



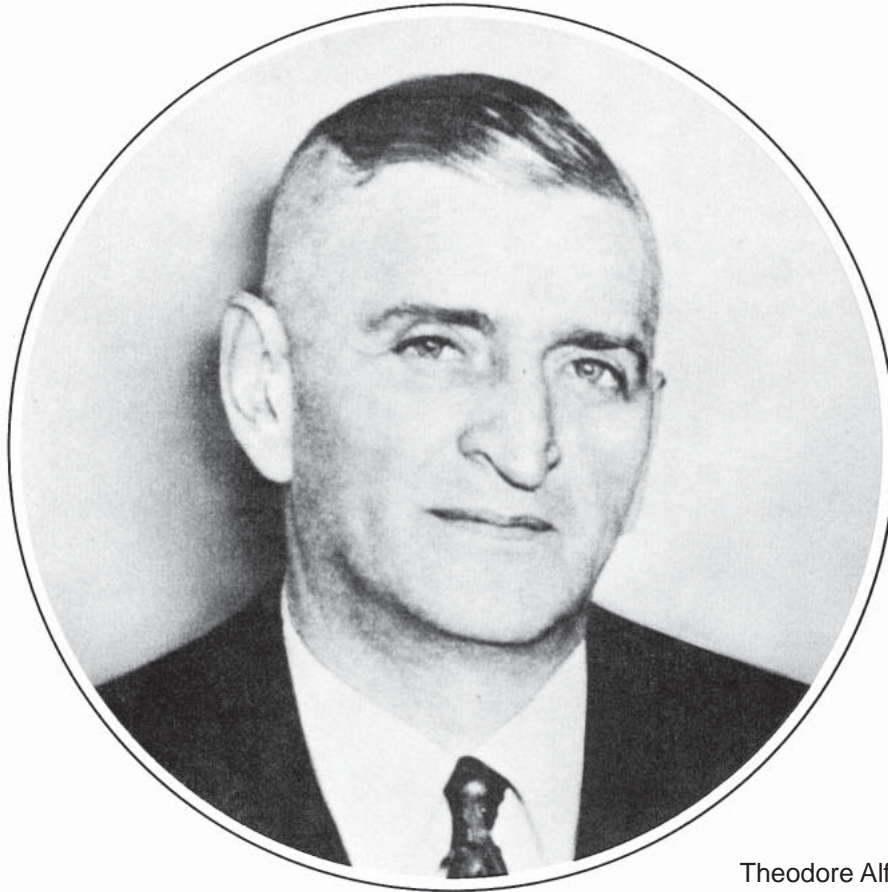
Plywood in Retrospect

# THE PETERMAN MANUFACTURING COMPANY

No. 8 in a series of  
monographs on the  
history of West Coast  
plywood plants

Published September 1969 by the Plywood Pioneers Association ©Copyright 1969





Theodore Alfred Peterman

**Plywood in Retrospect:** Valuable assistance in assembling historical facts and data on the Peterman mill was obtained primarily from Dick Salley, George Rakness and Edward F. Baker, all of whom played an important role in Al Peterman's operations. Their cooperation is gratefully acknowledged. Interesting anecdotes and personal sidelights were contributed by L. J. Walby, eastern sales representative; by Alex Babbitt, formerly assistant manager, Bank of California; and by Miss Gladys Peterman, Al's sister. Their help is sincerely appreciated. Also, Tom McCarthy's editing of the text has resulted in a considerable improvement. Finally, I wish to thank once more the American Plywood Association and its staff who have generously and wholeheartedly smoothed the path to publication.

Nelson S. Perkins, Secretary-Treasurer  
Plywood Pioneer Association  
12501 Gravelly Lake Drive SW.  
Tacoma, Washington

Among those who built the plywood industry, boldness, ambition and a sense of adventure were essential ingredients of survival. But even among such men, Theodore Alfred Peterman stood apart as an exceptional personality. He contributed uncounted refinements to the plywood production process, and built one of the most efficient and successful manufacturing operations of the times. Beyond that, he contributed to the color, flamboyance, and verve that attended the making of an industry.

