



Plywood in Retrospect

WASHINGTON VENEER COMPANY

No. 11 in a series of
monographs on the
history of West Coast
plywood plants



Plywood in Retrospect

The Washington Veneer Company story is the eleventh in the series of historical monographs on the early Douglas fir plywood mills. The company was organized in 1924 by Ed Westman after he had helped lead the Olympia Veneer Company, first of the plywood co-ops, through its early struggles, as described in monograph no. 7.

Much of the background information on Washington Veneer Company was obtained from the files of the American Plywood Association (formerly DFPA). I am indebted to both Bob Anderson, Sr. and Floyd Westman who have been extremely helpful in supplying data based on their experiences with Washington Veneer Company.

I am grateful also for the assistance of the American Plywood Association in printing this monograph and particularly to Mrs. Liz Dutton for editing, to Mrs. Ruth Bogan, Mrs. Doris Larson and Mrs. Pauline Finn for their typing contributions.

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E.E. Westman

Washington Veneer Company

As related in the Olympia Veneer Company monograph (seventh in the Plywood Pioneers historical monographs on the early plywood mills) the year 1923 marked the beginning of profitable operation for that original worker-owned venture. Joe L. Peters, an astute Olympia realtor and promoter, had watched closely the struggles of the veneer company and was helpful in easing its financial burdens. After seeing the cooperative plywood plant finally emerge as a successful enterprise, Peters became convinced that economic conditions were favorable for another plywood mill in Olympia.

The Company is Organized

In 1924, Peters decided to act. He persuaded Ed Westman, president of Olympia Veneer since 1922 and a driving force in organizing it, to resign and to manage a new plywood company, which was to be capitalized at \$400,000. Peters apparently sold most of the stock, but Westman gathered a nucleus of ten reliable cohorts from Olympia Veneer Company, including Axel Erickson as superintendent; Evert (Ev) Dahl, master mechanic; Otto Jacobson, electrician and later purchasing agent; Fred Johnson, log buyer; Art Carlson and Ernest Anderson as shift foremen; Bill Anderson, Nels Lindgren, and Otto Wallmark to manage the sawmill.

Each of these men was able to borrow enough money from a wealthy local banker, Mr. C.J. Lord, to purchase 100 shares of stock in the new company at \$100 per share. Lord obviously had confidence in the new endeavor, but especially in Ed Westman and his chosen associates. Further evidence of this is Ed's own story, that somewhat later Lord told Ed he'd "picked up" 250 additional shares of Washington Veneer stock for him. Ed remonstrated he didn't have that much money, but Lord told Ed he could pay for it when he was able.

On June 1, 1924, incorporation papers for the new Washington Veneer Company were signed by J.L. Peters, Ed Westman and the following: L.B. Faulkner,

Millard Lemon, Otto Jacobson, Otto Wallmark and G.C. Winstanley.

The Mill is Built

The site selected for the new mill was leased from the Port of Olympia, and was on an inlet of Puget Sound, about 3/4 mile west from Olympia's business center, with convenient railroad sidings and water transportation. On this site were a sawmill (Capitol Lumber Company) and its retail lumber yard, both of which were operated for many years by the Washington Veneer Company.

Construction of the plywood plant adjacent to this sawmill was started in 1924. In February, 1925, plywood production began at a rate of 65,000 feet daily. "Westman's insistence on high operating efficiency for every piece of equipment in the plant fostered many a refinement of machinery.

