must have known Russell Johnson.

CHK: Yes, and Fred Holmes, Howard Libbey, and Fentress Hill, too. With the exception of Manary, all of these men were members of the California Redwood Association's board at that time.

ERM: What did you do with your residuals in the logging areas?

CHK: Fen Riley, the forester and local manager of our properties at Klamath, took a leaf out of the book of Gordon Manary at the Pacific Lumber Company and developed a rigorous system of tree selection which was designed to save as much wood as possible during the felling of the trees and the recovery and transportation of the logs. Breakage was avoided by a thin coverage of an operating area, and waste was at a minimum. The residual trees were to be logged later as markets developed, and what was anticipated has become a reality. These residual trees are being logged today, including the material left on the ground.

ERM: Did you have to develop a pulp factory?

CHK: To obtain the ultimate in utilization of the timber, we had to develop pulp operations, but that came later. All redwood operators were plagued by the waste problem. These problems were greater in the redwood region than in any timbered region in the country.

ERM: What were the particular problems of making pulp in Humboldt County at that time?

CHK: Well, we did not get into that phase of the redwood area development until after the early problems associated with the new venture were visible and solutions were being worked out. Thomas Gleed became president, and C. Henry Bacon became vice-president of operations, and I moved my office back to Seattle. The greatest expansion of the company took place after Gleed became president. However, before the company could think of developing a pulp operation, much exploratory work had to come first, and this took time.

There had been some preliminary laboratory work done on redwood, but it was not extensive enough to reach any major conclusions. There had not been any extensive studies made to determine the volume of raw material available nor the sources of water which would be necessary. Official discussions at Seattle decided upon an exploratory project for the purpose of exposing the facts and potentials, if any. Arthur Walton was our research laboratory director at that time. He and I spent some time with the research staffs at the laboratories at Madison and Appleton, Wisconsin. A joint research project was initiated and was coordinated by Robert Seidl, who at that time was with the Madison laboratories and who is now Simpson's research director.

We shipped quantities of wood--redwood, Douglas-fir, tan oak, maple, et cetera--from northern California to Madison and Appleton for the work. We did not wish to overlook any possibilities. The popular idea was that only redwood grew in the coastal region of northern California, but there are also other species of wood. Our project involved research on individual as well as mixed species. This research took many months.

William Lawson became local manager of the redwood operations in 1952, and Henry Trobitz was the forester. Under these two officials we instituted area raw material studies. These studies were extensive. They covered most of Del Norte and Humboldt counties and included most species of wood. I believe that we discovered that redwood was the longest fibered wood in the country and second growth was superior to old growth.

As sufficient facts became available, revealing the potentials, we employed a firm of pulp and paper engineers to explore the area for water sources and a plant site. These two

studies took us to the final stages of our efforts. The search for ground water sources proved negative. I discussed this subject with the mayor of Eureka and was informed that the source for city water was a reservoir behind a dam on Mad River, and that the reservoir had silted so badly that the storage capacity was dangerously low. The wood pipeline into the city had been damaged by earthquakes, and the situation was a great worry for the city fathers. Therefore, city water as a potential was zero.

Discussions with the officials of the chamber of commerce followed. The information we were able to give to these businessmen was sufficient to induce them to make a community drive for the development of sufficient water for civic as well as industrial purposes. A water district was organized after a tremendous effort, spearheaded by a leading businessman, Robert Mathews, the result of which was a new dam in a new location on Mad River and a new pipeline, the total cost of which was, I believe, in the neighborhood of \$10 to \$12 million. The financing of this project was through a contract for water between the Simpson Logging Company and the Georgia-Pacific Company.

Our efforts to seek a plant site took me to the office of Don Denman, an official of the Crown Zellerbach Company in San Francisco. Through him I met Robert Bundy of the Fibreboard Paper Products Company. His interest in our efforts led to a joint experimental project at the Fibreboard Company plant at Antioch. We shipped redwood logs to the Antioch plant which, on a pilot plant basis, produced the first pulp and paperboard ever produced from redwood. This was in the summer of 1956. What started out in 1951 in Seattle as an idea, finally created the Crown-Simpson pulp plant at Samoa, on Eureka Harbor, in 1966 and 1967. Henry Bacon, Tom Gleed, and Bill Reed worked out the corporate arrangement that built the plant.