# The Peterman Manufacturing Company

The plywood phase in the history of the Peterman Manufacturing Company, although always second in importance to doors, began in 1920 when Theodore F. Peterman, founder of the firm, died, leaving his comparatively small but reasonably successful millwork business to his widow, Katherine. She immediately called in their 27-year-old son, Theodore Alfred (Al) to operate the plant under an oral management agreement which, within a few years, became a joint partnership as it prospered under his dynamic and ingenious leadership.

Al's father, born in Germany, had immigrated to the U. S. when only 15. He lived several years with an uncle in San Francisco. He then moved to the Northwest, working in furniture plants and planing mills, and finally settled in Tacoma. He married Miss Katherine Corcoran in Olympia in 1887. A daughter, Olive Gladys, now living in Seattle, was born in '90, and on March 22, 1893, a son, Theodore Alfred. Just outside of Tacoma, he bought a 20-acre farm for \$400, selling it a few years later for \$8000. With this capital, he established his own small sash and door plant which prospered until his death in 1920.

When Al Peterman took over the operation of this plant, he had the benefit of a youthful training from an industrious and independent-minded father gifted with mechanical competence, and he also had the challenging opportunity to manage a going concern.

Al had worked in the plant not only after a year or two of high school, but apparently off and on during the next few years. He didn't always see eye-to-eye, however, with his strong-minded Germanic father. At any rate, he tried several other business ventures, one of which was selling scrap iron, evidently quite successfully. When still quite young, he exhibited business initiative. Once when Al learned some logs were needed for his father's mill, he located a supply, bought them and sold them at a fair price and profit to his somewhat surprised, but proud, father.

Al always had ideas of his own. Continuing the millwork plant along its customary, rather limited lines was not in his scheme of things. During his various activities, he had become convinced that as building boomed in the postwar era, the demand for doors was going to increase rapidly.

Accordingly, his first step after taking over the plant in 1920, was to concentrate on fir doors by installing a streamlined assembly operation. Since it became apparent that more and more plywood panel doors were being specified, he installed within a year, a veneer and plywood plant to manufacture panels, mostly "good two sides," to be cut to size for his door department. Some wallboard grade panels also were made. Since the sawmill cut only shop lumber for his millwork and doors, "peeler logs" were easily selected from the threecar log trains, steamed for 72 hours and then peeled into almost clear veneer. The plywood plant consisted of a 60-inch, 8-foot Capitol lathe with the solid pressure bar, customary at that time; hand clipper; Merritt plate drier; one glue spreader; skinner and cut-off saws; the usual cold press and clamps; a Yates-American 8-drum sander; and various hand-patching tools. The latter were made at the plant, and in time became standard industry equipment.

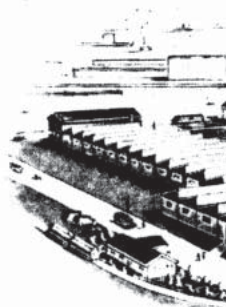
All of this, except for the type of clipper and drier, was basically quite similar to current coldpress operations.

Almost overnight it seemed Peterman became a prime factor in the door industry. His business grew at an amazing rate so that by 1923 (the only year such figures were made public) it is reliably reported that his mother, as owner of the business, paid the highest individual Federal Income Tax in the state of Washington.

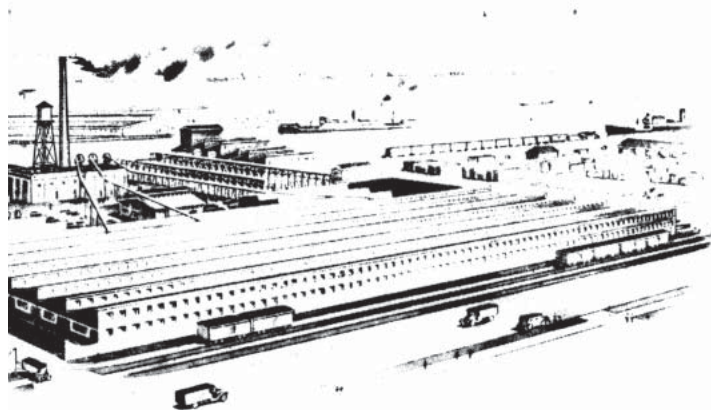
Business and profits increased during the next several years as the demand for doors mounted, but Al Peterman's driving ambition, and his constant striving for greater efficiency through unflagging attention to all phases of his operation, undoubtedly contributed heavily to his skyrocketing success.