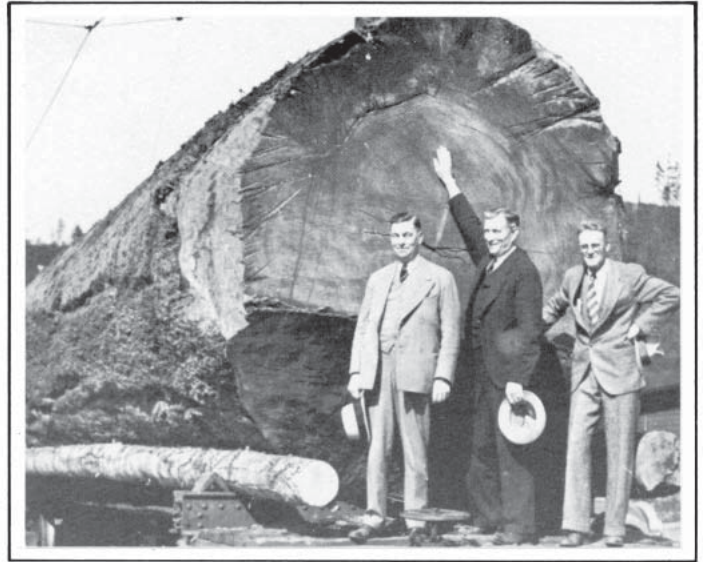
"A case in point is that of the elimination of belts on the lathe. The first lathe at Olympia Veneer Company had 14 separate belts to operate the various parts. When he built the initial Washington Veneer Company plant, he specified to the lathe manufacturer – St. Joseph Iron Works of St. Joseph, Michigan – that all belts be eliminated and replaced with gear drives. Engineers and designers at the machinery company designed a lathe with all belts except four eliminated. But that was not what Westman wanted, and an all gear-drive version had to be evolved before an order was placed. That unit became the first belt-free lathe on the coast."*

Sales

Marketing of Washington Veneer's panel production was handled principally through Wheeler-Osgood of Tacoma, reportedly based on a characteristic gentleman's agreement between Ed Westman and

*Taken from "Twenty-five Years in Retrospect," a testimonial brochure prepared by C.E. Devlin, Publicity Director for DFPA on the occasion of "Ed Westman Luncheon," April 16, 1946.

Ed Westman (left) with Eb Nelson (saw mill manager) and Bill Lindsell (log buyer) with a huge log measuring more than ten feet in diameter. In photo on adjacent page, Ed Westman and staff pose on the record log: (left to right) Axel Erikson, Bill Frank, Corinne Underwood, Annette Miller, Louise Bach, Eva Mattson, Ed Dahl, Tibbey Wyman, Dorothy Hayes, Bill Lindsell, John Westman, Fred Fant, Eb Nelson, Bob Anderson and Ed Westman



George J. Osgood, president and general manager of Wheeler-Osgood Company and one of the most prominent door jobbers in the country. In September, 1925, the trade magazine *The Timberman* reported that Washington Veneer Company had announced an order, quite sizable for that period, of 340,000 feet from Fisher Body Company.

Years later, Westman related in an interview in April, 1953, with DFPA field representative Stan Taylor, that his personal visit during 1927 at the Haskelite Corporation factory in Grand Rapids had resulted in an order for a million feet of 13-ply, 1-1/8-inch plywood for floors in busses and streetcars. The superintendent whom Westman believed responsible for the order told Ed he was the first plywood man to visit their factory to learn their problems, instead of "telling them what to do."

Shortly thereafter, Washington Veneer Company originated the famous wallboard grade of Douglas fir plywood in 1/4-inch 48" x 96" panels. Full credit for this bellwether item, which for more than two decades constituted the leading volume item of the industry, rests with Don Davis, Sr., for many years president of Aetna Plywood and Veneer Company, Chicago, Illinois. Don was then an associate of R.C. Clark, a prominent Chicago jobber.

In the summer of 1928, Don had seen some compressed paper wallboard in a vacation cottage in Wisconsin. The wall panels had shrunk and warped badly, sagging and tearing away from the nails. Don was sure plywood would do a much superior job and immediately wrote to Ed Westman and Elliott Bay Mill Company, suggesting the manufacture of a wallboard grade of fir plywood 1/4" thick, 48" x 96". Westman pounced on the enterprising suggestion and in a short time, through R.C. Clark Veneer Company's strenuous promotional efforts, started receiving orders for 1/4" wallboard in carload lots. This grade lent itself to successful promotion for an endless number of industrial

and construction applications, and proved to be one of the vital milestones in the mass production and distribution of fir plywood. It was a forerunner of several other original promotional ideas from Don Davis, including plywood for concrete forms, plywood for auto floor boards, and a 40-car train loaded exclusively with fir plywood.