A number of institutions, many able people, and a great community effort over a period of ten years terminated in an expenditure of, I'm sure, over \$125 million in the water system, two pulp plants, and facilities necessary to supply the two pulp plants with the raw material. The interesting feature of this effort, which only the forester, logger, and company executive can appreciate, is the ultimate utilization of the total wood growth on an acre of ground which took so many years to grow.

ERM: In other words you waste very little, and you leave the land in a clean condition, reducing the fire hazard.

CHK: Yes. This reduced the fire hazard to a minimum and gives the land an opportunity to grow its next crop of timber in the shortest possible time. You never see this benefit emphasized in the press, but I believe it is, in the long run, the most important of the benefits. You read about the capital investment, the payrolls, et cetera, but you must have forest management if the economic benefits are to be permanent. Sustained-yield operations are assured from all of this effort. Only one government agency, at that time, could have prevented this development, and that was the State Water Board. A hearing was held in Eureka to consider the water district application for water rights on Mad River.

ERM: Was there strong opposition to this?

CHK: I cannot say that there was strong opposition, but there was doubt about the advisability of granting the water rights. The greatest opposition to the effort to solve the water problem came from the wide area of people included in the water district.

ERM: To what extent is your property down there affected by the national park controversy?

CHK: Well, we will not know that until the question of location and size of the properties which are to be included in the park is decided. The company now has a substantial acreage in the area which must support the very large investment in processing plants. The acreage now is probably in the neighborhood of two hundred thousand.

ERM: How does that compare with your holdings in Washington?

CHK: About the same. To establish a sustained-yield operation requires a variety of plant processes. These processes must be in volume to be efficient, and this requires large investments in capital funds, which, in turn, requires a large acreage of timber to support it.

ERM: The opponents of the industry in the redwood region have always made a great deal of the fact that second-growth redwood makes a relatively poor lumber product as compared with old growth. But from what you've said, this is just the other way around when it comes to pulp and paper and paperboard products.

CHK: I think that is correct.

ERM: In importance to Simpson, would you say that the redwood operation is now on a par with that in Washington?

CHK: I would say that it is, yes.

ERM: It is comparable both financially and in terms of output?

CHK: In every respect it is equal to the Washington properties. During 1956 the company acquired the Northern Redwood Company properties and the M&M Woodworking Company properties. These acquisitions gave the company the essential processing facilities and important additions to its second-growth timber holdings necessary to round out an integrated property for the creation of a permanent sustained-yield operation.

Into Southern Chile, Canada, and Throughout the United States

ERM: Are you moving in directions other than these as far as acquiring timber and building plants?

CHK: Well, about ten years ago, just prior to my retirement, Bill Reed initiated a purchase of some timber and a small sawmill operation in southern Chile. The timber is a species nearly like redwood, called alerce.

ERM: What got Reed interested in the Chilean possibilities?

CHK: I believe a vacation into the area gave him the idea.

ERM: This is something I should talk to him about. Is Simpson interested in any other areas of the world?

CHK: Saskatchewan, Canada, and, of course, Simpson acquired the Puget Sound Pulp and Paper Company at Everett, Washington, which was merged with the Lee Paper Company at Kalamazoo, Michigan. The merged company is known as the Simpson-Lee Paper Company. It has a plant at Ripon, California, and one is being built in New York state.

ERM: Do you own timber in all of these areas to supply these plants, or do you buy from the market?

CHK: Within the area of Everett, Washington, the company holds an acreage of cottonwood timberlands and some second-growth timberlands. The Everett plant also uses a large quantity of reclaimed paper.

ERM: Isn't cottonwood a very fine pulp?

CHK: Yes, the Everett plant produces only fine papers.

ERM: Is there any effort being made to build up forest holdings to support the long life of some of these newer paper-milling facilities?

CHK: The paper plant at Kalamazoo uses principally rags and linen clippings for their raw material, and the Ripon plant buys its bleached pulp. The Eureka pulp plant furnishes pulp to the Ripon plant. All of these plants are considered as long-term operations. The Chilean property was considered a long-term operation, but was abandoned by Simpson Timber Company in 1969.