Another important factor was his great mechanical ability akin to genius in devising improvements to machines and equipment, as well as innovations in accepted industry methods. To this must be added his keen sense of observation, a remarkable memory and an accurate judgment of character.

Deciding that larger and more modern facilities were needed, in 1926 he bought a site of about 25 acres for \$40,000 on Alexander Avenue, on the Tacoma tideflats, where he built a huge plant extending 742 feet along



Peterman Manufacturing Company,  
Tacoma, Washington  
"Manufacturers of quality fit doors and fir plywood."



Alexander Avenue. It consisted of a plywood mill and a door plant, both protected by sprinklers and housed in an L-shaped structure on a concrete slab covering 350,000 square feet, with separate structures for a sawmill, a boiler plant, dry kilns, and main offices. During the roof construction of the 8-acre main building, Al, always looking for time-savers, had a jeep hoisted to the roof to facilitate handling of roof sheathing and roofing materials. Although considerable first-class machinery and equipment from the old plant were moved piecemeal into the new plywood mill, Peterman also installed such modern items as a 100-inch, 8-foot Capitol lathe; a 20-section, 4-line Coe drier (the first double-circulating one in the industry); a Jenkins tape-jointer; belt sander and four 8-drum Yates-American sanders. A blower system conveyed sawdust and sander dust to a concrete fuel bin, while cutting wastes were hogged and sent to the fuel bin by underground conveyors. Logs, which after 1934 were mostly from the company's logging operations at Morton, Washington, were cut into veneer blocks in the water and loaded by bridge crane into steel cars on tracks for handling in and out of steam vats. One of many innovations was the use of electric lift trucks to move skid loads of veneer, plywood, pressboards and clamping irons within the plant, and similarly, to expedite loading at dock of water shipments of plywood and doors.

Another feature was a railroad track within the plant to permit simultaneous loading at floor level of fourteen 40-foot boxcars. Switching was done by the plant's own Diesel engine.

The sawmill, designed to cut shop lumber for the door plant, was reputed to be the most modern of its kind, with a 10-foot head-rig powered by a 750 hp synchronous motor, and an 8-foot Pony saw, both fed by shotgun-feed carriages with electric dogs. The plant also boasted a 48-inch edger, an 8-foot resaw and other necessary items. Lumber was handled by a 125-foot span bridge crane, built by the Peterman machine-shop crew.

In the machine shop, also equipped with the finest available machinery, was built much of the equipment for the new plants. Here, under master mechanic Ben Westbo, were produced many new machines such as high-speed

stickers, automatic panel snipers, and, later on, even logging trailers and other items for the Peterman plant as well as for other forest products companies.

Managerial skill and operative knowledge obviously contributed to the efficient layout of the new plant, but largely responsible for the numerous mechanical improvisations and innovations were the remarkable ingenuity and imagination of Al Peterman.

On January 18, 1930, some two years after the new plywood plant had started, the huge door plant, with a capacity of 5000 doors per 8-hour day, began producing. This was not the most opportune timing for business expansion, since a deep economic depression was already spreading over the U. S. and the world.

As the U. S. door business dropped off, however, Al Peterman sought markets abroad and soon built up a hefty export trade to the United Kingdom. During 1932, for example, he shipped 635,000 doors overseas. Profit was small, but better than in domestic sales where, in the depth of the depression, standard 1-1/8 inch, 2'6" x 6'8" 2-panel doors sold at the mill for 67-1/2 cents each. Just then, 1/4-inch plywood panels (wallboard) were sold for \$14.00 a thousand less 5 percent and orders were hard to come by. (This price was about 10 percent of a brief market "high" in 1969.)