Plant Expansions

In 1926-27 the sawmill was rebuilt and modernized, after which it remained in operation the entire life of the plywood plant.

In 1928, Washington Veneer added a millwork plant, in order to remanufacture the product of the sawmill. Bill Westman, Ed's brother, was hired as superintendent. The retail yard was, however, finally sold in 1942.

The following year, 1929, Ed Westman and several other Washington Veneer Company stockholders decided to build another plywood plant, Capitol Plywood Company, at the Port of Olympia dock near the millwork plant and about a quarter-mile from the site of the original plant.

Apparently at that time the directors of Washington Veneer Company were unwilling to underwrite a second mill. Nevertheless, Ed Westman's group, with Ed as president, C.J. Lord, vice president, and Bill (W.H.) Schultz as secretary-treasurer, proceeded with its plans. Under the direction of Otto Jacobson, a thoroughly modern plant was designed and construction started during the summer of 1929. It was a boom period, especially with the increasing demand for the new wallboard grade, and prospects for success looked promising. The disastrous stock market crash that fall, however, caused a nationwide financial upheaval, and Westman's group apparently suffered. At any rate, they were compelled to seek more capital to finish the plant. Westman was able to arrange for this, as we shall see.



That year, 1929, J.L. Peters, of Sams & Peters, Olympia, intrigued by the success of Olympia Veneer and Washington Veneer, had organized another company, Aircraft Plywood, for the Gould Lumber Company of Seattle, which then converted its sawmill into a new plywood mill. Their original plan, which never materialized, was to produce spruce plywood for aircraft construction. Apparently, however, Peters and Gould had been assured they could have a long-term contract to supply all the plywood requirements of the Fisher Body Company. Fisher had a plant in Seattle as well as in several Midwest cities, for building bodies for General Motors cars. Such a contract meant a tremendous potential plywood order for the Aircraft mill and indicated the need for an experienced plywood executive.

Peters naturally turned to Ed Westman, and when Aircraft Plywood was opened in September, 1929, Ed became its president, in addition to being president of Washington Veneer. Ed, in turn, brought in Bill Bailey as superintendent to handle production.

Almost immediately Westman was shown the proposed contract with Fisher Body and given 20 minutes to determine a sales price for 3/4-inch rough, 5-ply panels to be used as floor boards. After quick calculations, he came up with an offer to produce the material for \$53.50 a thousand, about \$6.50 under the market price at the time.

Although some plywood men thought the contract would prove disastrous, actually one plant alone – Aircraft Plywood Corporation at Seattle – showed a profit of \$26,000 the first month of operations under the agreement. Crux of the lowered cost, and resultant high profits, was the continuous peeling of the same thickness of veneer – 1/7-inch, “heavy” – day and night. This huge contract not only kept the Aircraft Plywood mill busy in a 3-shift production for more than a year and a half, it also

provided considerable business for the Washington Veneer Company, in Olympia.

Furthermore, it paved the way to financial relief for Westman’s under-capitalized Capitol Plywood – for at this time, Gould’s Aircraft Plywood purchased 2001 of the 4000 shares of Washington Veneer Company stock outstanding for \$300,000. With this fresh capital, Washington Veneer directors took over the Capitol Plywood Company as their Plant No. 2. They completed the mill in 1930 and started operating with an order for all-spruce plywood for interiors of the German luxury liner, Bremen.

Meanwhile, the Aircraft company, finding its capacity taxed to the utmost, diverted part of its Fisher Body commitment to Washington Veneer Company’s No. 2 plant, which was able to operate around the clock producing the 3/4" 5-ply panels. It was about October, 1930, that Ed Westman, seeing all three plants operating profitably at full capacity, resigned from Aircraft to devote all his time to Washington Veneer Company.

