Plywood in Retrospect

SMITH WOOD PRODUCTS INC.

No. 17 in a series of
monographs on the
history of West Coast
plywood plants

Published June 1976 by the Plywood Pioneers Association

George Andrew Ulett

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This story of the plywood mill built for Smith Wood Products Inc. in 1936 is dedicated to George A. Ulett who conceived the idea, financed and supervised the construction, then operated and managed the plant with great success until 1946 when all of the company's holdings were sold.

Ulett, still vigorous and active at 86, is recognized as one of Oregon's leading citizens and one of our greatest Plywood Pioneers.

My sincere thanks to George for most of the material herein, and to all of those on the American Plywood Association staff who have helped through all stages of this monograph, the 17th in a series of the early Douglas fir plywood mills.

Nelson S. Perkins

Nelson S. Perkins, Secretary-Treasurer
Plywood Pioneer Association
P.O. Box 11700
Tacoma, Washington 98411

Smith Wood Products Inc.

The Smith Wood Products Inc. mill at Coquille, Oregon, built in 1935, was the brainchild of George Andrew Ulett, a native New Englander who had moved to the West Coast in 1928 to build a battery separator plant.

Born in 1889 in East Boston, Massachusetts of English ancestry, Ulett was fourteen when his parents told him they couldn't afford to send him to high school. He got a job with the Barker Lumber Company, a retail lumberyard in Waltham, Massachusetts. As he learned to grade and tally lumber, he studied architectural and mechanical drawing at night school. At eighteen, he was made the company's salesman, calling on customers in nearby towns. Four years later in 1912, he borrowed money and opened his own retail yard in Needham.

The United States entered World War I on April 6, 1917. As industry girded for war, local housing slumped and so did George Ulett's retail lumber business. He was forced to liquidate to pay most of his creditors, ending up with a tract of timber near a small village, South Sandisfield, in Western Massachusetts. There he set up two portable sawmills cutting lumber for the war effort. In two years he paid off his last creditor, the Waltham National Bank, and sold out his sawmill operation.

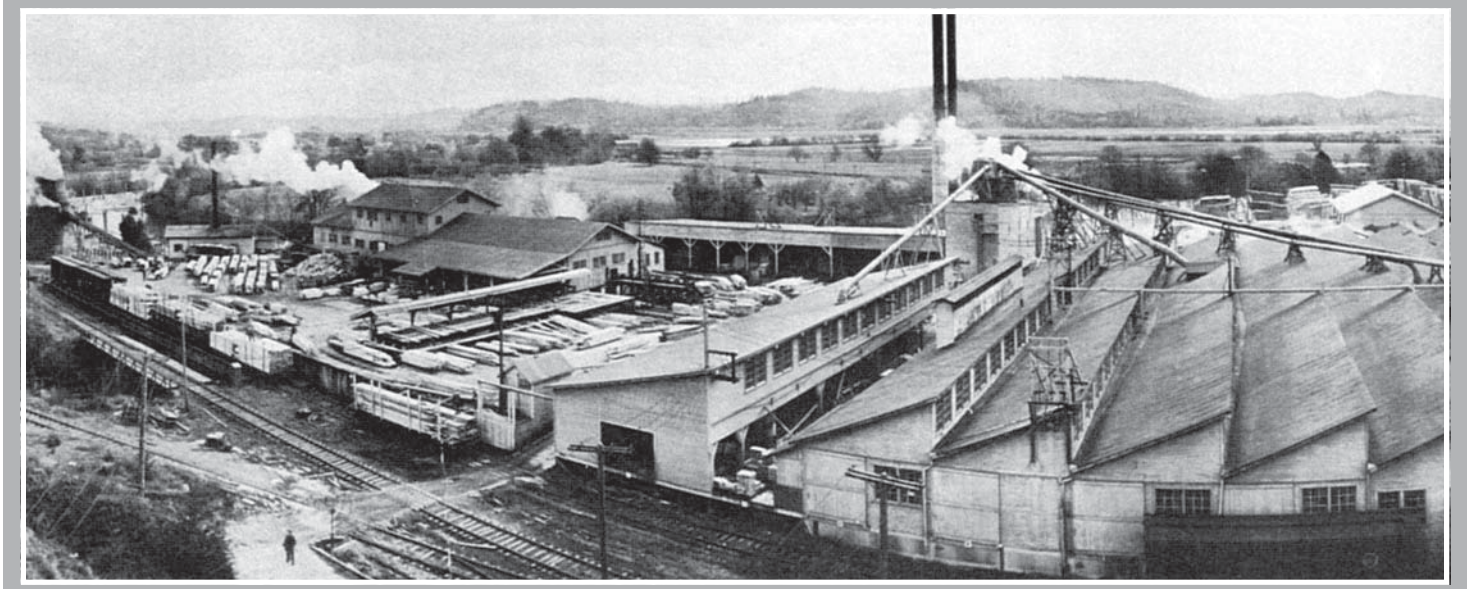
Meanwhile, George had made an interesting discovery that was to influence his future business life. In an old stone building, back of the small house he had built for his family, he found a peculiar looking machine. Investigation revealed it to be an ancient veneer lathe, circa 1851, once used for cutting veneer for the inner soles of shoes and powered by an abandoned turbine waterwheel.