Nevertheless, Peterman kept his big door plant and relatively smaller plywood mill operating throughout the depression years of the early thirties. True, orders at times were sufficient for only two or three days production a week, but he held his crew together and was able to show some profit every year but one.

Among the key personnel during the trying years of the depression and later, were Dick Salley, an experienced mill man, appointed plant manager when Jim Gregory retired in 1931, and Frank Smith, plywood superintendent. Both were living in Tacoma in 1969.

George N. Rakness, a C.P.A. with Treasury Department experience, joined the company in 1929 and was controller and office manager. By 1969, he had made his home in the San Juan Islands.

Art Sivertsen was purchasing agent. George Williams,



Jim Walby,  
eastern sales representative for Peterman  
during the early thirties and later.

sales manager, had a long prior sales history with Pacific Mutual Door Company.

Sales representatives in the field during the early thirties and later were: James (Jim) Walby, of Seattle, covering the East from Cleveland and Pittsburgh, east to the coast and from Maine to Virginia; Harvey Bennison for the Midwest. Later in 1937, the Timberman lists J. A. Hannapel for the Chicago sales office.

Rue O'Neill of Dallas held forth in Texas, and McDougall and Cole were the Los Angeles representatives.

In the 1920's, door jobbers had begun to handle some plywood as an adjunct to their door business. For many years, Peterman sold a large volume of his doors through Pacific Mutual Door, which had an excellent national distribution organization.

Later, Peterman established his sales branches already noted. In general, sales were direct to jobbers. Some of the largest customers were Huttig Sash & Door Company, Farley & Loetscher Manufacturing Company, Birmingham Sash & Door Company, Southern Sash & Door Company, Morgan Millwork Company, Tony Maneri at Clifton, New Jersey, and many others. Nearly all of Al's best customers later became his good personal friends.

During the slack business, Peterman and his machinists, always working toward bettering equipment and machinery, developed an improved bridge crane, three of which were sold to a large lumber concern.

Meanwhile, Al had become interested in starting a logging operation of his own. Edward Baker, with two Johnson brothers, William and Victor, as partners (two real pioneers in truck logging) had organized a logging company to supply Peterman's mill with logs from a small tract of timber they had purchased at Pe Ell, Washington. After this timber had been harvested, Baker made several timber cruises for Peterman.

In the winter of 1933-34, after a year or more of examining various blocks of timber, Al Peterman finally bought a tract in Twp. 12N R4E, lying north of the Cowlitz River. The land was owned by the Northern Pacific Railroad and the area is now known locally as Peterman Hill. Baker was asked to serve as logging manager and operations were started.