ERM: Is that on a government contract?

CHK: No.

The Growth of a Company

ERM: Well, the company's changed its breadth and style considerably over the years, hasn't it?

CHK: Yes, it has.

ERM: Now it has become truly representative of the modern, mid-twentieth century giant corporation?

CHK: Let's say that it has changed considerably since Mark Reed was active. It has grown away from the logging company that I knew when Mrs. Kreienbaum and I moved to Shelton. From the laboratory technician and the engineer have come many changes in products and many new products.

ERM: What was the origin of the laboratory?

CHK: Well, the insulation board plant at Shelton began production not too long after the Second World War. All insulation board at that time had been coated at the producing plant before it was shipped to market. We did not have the technique for doing it, but because of the extraordinary shortage of building materials after the war, we were able to sell the production of the plant at Shelton without coating it. Of course, such board had to be coated by hand, on the job, by the house painter. We knew that this situation was only a temporary one and that a method for coating the product at our plant had to be found.

The laboratory was built immediately after the insulation board plant was in production and, of course, coating was its first urgent project. Later, we got into acoustical products, fireproofing coatings, adhesives, et cetera. The M&M Woodworking Company had a small adhesives plant located at their Portland, Oregon, operation, and after Simpson acquired the company its operation became the subject for improvement and expansion. Doctor Allan Marra of the University of Michigan assisted in this work.

ERM: Were you getting the raw material for your adhesives out of waste products?

CHK: No, the chemicals came from the normal sources. A new laboratory at Bellevue, near Seattle, now houses the research and engineering staff. The scope of this phase of company expansion, I would say, has kept pace with the growth of the company.

ERM: There's a great tendency towards innovation, isn't there?

CHK: That's right. The organization is oriented in that direction.

ERM: How much would you say Simpson has grown within its industry since you came to the company in 1925? It was a relatively modest enterprise then.

CHK: It was a modest enterprise but an influential one, because of one man.

ERM: Wasn't it large in terms of size of production and total investment?

CHK: No, no, it wasn't large. I can think of a number of companies on

the scene in 1925 which were larger than Simpson in every material respect.

ERM: Weyerhaeuser and Crown Zellerbach?

CHK: Yes, and you can add the St. Paul & Tacoma Lumber Company, Bloedel-Donovan Lumber Company, and others.

ERM: It was in the middle echelon?

CHK: I would say so.

ERM: How would you characterize its position today?

CHK: A few years ago, I believe, the company was regarded as the third or fourth largest producer of plywood in the industry! However, I cannot remember a time when size, as a subject for comparison, held any interest for management. But I can remember when operating cost comparisons were made with managements of other companies, including small operations, for the purpose of learning the company's competitive position. No matter how big an outfit can be it can be cut down to a variety of sizes if it loses its battle in the competitive field. The history of this industry is replete with such situations.

ERM: How does Simpson compare with others in the pulp and paper field?

CHK: Oh, when you examine that field Simpson can be regarded as a small factor.

TURNING POINTS IN THE FOREST HISTORY OF THE NORTHWEST

Emergence of Cooperation between Industry and Government

ERM: Well, Chris, we could talk on for weeks and never run out of material, but I think in closing off this interview I would like you to say a few things in the way of an overview of this last half century in the industry and in the whole field of forest history. What do you see as being the most critical turning points? I'm not talking now necessarily about those which were critical turning points in the history of Simpson, although they might be keys to turning points that affected the larger picture, too. I'm talking about the big picture of the forest story. I think it would be interesting to know what a man with your experience and knowledge might feel were the critical events and who were the most important men in those events.

I would also like you to discuss the gradual development over the last fifty years, and the more rapid development recently, of a greater cooperation or spirit of understanding between industry and government. What factors were most important in developing that whole trend?

CHK: I will try very briefly to cover these points. In my opinion there were three periods of change that had a profound effect on the thinking of the leadership of the industry. They were, first, the opening of the Panama Canal in 1914 and 1915; second, the election of W.B. Greeley as secretary-manager of the West Coast Lumbermen's Association; third, the depression of the mid-1930s and its handmaiden, the National Industrial Recovery Act. I will try to summarize these events by emphasizing the movements which these events created. I would, also, like to cover some vital history, which was not touched upon in the interview.