Only a few weeks later the profitable three-plant arrangement ended abruptly. Without warning, the Seattle plant of Fisher Body was compelled to split its lucrative contract among other West Coast plywood manufacturers, who, desperate for orders, apparently had determined to undercut the Aircraft “monopoly” at any cost. Bill Bailey, who was promoted from superintendent to general manager of Aircraft when Westman left, is quoted: “That price (\$53.50), within a matter of four months, went to \$39.00. I refused a million-foot order one morning at the office on the basis of \$39.00. I said to the general manager of Fisher Body, ‘We can’t operate at \$39.00.’” The general manager was regretful and after showing Bailey further even lower bids – one offer at zero! – was quoted “off the record” by Bill, “Hell! They’re going to drive you out of business.”*

*From Bill Bailey’s interview with Tom Sias DFPA, 4/29/53.

Bill said, "There was nothing we could do about it – we shut the plant down."

A few months later, after talks with Bailey, Larry Ottinger, president of U.S. Plywood, bought Aircraft Plywood, and with it, of course, the 2001 shares of Washington Veneer Company which gave him control of that company.

The termination of the Fisher Body contract in the fall of 1930 also forced a shut-down of Washington Veneer's Plant No. 2 which had been operating for only six weeks. It remained closed for nearly three years as the great depression of the early thirties spread across the nation.

Washington Veneer's original mill (Plant No. 1), however, managed to keep operating for another two years, until late in the summer of 1932, when lack of orders finally forced a shut-down. Even so, the company kept contact with its key personnel and retained a small sales force in the field. This effort enabled Washington Veneer Company to maintain its position with plywood jobbers in the shrinking market and to sell what little plywood they could. This material was obtained primarily from Vancouver Plywood Company through an arrangement Ed Westman and Bob Anderson, Sr. made with Dave Crockett, president and general manager of that company. Some orders were also placed with Elliott Bay Mill Company and M & M Plywood in Portland.

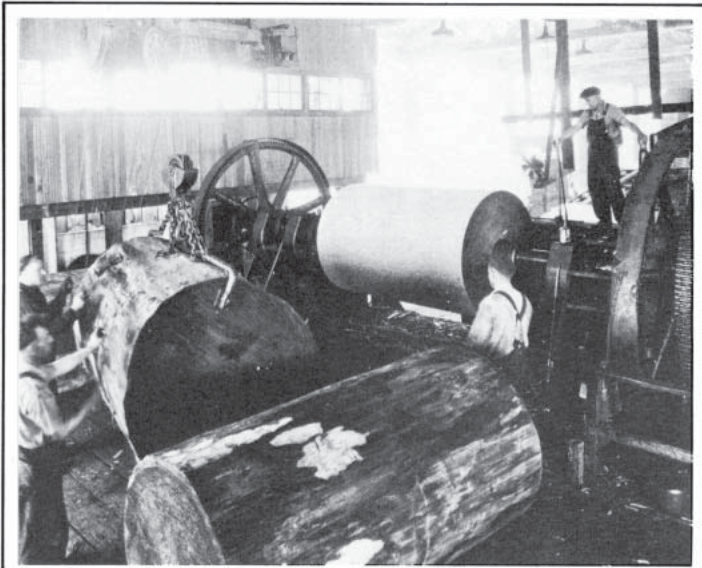
Ed Westman personally guaranteed payment of all invoices, evidence of his reputation, character, and innate ability. He simply refused to quit. As Bill Schultz, treasurer and assistant secretary of Washington Veneer Company almost from its start, expressed it, ". . . during the darker days of the great depression, Westman exhibited the courage and steadfastness of purpose which made him a great leader. When the bank account was slipping badly and orders were harder to pick up than they are to turn

down today, he stiffened the backbone of his associates and employees and never faltered in his belief that plywood would ultimately come into its own as one of the basic structural materials of all time. This optimism for the future extended beyond his own company, the industry, and the product, to include the future of American business and American democracy. Ed always knew that 'things will come out all right if we all do our jobs'."