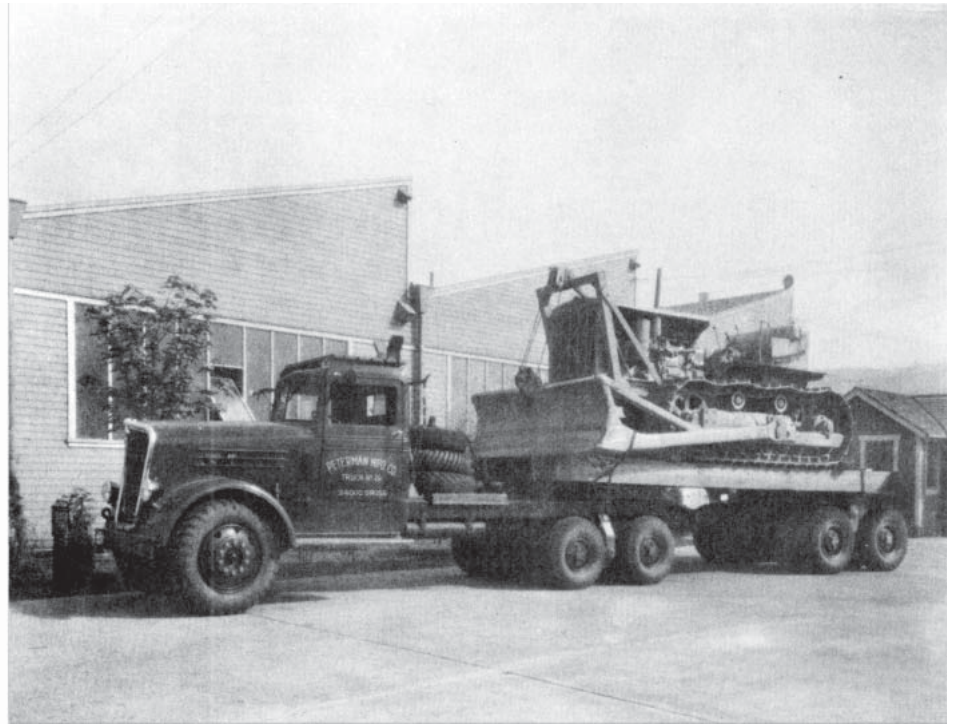
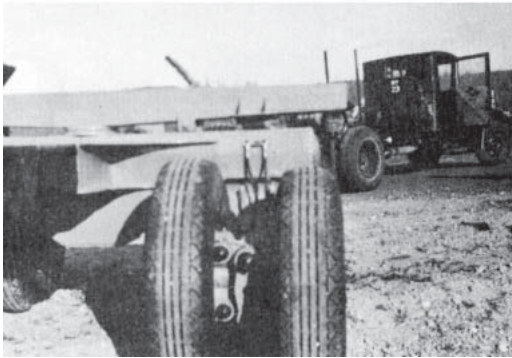
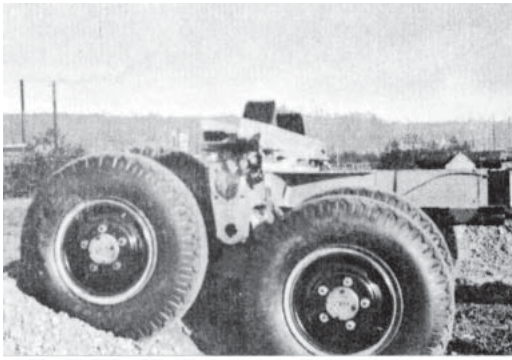
In a memo of June 1969, Mr. Baker reports: "Morton was then the railhead and was the logical location for the

reload and logging headquarters. One of the major decisions to be made was the choice of the method of log transport from the woods to the reload. At that time, most of the large operations were still using logging railroads. Truck logging was still in its infancy, but the infant was lusty and growing. We decided to go with the trucks and planned the road locations and yarding methods accordingly. All-weather main roads, surfaced with crushed rock were also built. Al Peterman's mechanical genius now came into play. To provide the trucks needed for this job, he bought a fleet of about 15 old White trucks that had been retired from service by the Shell Oil Company. These were completely rebuilt in his machine shop at Tacoma. The tires were converted from solid to pneumatics and the old motors were replaced with new ones of greater horsepower. The brakes were converted to air. In retrospect, it is plain that these were the predecessors of the ubiquitous Peterbilt trucks of today."

Al came up also with a new axle design which he patented, employing a special knee action that distributed the load equally and smoothly to dual wheels, even when traveling over skid roads, bumps and holes. This permitted reduced maintenance and a speeded-up operation. His low operating costs – at one time only \$4.00 for stumpage and \$13.50 for logs dumped in the waterway at his Tacoma sawmill – helped to convert the logging industry into a trucking operation.

Mr. Baker also stated: "In the yarding department, both internal combustion yarders and Diesel tractors were used. An old reliable 9 x 10 steam donkey was used as a loader in the woods and an 11 x 13 steam machine at the reload. Log production commenced late in 1934 and continued through 1940, a total of 190 MM feet having been produced in this period with a maximum of 41 MM feet in 1936. Old growth Douglas fir was, of course, the most important species, but we also produced a considerable volume of cedar and hemlock when market conditions permitted.