The beginning of the consciousness of men in industry and government of the importance of first having to find an answer to the problem of forest fires was evidenced by the national forest laws which were passed by Congress. The Weeks Law or Act of March 1, 1911; the Clark-McNary Act of June 7, 1924; the McSweeney-McNary Act of May 22, 1928; the Fulmer Act of August 20, 1935;

the Farm Forestry Act of May 18, 1937; Public Law 405, Act of August 28, 1937; Section 117 (K) of the Internal Revenue Code of 1943; Public Law 273 of March 29, 1944; and the Forest Pest Control, Public Law 110 of June 25, 1957.

Most of these laws were the result of concern over the great forest fires which at times raged in our timbered regions throughout the United States, consuming billions of feet of timber on millions of acres of land. The early forest fire associations were the result of this legislation as well as of some of our well-known conservation associations, which were fostered by industry. Many of the great number of the state legislative acts are regulatory in nature, stemming from the encouraging and cooperative spirit of the federal legislation. This sweep of legislation should be kept in mind as we now review the three critical periods of change I will try to cover.

The Opening of the Panama Canal

The first was the opening of the Panama Canal in 1914 and 1915. The full development of the intercoastal market resulting from the opening of the Canal, however, had to wait the termination of the First World War, as it took several years for an industry sales organization to penetrate the market along the eastern seaboard of the United States. This penetration was really the work of the lumber wholesaler, beginning with the late years of the war.

During the six-year period, 1920 to 1925, production of Douglas-fir and western hemlock increased 27 percent and 35 percent respectively, and total production of these two species increased 45 percent. The industry of western Washington and Oregon had finally penetrated every wood-using market formerly served only by the timbered regions of the eastern part of the United States. This six-year period affected wide segments of the economy of the country. During these short six years our industry witnessed the great expansion of its productive capacity, which also created great problems for its leaders. Many new operations, representing great diversity of interest, appeared along the shores of Puget Sound, Grays Harbor, and the Columbia River.

Although the older generation of leadership was to continue its constructive approach to industry problems, they faced a situation which was attracting an increasing wave of criticism. While experiments were going on apace in an effort to develop better equipment for increased utilization, fire prevention, and logging methods, the public image of the industry was at a very low point. The industry was being subjected to a withering blast of criticism from government agencies and the public press.

Looking back on it now, this does not seem surprising. The West was considered the last great undeveloped timbered region of the United States by the eastern conservationist. He knew of the passing of the industry through his regions and he could not believe that there were alternatives to such a transitory activity.

William B. Greeley and the West Coast Lumbermen's Association

The second critical period in the industry in my opinion was the election of William B. Greeley as secretary of the West Coast Lumbermen's Association. Much has been written about Greeley, and I cannot add much to that history. But it should be emphasized here, in light of the situation just mentioned, that he was a professional forester, an objective and practical fellow. He would see both sides of the controversy.

He was able to defend the industry because of the respect which his knowledge of the problems commanded wherever he appeared. At the same time, he was able to convince every segment of the industry of its need to implement its concern about its forestry problems. Every man in the industry admired him, and he was able to pull all of the diverse interests together and lead them to a greater effort. Dave Mason became one of the strong leaders, and his influence was to add to that of Greeley in the Douglas-fir region. The result was that the minds of men began to dwell on the possibilities of permanence.

The National Industrial Recovery Act

The depression of the mid-1930s was to be a setback for this effort, but the National Industrial Recovery Act would be the turning point, not only for the well-being of the nation, but also for the industry. This was the third critical turning point.

The conservation section in the Lumber Code resulting from the National Industrial Recovery Act stimulated the need for the professional forester. To implement this section of the act the professional forester became a necessity in every industrial forest, and by the mid-1950s his presence seemed to be visible everywhere. Remarkable evidence of this fact can be seen in the few statistics given in The Conservation Year Book, 1958, edited by Erle Kauffman, which cover the period 1939 to 1957, detailing forest fires in the United States. During 1939, forest fires burned over 30,448,000 acres of land--protected and unprotected. During 1957, forest fires burned over 3,408,000 acres--protected and unprotected. The parts played by Greeley, Mason, and the many professional foresters and leaders of the industry contributed mightily to this great accomplishment.