Inquisitive, ingenious, and with mechanical talent, Ulett first obtained a catalog from a veneer lathe manufacturer. He restored the lathe along with the old turbine waterwheel and got them functioning together. Then he installed a little steam boiler and steam tanks, starting veneer production by turning small logs up to 30 inches long from 8 inches to 27 inches in diameter. Intrigued by the success of his experiment, he found a nearby basket manufacturer who was interested in the veneer, but after delivering a wagon load of it, Ulett learned there was little or no profit for him in that field.

The old veneer lathe, however, still had a vital role to play in George Ulett's life. Shortly after, in nearby Winston, Connecticut, while having a battery repaired, he noticed the mechanic removing numerous old thin wooden pieces used to separate the lead plates of the battery. Ulett learned these pieces were "battery separators," averaging about 6 inches square and 1/12-inch thick, made from cherry veneer and selling for around $25.00 a thousand. Battery repair shops at that time were numerous and did a thriving business.

Ulett decided battery separators should be a profitable business. He immediately started learning the details of their manufacture and before long was in production. He progressed rapidly, increasing his sales and profits. He moved to a larger plant in Medford and thence to Needham, Massachusetts into a still larger building where he installed modern machinery including a 46-inch Merritt lathe to cut his own veneer, bringing in Port Orford cedar logs by ship from Coos Bay, Oregon.

By 1928, as George Ulett relates it, his profits were running from $15,000 to $18,000 annually. He was buying most of



Smith Wood Products plant about 1936. Factory, sawmill, plywood plant, retail yard, boiler houses, etc.

his lumber, Port Orford cedar, through Ralph Smith a Kansas City wholesaler.

Smith had an interest in a lumber mill in Coquille, Oregon and also operated a small battery separator plant in Kansas City.

Smith called on Ulett about every month. On a visit in the fall of 1928, Smith told Ulett he was thinking of building a factory out in Coquille, Oregon.

The National Battery Company of St. Paul had told him if he would build a factory large enough to furnish them with all their regular supplies (then about 50 million separators a year) he could have all their business. Smith told Ulett, "I don't know of anybody that knows the battery separator business except you. Would you be interested to go out there and build a factory and run it? I'll be back here from New York next Friday. Let me know then what you decide."

Ulett had gotten to know Smith quite well over the previous two years and was intrigued by the offer. From being in contact with representatives from several West Coast mills and reading "The Timberman" which chronicled monthly all the news of the Pacific Coast forest products industry, Ulett developed a keen interest in manufacturing opportunities in Oregon and Washington.

So when Smith returned and agreed to the merging of Ulett Manufacturing Co. with his company, offered Ulett a fair starting salary, plus stock, payment of all his moving expenses and further authorized him to order the necessary machinery and to send the bills to Smith, Ulett decided to make the exciting move.