Dick Salley relates that about this time Al was negotiating with a shrewd broker from Grays Harbor for a considerable quantity of wire rope for his logging operations. He finally asked "How much?" and was told "\$1500, Mr. Peterman!" There was absolute silence for some 20 seconds. Then Al's voice boomed, "I'll give you \$800." The broker knew that was the limit, but said, almost



Upper and lower left: Photos show knee action design of trailers built by Peterman at his Tacoma plant. Each tire carried its full share of the load, regardless of terrain.

Above: First truck built by Peterman Manufacturing Company of their own design. The trailer was also built by Peterman. Most distinctive feature of this truck was the positive chain drive.

pleadingly, "Please, Mr. Peterman, a hundred dollars at a time."

The success of his new axle design gave Al the idea of expanding its use. About 1935, during one of his sojourns in San Francisco, he learned that the Fageol truck plant in Oakland had been taken over by its principal creditor, the Waukesha Motor Company, and was for sale. Al made a shrewd purchase at a favorable price and then operated the plant as Peterbilt Motor Company, a subsidiary of his Tacoma company. Later, it was incorporated with all stock owned by the Peterman partnership, i.e., Al and his mother. This truck company prospered, but strangely, Al never developed the axle design which had prompted him to buy the Fageol plant in the first place. Peterbilt trucks, however, are still seen on the highways.

A widespread strike hit the West Coast lumber and plywood industry in 1935 arousing much bitterness before it was settled. Al Peterman had always enjoyed amicable relations with his employees, and, even though he drove hard for efficiency, he was respected and received good cooperation from his employees. "Put it in the big sprocket" was a favorite slogan of his.

He was rather unpredictable, however, and on occasion, would call his superintendent or foreman, even at midnight, and order a crew at the plant by 6:00 a.m. to try out some new idea that had suddenly occurred to him. But Al would be there too, working as hard as anyone, and since some of those ideas were highly successful, these unexpected and sudden calls to work were accepted as part of the job.