To return to the period of Greeley and Mason and their efforts in the western regions of Washington and Oregon, within a few short years after the dissolution of the Industrial Recovery Act the western industry witnessed practical loggers talking the same language as the professional forester. The highest degree of utilization and the best methods of growing another crop of trees became the objective of all men working in the timber. There was the tree farm movement and the "Keep Green" movement, which caught the imagination of men in all walks of life. The sustained-yield movement, at which Dave Mason worked so incessantly, gave men in industry the prospect of developing permanent foundations for a promising future.

From such movements stemmed the Yield Tax Laws passed by the Oregon state legislature in 1939 and 1931 and similar laws passed by the legislature of the state of Washington in 1931 and 1945. These laws gave the operator the incentive to hold his logged-off lands and made the promising future a reality.

The expansion of the pulp and paper industry and the development of the hydraulic and mechanical log-barker were to increase the utilization of the mature forest which an acre of land would grow.

New equipment and new methods followed in the footsteps of the professional forester, implementing his efforts to an extent that we may now say that our industry is as sophisticated in its performance as the most sophisticated of industries. The critics now can find little to criticize.

Recently it was my privilege to visit newly logged-over areas in several industrial operations, of which Simpson's operation was one. I was able to write a report from which I quote, "If it can now be said that this is a normal experience in company timber operations, then the ultimate has almost been reached in mature timber utilization." I am proud of the fact that I was privileged to associate with men whose ideals and foresight are now coming to fruition in all industrial forests.

APPENDIX

No. 39.

des Registers.

Königreich



(16 Blätter
enthaltend.)

Hannover.

*Gültig auf
unbestimmte
Zeit.*

58/50

Wanderbuch

Ernst Julius Kreier,
für
baum

gebürtig aus } *Sturg.*
wohnhaft in }

Profession *Kallmangler.*

Gegegenwärtiges Wanderbuch dient dem Inhaber zu seiner Legitimation und vertritt die Stelle gewöhnlicher Pässe und Kundschaften.

Erinnerung.

- 1) Der Inhaber dieses Wanderbuchs muß in hiesigem Lande an jedem Orte, wo er sich zweimal 24 Stunden aufhält, sich bei der Polizei-Behörde melden und sein Wanderbuch von derselben visiren lassen.
- 2) Die Visa's der Wanderbücher werden gratis ertheilt.
- 3) Der Inhaber darf an den Orten, wo er keine Arbeit findet, sich nicht länger als zweimal 24 Stunden aufhalten.

Translation

No. 39

(Containing 16 pages)

Kingdom of Hannover

Valid for undetermined period

WANDERBUCH
for

Hermann Heinrich Kreienbaum

Born in)
) Iburg
Residing at)

Profession: Wheelwright

Presently this WANDERBUCH serves the owner as proof of identity, and takes the place of any other general passport.

R E M I N D E R

- (1) The owner of this Wanderbuch has to check in with the police force in each town of this country where staying twice for 24 hours, and let them observe his Wanderbuch.
- (2) The visa for these Wanderbuecher is granted without charge.
- (3) The owner may not stay longer than twice for 24 hours in one place where he cannot find work.
- (4) The in this Wanderbuch predetermined route may not be changed without the expressed permission of the authority concerned.
- (5) Begging and aimless wandering about is punishable by law.
- (6) To take on a false name, the use of a strange or falsified Wanderbuch, erasures, corrections, or any other falsification is punishable by law.

PERSONAL STATISTICS

Age: 24½

Nose: sharp

Height: 5'11

Mouth: Usual

4) Die in dem Wanderbuche vorgeschriebene Route darf er ohne ausdrückliche Erlaubniß der betreffenden Behörde nicht verlassen.

5) Bei Gefängniß-Estrafe ist ihm das Betteln und zwecklose Umherziehen untersagt.

6) Die Annahme eines falschen Namens, der Gebrauch eines fremden oder verfälschten Wanderbuchs, Rasuren, Ausstreichungen, oder jede andere vorgenommene Verfälschung wird mit der gesetzlichen Estrafe belegt.