During this period, Ed Westman strengthened his organization with several key men, whose names became favorably known throughout the industry. R.W. (Bob) Anderson, Sr. (still residing, as of May, 1971, in Olympia) left Wheeler-Osgood and joined Washington Veneer in 1931 to assist Bob Osgood in sales. Bob Osgood, son of George J. (Wheeler-Osgood), disliked the almost constant traveling required and left after a few months to establish his own sales company in Los Angeles. Bob Anderson then became sales manager, a position he held until his retirement.

Fred Fant, who became Westman's right-hand man, was hired in 1932 to serve as general superintendent of both Plants 1 and 2 (the latter idle at that time) until his retirement in 1945. Axel Erickson, brother-in-law to Arnold Koutonen, who had served as superintendent of Plant No. 1 since 1925, succeeded Fant in 1945 as general superintendent.

It should be noted also that Ed Westman had been fortunate in persuading a favorite nephew, Floyd Westman, to join his organization in 1927. For nearly 17 years Floyd quietly and efficiently, and perhaps too unobtrusively, served the company in various capacities, relieving Ed of numerous office details and burdens, particularly with respect to production and shipping schedules. When Bob Anderson became sales manager he assigned Floyd to the position of traffic manager and supervisor of the invoicing department. Floyd finally



Early plywood lathes peeled giant knot-free, old-growth timber for fir plywood. Photo shows huge size of “peeler blocks” available to Washington Veneer in the 1920’s.

resigned in 1944 to join Vern Nyman at Aberdeen Plywood where future prospects seemed brighter.

Through the depression years, and later, Ed Westman, as a member of an intra-industry committee, was a prime mover in efforts to unite the plywood industry in joint promotion and sales campaigns. These endeavors resulted eventually in the formation of the ultra-successful Douglas Fir Plywood Association.

So Washington Veneer Company’s struggle for survival continued until finally the gloomy skies of the depression began to brighten. On May 1, 1933, Westman decided to resume operations in Plant No. 1. The start was shaky, since the bank balance with which to meet the payroll was only \$500. For several months they operated on a “slow bell,” only two or three days a week, with wages at 20¢ an hour – and workmen glad to get it. A fortuitous plywood order for numerous buildings at the Century of Progress Fair in Chicago, however, put the veneer company back on a better schedule, so that operations once more became profitable.

In mid-summer, 1933, Washington Veneer wanted to resume operating Plant No. 2, but lacked the necessary funds. Westman solved that problem by leasing the plant to a new joint-operating company, Capitol Plywood Corporation, with Harbor Plywood supplying the cash and Washington Veneer in charge of operation.

Bob Wuest, president of Harbor, was also president of the operating company with Ed Westman vice president. Andy Nelson, later recognized as one of the outstanding production men in the industry, was brought in as superintendent.

Extensive renovation was required. Three years of plant idleness had exacted its toll on both machinery and equipment. Rust was the enemy, especially in steam pipes and traps, dryers, and bearings. Strenuous work on the once shiny apparatus, however, brought it back

to efficient operating condition, so that a year later, when Andy left for M & M in Longview, the mill was in good shape. A few years later, on July 1, 1937, Washington Veneer was able to assume full ownership of the plant again, and to operate it as Plant No. 2.

By this time the nation was well on its way to recovery, and the expansion of fir plywood markets had already begun. All was not clear sailing yet, however, as the plywood manufacturers were plagued by production and distribution problems, with tremendous seasonal fluctuations in market requirements and prices. Building construction, a fertile field for plywood, boomed in the spring and fell off sharply in the late fall. Washington Veneer Company, along with its competitors in plywood and other materials, fought desperately for its share of the market pie, but the basic problem – with more and more mills coming into production – was to increase the size of the pie to satisfy the appetites of all the plywood manufacturers.