Arrangements were promptly completed, machinery was ordered in Boston, a competent manager* to run Ulett's plant was hired. George then took off by train for Kansas City, with his wife and boys following by car. On December 31, 1928, they arrived in Coquille, Oregon ready to face the many challenges that were to develop in their new adventure.

Ulett wasted no time in getting construction of the proposed battery separator plant under way. Just after the machinery ordered in Boston arrived, Ralph Smith forwarded all bills to Ulett to pay. George agreed on the condition that from then on he'd handle all the finances of the West Coast project.

Thereupon he arranged credit with several banks in the Coos Bay area and as far north as Roseburg, apparently because his reputation for trustworthiness and ability had preceded him.

By mid-1929, the plant started operating with its principal customer the National Battery Company of St. Paul. The business grew rapidly, not only in several types of separators that reached a volume of 120 million annually, but also in lumber and U.S. Navy boat-stock items, all made from Port Orford cedar. Also, the manufacturing of venetian blind slats was a large part of their output.

These operations required large volumes of logs and a steady source of supply. To attain this, Ulett was purchasing for Smith Wood Products Inc. various blocks of Port Orford cedar timber. In such stands, Douglas fir was the predominant species by a ratio of from five or even ten to one, but locally it was considered so worthless that whereas the cedar might still be $8 a thousand, the fir was "thrown in" at 25 to 50 cents a thousand and then left in the woods.

*Furb Emory

Further, since timber owners were responsible for damages if a forest fire spread from their property to adjacent timber, they formed dummy corporations to own the fir and to assume any responsibility. They wouldn't pay taxes and the unwanted fir timber would revert to the county. Apparently this denigrating of Douglas fir had become a general practice along the Oregon Coast.

Ulett considered this a terrible waste. He was conscious of the rapidly growing fir plywood industry in Washington and decided a golden opportunity presented itself to utilize the Oregon Douglas fir both for plywood and lumber.

It should be noted that a short time before, around 1931-32, Ulett had found himself short of funds and got permission from Ralph Smith to float a bond issue for $100,000, using the plant and company timber as collateral. It was near the bottom of the depression and Smith was skeptical although he gave Ulett the green light. George demonstrated his sales ability by selling $60,000 worth to local banks and most of the balance to loggers whom he owed, persuading them to invest part of their credit in his bonds at seven percent with a five year maturity. As the separator and blind business improved, Ulett was able to pay off all the bonds within three years. This experience gave him added confidence to promote his new project. He went to Kansas City and presented his idea to his Board of Directors, to which, as Vice President and General Manager of the Western Division, he had been elected.

He submitted an estimate of $800,000 for a new sawmill and a modern plywood plant. Ulett's Coquille operations had been profitable from the start and had steadily expanded. He was producing annually nearly 20 percent of the 600 million or more separators made in the United States developing a large, profitable business in his manufacture of slats and rails for venetian blinds.

The Directors were well aware of Ulett's successes and had great confidence in his ability. They soon approved his plan for the big expansion "provided you can raise the money out there!"

It was a bold idea for the only plywood plant south of the Columbia River, to say nothing of the large sawmill, and this in 1935, shortly after the Great Depression. George Ulett, however, had an instinct about the future of the West Coast, possessing the courage and initiative to proceed in what was certainly a calculated risk.

Although his separator plant was making large profits, he quickly found out that for the completed, well equipped plywood plant and sawmill, he would need considerable financial assistance; his latest estimates indicated costs running close to one and a half million dollars. Fortunately, he could turn to the Reconstruction Finance Corporation (RFC) which, if it approved, would guarantee to a bank 80 percent of its loan on a project.

George was dealing with a Portland bank and money was tight. When they refused to renew his note just before it became due, after assuring him they would, he switched to a new bank. When this closed shortly after, Ulett ended up at the Seattle First National Bank, which assumed the RFC loan, leading to a long and profitable connection for both the bank and Smith Wood Products Inc.