Signalment.

Alter 24 1/2 Jahr.	Nase kurz
Größe 5 Fuß 11 Zoll.	Mund gewöhnlich
Statur zierlich	Zähne gesund
Haare braun	Ninn nicht
Stirn frei	Bart schwarz
Augenbrauen blond	Gesicht länglich
Augen blau	Gesichtsfarbe gesund

Besondere Zeichen In der linken Hand ist ein Narbenzeichen.

Unterschrift des Inhabers:

H. H. Kreienbaum.

2

Inhabers ist vorgezeichnet
Länglich-länglich vom Militair
Dienst befreit zu sein.
Ist über den Akenbrück,
Hdenburg nach Bremen.
Abzug Sonntag September
1850 in die Fahrt.
Königlich Hannoverische Armee.



J. Wippern.

In Hannover den 11ten
December 1850.

Stature: broad
Hair: brown
Forehead:
Eyebrows:
Eyes: blue

Teeth: healthy
Chin: round
Beart: black
Face: oval
Face Color: healthy

Special Markings: The long finger on the right hand is bent.

Signature of Owner: (Signed H. H. Kreienbaum)

Owner has been freed from military service because of old
finger ailment (swelling).

Valid over Quakenbrueck, Oldenburg to Bremen.

Iburg, the 9th day of September, 1850 -- Signed
Kingdom of Hannover Authority

7) adhem eine sorgfältige Untersuchung der Gründe, mit welchen das von dem minderjährigen

Thiermeyer'schen Hermann Gmünd
Freiburger Universität

angewandte Versuch um Erhaltung der Rechte der Volljährigkeit untersucht ist, genügend ergeben hat, daß die Bewährung derselben den Verhältnissen angemessen und für den Staatlicher vorzuziehend ist, so werden, Kraft der von Sr. Königl. Majestät durch die Verordnung vom 22. März 1848 dem Justiz-Ministerium im Auftrage erteilten Erlasse, dem vorgenannten

Hermann Gmünd'schen Hermann

die Rechte der Volljährigkeit wiederhergestellt und demselben alle mit der Volljährigkeit verbundenen Rechte verfahrenen Rechte beibehalten, daß derselbe von nun an jeder vornehmlich die Befähigung in Bezug auf seine Person sowohl als auf die Verwaltung seines Vermögens übergeben und fähig sein soll, alle solche gerichtlichen und außergerichtlichen Rechtsgeschäfte und Handlungen, deren Übernahme für Minderjährige sonst die Zeichnung eines Vormundes erforderlich macht, für sich allein gültig und verbindlich vorzunehmen und abzuschießen, wobei es jedoch hinsichtlich der Verfertigung über Grundbesitzum bei den Verfügungen des gemeinen Rechts verbleibt. Hinsichtlich des hierunter geordneten Inhalts.

(Gegeben Starnberg, den 23. Februar 1857)

Königlich-Bayerisch-Preussisch-Österreichisch-Ministerium

Erteilung
der
Volljährigkeits-Rechte
für
den
Thiermeyer'schen Hermann

an Thiermeyer'schen Hermann
Gmünd'schen Hermann
Freiburger Universität

T R A N S L A T I O N

Careful examination of reasons given by the minor, craftsman Hermann Heinrich Kreienbaum of Iburg, in behalf of his application for being granted rights to be of age, has shown these to be reasonably sufficient to indicate that granting same is suitable for condition and advantageous to the petitioner so that by the power of His Majesty The King, per order of March 22, 1848, giving these general powers to the Department of Justice, rights of being of age are hereby bestowed on the above named, Hermann Heinrich Kreienbaum, and giving same all rights involved with the law having to do with matters of becoming of age, so that same as of this date will be released from guardianship limitations as they relate to his person as well as to the administration of his properties and belongings, and enables him to solely handle and deal with such judicial and extra-judicial legal transactions and dealings, which otherwise necessitate the consultation of a guardian; but whereby the common rights of law regarding regulations of land properties will remain in effect. In witness hereof by the below printed seal.