To meet this situation, the fir plywood mills, after hesitant steps in 1935-36, finally reorganized their Douglas Fir Plywood Association in 1938, and hired W.E. Difford, a dynamic salesman and promotional leader, as its managing director. He quickly convinced the manufacturers of the need for a nationwide sales campaign, which soon brought increased demand in both construction and industrial markets. Before long prosperity descended upon the plywood industry.

As production volumes increased, Westman turned south toward Oregon, where timber was more plentiful, and in 1939 organized still another plant, the Springfield Plywood Corporation. Control was divided between Washington Veneer Company (60%) and Booth-Kelly interests (25%), with the remaining 15% owned by some of Washington Veneer Company’s shareholders. The mill, designed by Fred Fant and reported to have been the first



Hal McCleary

all-hot-press operation in the Northwest, began operations. Not long after this, however, Weyerhaeuser Timber Company purchased from U.S. Plywood Corporation 2001 shares and control of the Washington Veneer Company, together with its 60% interest in Springfield.

This marked Weyerhaeuser's introduction to selling plywood, and as sales volume increased, they insisted all production be sold under Weyerhaeuser Sales Company's name. They brought in an experienced plywood sales executive, Lou A. Reichman from Robinson Manufacturing Company, Everett, to head their plywood sales department.

It took considerable time, however, to build up a sales organization to merchandise the entire production consisting of 75% of Springfield and 100% of the two Washington Veneer Company Olympia units. During this period, Washington Veneer Company depended upon the following representatives to develop its plywood sales:

- L. Leslie Buck – New England
- C.W. Plywood Co. – Raleigh Chinn & Jacques Willis – Illinois and several surrounding states
- D. C. Dunham – Minnesota
- W. S. (Bill) Nurenburg – Texas
- Paul Peltier – New York
- E. A. (Ted) Wright – California

Westman continued as president and general manager. Under his guidance, in 1944, Washington Veneer acquired the Llewellyn Logging Company of Woodland, Washington, and the Sound Timber Company of Darrington, Washington, in order to provide logs for its several plywood operations. A year after that, a "green end" peeler plant was built at Sutherlin, Oregon, to furnish green veneer to the Springfield mill.

In the early spring of 1946, Ed Westman decided to retire, resigning from the parent company, Washington

Veneer, and also from the presidency of Springfield Plywood Corporation.

H.W. (Hal) McClary, now vice president and general manager of Simpson International, then became general manager of Washington Veneer Company. He had started with them in 1942 as a technical supervisor to organize their quality control and research, and was serving as general superintendent when Westman retired.

Two weeks after retiring, Ed Westman was honored at a testimonial luncheon, attended by most of the industry's leaders, at the Winthrop Hotel, Tacoma. When he was interviewed some years later, in 1953, by a DFPA staff member, his health was failing; within a few months he passed away, mourned by a host of friends, and recognized as one of the great leaders in fir plywood history.

Weyerhaeuser retained control of the Washington Veneer Company for a few years only, selling its interests to Georgia-Pacific Corporation in 1948, when that company decided to move west.

Georgia-Pacific later acquired all of the Washington Veneer Company's common stock and nearly all of the Springfield Plywood stock. These two companies, with their three plywood plants having an annual capacity of 200 million sq. ft., were operated by Georgia-Pacific for about ten years.

In September, 1958, Simpson Industries bought the original Washington Veneer Company's plywood mill No. 1 at Olympia, remodeled it, installed much new machinery and started production in January, 1959. Finally, in February, 1967, Simpson closed down the plant and liquidated the entire operation.

Meanwhile, Georgia-Pacific kept Washington Veneer Company's Plant No. 2 and the lumber mill in operation until about 1969 when these, too, were liquidated and the site cleared, ending the cycle of Ed Westman's Washington Veneer Company plants.