In the construction of his project, just as with the battery separator plant, Ulett effected a number of important

Smith Wood Products (146 persons). Factory employees and management.

economies utilizing the skills of his own work force and those of occasional hired specialists. A Norwegian, John Jorgenson ("Jorgy") put in foundations, pilings, and concrete slabs for the boiler house, chimney, and other structures.

When Ulett commented on the rough appearance of a concrete loading ramp, Jorgy replied, "It ain't much for pretty, Mr. Ulett, but it's sure hell for stout" and so, as the years passed, were all of "Jorgy's" structures.

Learning that a mill employee lived near a clay pit and an old beehive oven where brick had been made, Ulett helped him organize a group to manufacture several hundred thousand bricks at a net cost of under $5 a thousand.

In setting up the boiler plant and a later power plant, Ulett bought secondhand generators with condensers, piping and accessories, all in excellent condition from Wenatchee, Washington, and Manitowoc, Wisconsin, thereby saving several thousands of dollars.

Another of his shrewd money-saving deals was the purchase of two large 600 h.p. boilers, good for 250 p.s.i., from a Southern California company that was converting to high pressure steam.

All of these transactions, effected before recovery from the worldwide depression had gained any momentum, showed that Ulett, the New Englander, had lost none of his Yankee Trader instincts for bargains. They all helped to ease the large financial burdens of the sawmill and plywood plant project.

The Smith Wood Products plywood plant started producing in early 1936 and by the year's end was turning out about 25 million feet as an annual rate.

It was a conventional 4 foot by 8 foot cold press operation, using soya bean glue and clamps to retain pressure on the panels for about 48 hours after removal from the press.

After four or five years when the demand increased for "Exterior" plywood made with hot pressed, waterproof phenolic resin adhesive, the mill sold its cold press and installed a 4 foot by 10 foot hot press with ten openings. Later, as the Exterior-type kept growing in popularity, Ulett put in a large twenty-opening hot press with automatic loader. During World War II, the plant was producing about 50 million feet annually on the regular 3/8-inch rough basis.

A ten-foot Coe lathe, which could peel blocks up to 84 inches in diameter, was installed. Since a solid nose bar at the lathe was standard at that time, logs were steamed to insure peeling a "tight" veneer. Later, introduction of the roller-pressure bar at Wheeler-Osgood's plant led to its industry-wide adoption. This eliminated steaming costs. Nevertheless, years later a number of plants reverted to steam because of certain "fringe" benefits, particularly in smoother veneer and in reduced dryer time.

Log Supply

The plywood plant and also the new sawmill were profitable from the start. Ulett's autobiography cites the use of 100 million feet of logs annually, obviously including all of their operations at Coquille.

Although the company eventually bought several tracts of timber and also purchased logs from many gyppo loggers, most of the logs used came from timber acquired for fairly immediate use from federal, state, county, and private ownership.

When the plywood mill first started, logs delivered in the river cost about $8 to $10 a thousand. About 15 percent of the best were selected for the plywood plant which was charged $30 a thousand. The rest went to the sawmill for around $5 a thousand, thus balancing the total cost.

Personnel

After six months of operation, Ulett brought in Dewey Lung from Portland as plant superintendent and Elmer Hall as assistant. Both were experienced, competent operators who later became general managers in other plants. Hank McCue, who started in the office, became office manager under Larry Lundquist who joined the company as plant manager in 1940, remaining until 1945. Hank then became plant superintendent there and afterwards plant manager at Springfield for Georgia-Pacific Corporation. Ernie Christofferson was another of Ulett's top aides in the plywood plant.

Sales

Ralph Smith handled the sale of separators, venetian blinds and part of the lumber. The first plywood sold went to Bill Renn (Renn & Emory) well-known jobber still operating (November 1975) near Philadelphia, Pennsylvania. One of Renn's first orders was for five carloads of 1/4-inch Wallboard clear face at $17.00 per thousand feet.