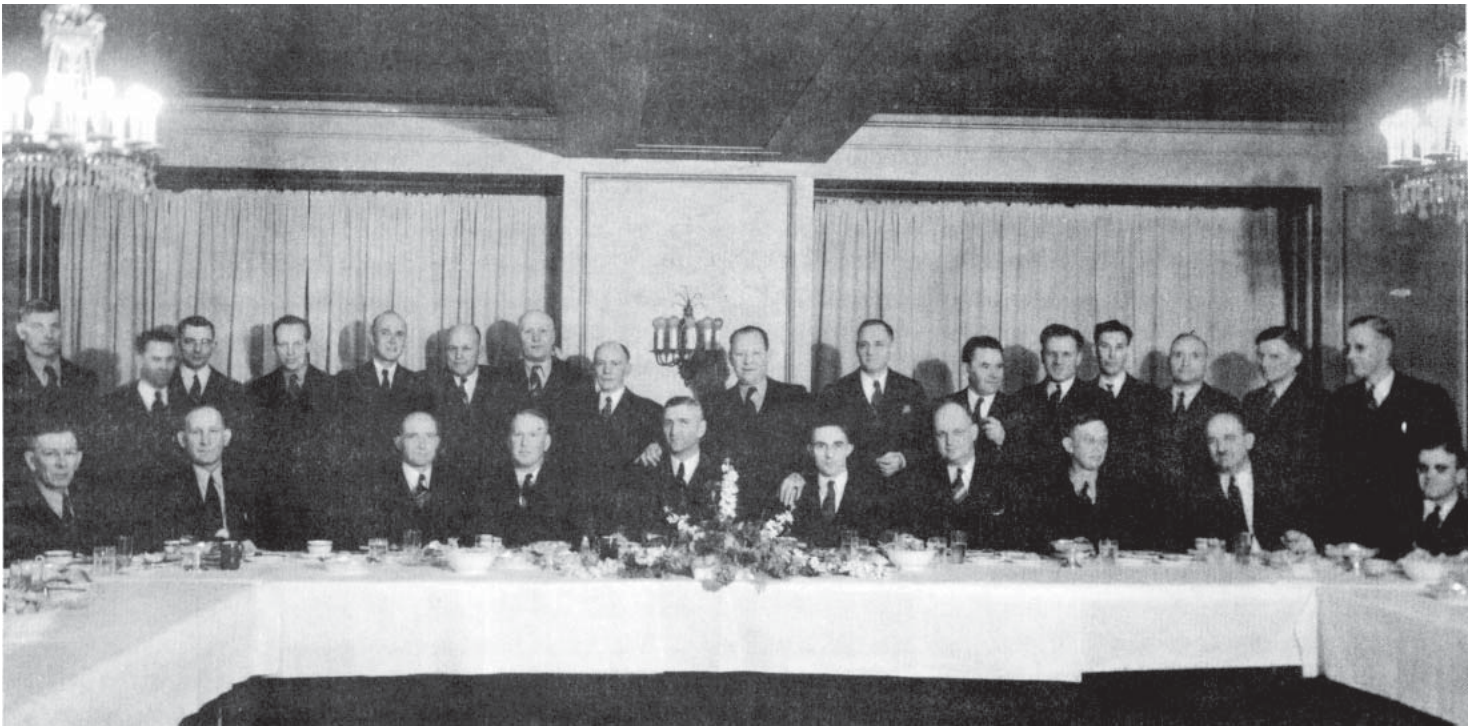
Nevertheless, his mill was struck, since it was part of the lumber industry. In characteristic style, Al set up a goodly sized welcome tent in front of the mill, with a fresh keg of beer and sandwiches, plus a few comfortable chairs to refresh the patient pickets, who trudged wearily back and forth, carrying their signs of silent protest. When Jim Walby, his eastern sales representative, showed up on a visit, Al told him "I'm on strike, too – why don't you join the pickets and have a beer?"

By 1936, the country was on the way to recovery from the Great Depression. Building started to pick up and so did the plywood and door business. The Peterman Manufacturing Company participated in the boom and in the profits, as good organization and high efficiency paid off. His door costs, in those days, it is reliably reported, were about 30 percent under those of most of his competitors.

Al Peterman, in addition to his reputation as a mechanical genius, had always been known as one who worked hard but who, when occasion permitted, could also play hard. Now, as prosperity engulfed him, he found greater opportunities for social relaxation, although never to the detriment of his business.

Al was flamboyant and enjoyed life to the fullest, but he was one of Tacoma's most respected and popular businessmen.

Anecdotes of his spur-of-the-moment flights, with a companion or two, or more, to San Francisco or elsewhere, are numerous and have created an image of an almost legendary character.



Peterman Manufacturing Company staff gathered around Al Peterman, seated at center: circa 1939-40.

One story is that Al's favorite relaxing beverage was "White water and Plain Label," usually served without any specific request, and always mastered as smoothly and efficiently as were his factory operations.

Another story relates that Al once phoned from San Francisco to a close friend who was the editor of a leading newspaper in Tacoma. The wife answered the phone to hear that Al needed her husband down there "right away on an important matter" and that tickets and reservations would be waiting at the airport. When the busy editor dropped everything to fly down and meet Al at his hotel, he learned the important business was to join Al for companionship and a few friendly drinks.

The story of his interrupted trip toward Seattle in a brand-new luxury sedan is well known. As he rounded a curve on the old Seattle highway at a fairly high speed, a slow-moving jalopy suddenly appeared before him. As Al hit the mechanical brakes, they locked. He skidded into the guardrail, which splintered and penetrated the fenders. A moment later, a highway patrolman pulled in behind him. Al explained how the brakes had locked and caused the skid, announced he'd pay for all damages to the highway, and then amazed the officer by declaring, "Leave the car here. I'll never drive the — — — thing again." Just at that moment the officer received a radio call to a bad accident near Seattle, but he did consent to drive Al and his party to the Seattle city limits where they could get a cab. Al never drove the damaged car again.