Hannover, February 23, 1857

HIS MAJESTY - DEPARTMENT OF JUSTICE - HANNOVER

AUTHORITY FOR RIGHTS
OF BEING OF AGE
TO
The Craftsman Hermann Heinrich
Kreienbaum of Iburg

7. Regiments-District
4. ter Bataillons-District
Loosungs-Bezirk Jburg.

Geburtsjahr 1833.

Der Militairpflichtige *Freienbaum*, *Herrn. Herrn.*
wohnhaft zu *Bramsche* № 81 der General-Liste und Loosungs-
Nummer 57, ist wegen *unvollständiger* *Einigung* von der
Militairpflichtigkeit freigesprochen und diese Entscheidung, unter dem
_____ von der Königl. Landes- bestatigt.

Osabrück den 12 ten März 1854.

Der Districts-Commissair.

L. Haerdt

Die Obrigkeit des Loosungs-Bezirktes.

Haerdt

TRANSLATION

Regiments District
of the 71st Battalion
Draft District: Iburg

Birthyear: 1833

The one, liable for military service, Kreienbaum, Herm.
Heinr., living in the Braun'sche District No. 81, of
the General List and Draft Number 57, is relieved of
military service duty because of an old finger sore
(swelling), and this decision is confirmed by the
authority of his Highness, the King.

Osnabrueck, 12th date of March, 1854.

"At the time of the National Recovery Act I was primarily involved in other matters, including settlement of Mark Reed's estate and management of the family finances, so I was not in close touch with the company's operating problems during this period. However, my thinking of the high point in adjusting our operations to the NRA was the construction of a log dump and related facilities at Lake Nahwatzel. The object of this was to enable us to operate the logging camps efficiently without violating the NRA production quotas. For instance, we could run the camps at high output during good weather and dump the excess logs in the lake; in bad weather, we could shut down logging and fill the quota from the lake."

APPENDIX B

"In the late 1940s, I told John Schafer, who was then president of Schafer Brothers Logging Company, that if his family ever decided to sell it, Simpson would be interested and I wrote a confirming letter to John. Several years later his brother Ed came to my office and said that my letter had been found in John's desk, John having retired early for reasons of health. As a result of this opening, negotiations were begun, but they were carried on not only by Tom Gleed but also by Hank Bacon and others. At one point negotiations were terminated, but Ed Schafer and I agreed to resume them and finally a deal was made. Tom Gleed and the Simpson treasurer, Joe Muckley, were then very effective in arranging the financing for the purchase and in subsequently selling the parts of the property which were not of direct interest to Simpson."

APPENDIX C

"Chris's response understates the significance of the LaValle claim decision because he uses it as an example of how he and Drake worked. The company had ceased operations late in 1937 because of unprofitability, and the older board members proposed closing it permanently, as Chris indicates in the last two sentences of the next-to-last paragraph on p. 117. I was very resistant to such a closure and encouraged Chris to find a way under which we could resume operations profitably. He satisfied Frank and me that this could be done by liquidation of our highest value timber, which was the LaValle claim. We then converted Ed Hillier to this view and finally Miss Wilson agreed. This is no reason, however, to question the mechanics by which the LaValle claim was picked and the quote attributed to George Drake that "It's the finest claim we've got," is the key to the subject. The references to making "an experiment of it in falling trees selectively to see how much breakage there is" may be the way the word got through to the organization, but the real experiment was to see whether we could survive. The organization was modified at the same time to make Chris executive vice-president and give him full charge of the operations. From then on my brother Frank became less active, although as a result of the LaValle claim decision, he did an excellent job of negotiating with Minot Davis for the purchase of some Weyerhaeuser timber in the Satsop-Wynoochee area.

Perhaps here there is an implication that the Simpson Reed group was significantly involved in the Phoenix Logging Co. In fact, the Andersons owned over 90% of the Phoenix, with merely token participation by the Reeds and the Bordeauxs. After it was cut out and closed, I bought the logged-off land for Simpson from the Andersons.

The reaction of the board to the idea of purchasing second growth land was favorable as a consequence of the successful liquidation of the LaValle claim. However, as stated above, the primary use of the additional funds which the directors then authorized to the company was the purchase of Weyerhaeuser timber. I think the main commitment to purchase of cutover lands came some years later. "

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