The general sales policy of the plywood division was strictly jobber. Clay Brown, who had his own lumber and plywood sales office in Portland, was employed as sales manager; George Royer was his assistant, with an office at the mill. Clay handled sales through a number of sales agents and later had his own plywood mill (Humboldt Plywood) near Arcata. After selling out there, he became general manager for M&M at Portland. George Royer had wide sales experience at Wauna and M&M Woodworking, Portland, before joining Smith Wood Products Inc. J. E. Cool handled most of the lumber sales.

Labor

During the 17 years that Smith Wood Products Inc. owned the plant, there were only about five months that failed to show a profit. Ulett was known as a hard and canny bargainer, but a fair one. One union leader, a mill foreman, stated after a hard bargaining session with Ulett, "I learned today there are three, not two, sides to an argument: the union's side, the company's side, and Ulett's side.

Nevertheless, there were few serious labor disturbances. An exception occurred when the plant first started and employed a group of experienced plywood workers from the North. They were evidently "radicals," who shortly before were involved in some violent disturbances in the Puget Sound area. About 70 of them struck and walked the picket line for seven months or so, although over 400 union members in good standing refused to side with them and continued to work. The strikers appealed to the Labor Relations Board which sent in one of their attorneys, a former judge from New Jersey. He decided the strikers had a majority and ordered the men reinstated with seven months' back pay.

Ulett's attorney took the case to Washington where the decision was entirely reversed. Later, Ulett was told the former judge was dismissed for fraud. Despite this unfortunate

Port Orford cedar logs in Coquille River.

incident, labor and management had generally amicable relations. When new contracts were negotiated, they proved satisfactory to both parties.

Sale of the Smith Wood Products Western Division

When the battery separator plant at Coquille was decided on, Ulett and Smith agreed on building for a future operational life of about 15 years. “If we can’t make enough to retire on in that time, we’d better not start.”

By 1946, seventeen years after the start, Ulett had developed a large, integrated operation. This was backed up by several hundred million feet of timber with boom rights, and a well equipped logging camp, supplying the raw material for the plywood mill, sawmill, and battery separator and venetian blind plants. It was recognized as a profitable organization and Coos Bay Lumber Company, experienced in manufacture of wood products, became interested in buying it.

Ulett thought the time was right for liquidating. He got Ralph Smith’s approval of a proposed selling price as well as assurance of support by the company’s directors, and proceeded to negotiate with Henry Chaney, financial head of Coos Bay Lumber Company. An agreement between the two was soon reached on the transfer of all the holdings of Smith Wood Products Inc. property in Coos County, Oregon.

Although the price was reasonable, it represented a huge profit to Ulett’s outfit, based on the original investment. Over the years, however, profits had been invested in timber which had appreciated greatly in value and in capital improvements to the plant, so that both buyer and seller were pleased with the sale.

Coos Bay Lumber Company continued to operate the mill until 1956, when the company was sold to Georgia-Pacific Corporation which organized the Coos Bay Timber Company and operated it for several years as a subsidiary.

George Ulett, although disconnected temporarily from plywood in 1946, soon organized a sawmill at Sutherlin, Oregon, which was sold in 1950. Next, he helped organize another plant, the Coquille Plywood Company, serving as president for four years until Textron bought it. Later, at Ulett’s advice, they sold the mill and considerable timber to Ken Ford, one of the largest operators in Oregon.

Ulett, continuously active in civic affairs, is still carrying on wholeheartedly at age 86. During his “retirement” years, Ulett served two terms in the Oregon State Senate; organized and served as president of the Coquille bank; took up the art of painting, producing nearly 200 landscapes and portraits (several are hanging in the State Senate building); helped organize a golf club – he has been an avid golfer for years; and helped finance two community center buildings, the first of which burned down, and recently raised the funds and built the Mabel Ulett Senior Citizens Center.

It is no wonder that in 1968, George Andrew Ulett and his wife Mabel, who was active in numerous civic affairs, were named “Mr. & Mrs. Coquille,” and that George is recognized as one of the great Plywood Pioneers.