Al evidently liked flying and had even used mail planes for transportation in the twenties. It is also related that he came into Portland once in a heavy fog by flying (as a passenger) under the St. Johns Bridge to land on Swan Island.

One of Al's many friends was Alex Holden, a highly competent barnstorming pilot who had his plane parked at the old Mueller Harkins Airport. He'd taken Al on several flights. One day Al wanted to fly but Alex was away. Al, who had never piloted a plane, took the plane up alone and eventually brought it down successfully. Alex was furious when he heard and he told Al never to do such a crazy thing again. But Al knew machines, and later tried to repeat his flight with somewhat less success.

Al visited his logging camp at Morton quite often for a stay of several days. He slept at a small hotel there but had a fear that it would burn down while he was a guest. To solve this problem, he bought a deluxe house trailer and had it hitched to his car. The first trip was the last. Accustomed to traveling at 60 to 70 miles an hour, having his speed reduced to 35 was unbearable. He drove into his truck garage, called for the head mechanic and said "Get your blow torch, cut this trailer off and give it to the first SOB that comes along."

Once Al took delivery of a new Cadillac, drove it around the block and back to the dealers, who fearfully asked, "What's wrong, Al?"

"Nothing," he replied. "Order me another one just like this one."

Then, about 1940, Al bought a steamship and set up a separate corporation, North Pacific Steamship Company (primarily to handle his water shipments). He also purchased a beautiful 70-foot pleasure yacht, the Pagan to maintain an equitable balance between work and play.

Ever forward-looking, Al Peterman had acquired from the Northern Pacific Railroad Company, in 1939, a 30,000-acre tract of timber on the Lewis River. Under the conditions of sale, he was to construct several large mills

to manufacture lumber, plywood and shingles, and to ship these products via a Northern Pacific branch line through Yacolt, Washington.

He also acquired a large timber tract on the Trask River near Tillamook, Oregon. Near there, at Garibaldi, where the Oregon-Washington (plywood) plant now operates, he bought a plant site and started a "lay-up plant" under the management of Jim Walby.

World War II burst upon the United States with Pearl Harbor, December 7, 1941. Within a few weeks, the Federal Government, through its Maritime Commission, instituted condemnation proceedings against Peterman's Tacoma plant site for conversion into a shipyard for baby flat-tops. Al was ordered to vacate by June 1, 1942. He received an \$875,000 government check, which he carried around in his pocket for some time to show his friends. Carloads of machinery and equipment were removed, much of it going to the Garibaldi plant. This was a severe blow to Tacoma. Just how high Al Peterman rated in the business community may be judged by the tribute appearing in the March 1942 issue of "Tacoma Progress," the official publication of the Chamber of Commerce.

"Tacoma hopes, and fervently so, that T. A. Peterman will not find it necessary to transfer his tremendous capacity

for payroll building outside of this area. We know of no man who has a right to feel closer to the soil that upholds Tacoma, than Al Peterman. He was born here, his mother was born here, and since February '89, his company has been contributing to the buying power of the community. Since his father's death in 1920, Al has directed operations with conspicuous success. Some 600 men are employed in the woods and at the plant, one of the most modern and efficient in the nation.

"Al is said to be a genius in working with machinery, and his products, doors and plywood and sash, are well known in world marts.

"We must have no quarrel with the Federal Government on a war program, but Tacoma exceedingly regrets the necessity of the condemnation and removal order."

And so Al Peterman left Tacoma, and his host of friends. But he had already laid imaginative plans for huge new plants; one large group near his timber on the Lewis River, and probably a smaller operation to be supplied from the Trask River timber in Oregon.

Tragically, even before he could get his construction underway, Al discovered in July of 1944 that cancer had marked him as a victim. Only four months later, in Vancouver, Washington, he passed away and the Pacific Northwest lost one of its most colorful citizens.

