



THE AMERICAN PLYWOOD CORPORATION

(Later known as Aberdeen Plywood Corporation)

No. 19 in a series of
monographs on the
history of West Coast
plywood plants

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PLYWOOD IN RETROSPECT

This monograph, nineteenth in a series devoted to the history of the earlier Northwest plywood mills, is dedicated to Vern Nyman, Vice President and General Manager of the second Aberdeen Plywood Corporation, whose photograph appears on the cover. Undaunted by the tragic fire that destroyed the first Aberdeen mill of which he was manager, Nyman became the focal point of a general community drive to build a new locally owned mill, restoring a vitally needed industry. It took optimism, courage, initiative and some sacrifice. Business, labor, and the townspeople of Aberdeen all cooperated. With Nyman's experience and managerial skill, a new mill arose from the ashes of the old, like the Phoenix bird of mythology.

ACKNOWLEDGEMENTS (Purely Personal):

In completing the Aberdeen Plywood story, the last one I shall undertake, I wish to express my gratitude and appreciation to all of the friendly people, both in the Douglas fir plywood industry and its trade association (originally the DFPA and now the APA), who have helped so much to make these monographs possible.

Among these are Bronson Lewis and his staff, Hugh Love, and various ladies who have patiently typed and corrected the manuscripts and acted as secretaries, including Ruth Bogan, Billie Larson and Charla Bengel.

The idea of a series of historical monographs originated with the Plywood Pioneers Association in 1967, which sponsored their preparation and publication, with notable assistance from the American Plywood Association.

The first five monographs were written by Harrison Clark. He had made a good start on number six (Elliott Bay Mill Co.) when he was suddenly stricken. I agreed to finish that one and do one more, the Olympia Veneer story, but ended up writing a dozen more.

This "series of nineteen" covers most of the mills organized through 1940, and operating strongly through World War II when waterproof phenolic resin adhesives had been well established. In the decades that followed, the growth in size and numbers of fir plywood mills was phenomenal.

The pioneer spirit continues active in the industry now nationwide and multi-specied. The story of these later mills needs to be recorded. I am confident the Plywood Pioneers Association will see to it that it is done.

Thanks again to all of you.



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THE AMERICAN PLYWOOD CORPORATION

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The original Aberdeen Plywood mill had been built in 1926 and purchased in 1928 by the Olympia Veneer Company which installed Vern Nyman there as general manager. It was a successful, well managed operation which by 1940 was employing 450 men and contributing to the general prosperity of the Grays Harbor town from which it derived its name.

Before dawn on March 1, 1940, a destructive and tragic fire, spreading with explosive force from a veneer dryer, wiped out the plant, killing two men and leaving nothing but the boiler rooms and stack. One of the victims had reentered the burning building "to get his car keys."

While the disaster affected most severely the employees and their families, it had a stunning impact on every segment of the community as realization of the tragedy and its economic aspects spread gloom over the Grays Harbor area.

The reaction, however, from both labor and business, was immediate and courageous. Within hours an employee committee was formed and by the next day, March 2, pledges of some \$75,000 were obtained for rebuilding the plant.

Business leaders, equally determined to have the mill rebuilt, organized a larger mass meeting for the following day, March 3, where a crowd estimated at "600 to 800" enthusiastic people gathered.

A committee also started plans for organizing a new local company if necessary. The State Insurance Commissioner, William A. Sullivan, announced he had wired the insuring company to advance \$100,000 on the Aberdeen mill's insurance policy to expedite prompt reconstruction by Olympia Veneer.

The vital question, of course, was whether the parent company, Olympia Veneer, would rebuild at Aberdeen. Three days after the fire, their Board announced, "Further investigation is necessary." Meanwhile, support for a new mill in Aberdeen was growing. Offers poured in from labor to help clear the site by donating time. The town was becoming impatient and urging action.

Finally, on April 5, five weeks after the fire, Morris Sekstrom, president of Olympia Veneer, regretfully announced their decision "**not** to rebuild at Aberdeen."

This action, while disappointing, was logical. Timber was being cut out in the area, and a number of Washington mills were moving into Oregon where timber was plentiful. Olympia Veneer had already (in 1939) built a plywood mill in Willamina, Oregon. Moreover, soon after they decided to abandon the Grays Harbor area, they started building a large plant in Eugene, scheduled to open late in 1940. These events spurred the Chamber of Commerce and other Aberdeen citizens to prompt action.

Nyman, thoroughly familiar with the local log supply situation, had been dubious about Olympia Veneer rebuilding

in Aberdeen. He liked the town and its people, however, and wanted a new mill there.

He had discussed with various prominent Chamber of Commerce members the possibility, and even the likelihood of Olympia not rebuilding, and hence the idea of a locally financed plywood mill. All were quite determined to have a new mill. When the negative news of April 5 arrived from Olympia Veneer, the tentative plans of Aberdeen's business leaders were quickly crystallized into an aggressive working program.

The general plan was to finance a new company through stock subscriptions. A modern plant plus a suitable site to replace the old was estimated to cost around \$450,000. The mill was to be the first 100% hot press mill in the industry, making both exterior and interior panels, with a total capacity of eight million feet a month. Two hundred thousand dollars (\$200,000) would be raised by selling 2,000 shares of common stock, with exclusive voting rights, to a small group of prominent business leaders for \$100 a share. These had expressed definite interest and a willingness to purchase in the aggregate some \$200,000 worth of stock.

This would be supplemented by 3,000 shares of 6% cumulative preferred stock at \$100/share* with half of this total earmarked for purchase by the plywood mill crew, on a monthly basis, out of wages.

The preferred would have no voting power unless dividends were omitted for four consecutive quarters. Workers had already pledged in excess of \$75,000 and soon increased this to \$100,000.

The first steps toward organizing the new company were to get Vern Nyman's definite consent to manage it, to sever his connections with the Olympia Veneer Company and help secure financial supporters. Vern was more than willing to accept these proposals and was instrumental in lining up several of the future directors as well as a few other substantial stockholders.

With Nyman, an experienced and successful manager eager to get a new mill in operation, the management group (the common stock purchasers) moved quickly, and on April 19 named three directors: Albert Schafer, prominent logger and mill operator; O.P. (Pete) Lewellen, former Harbor logger, then at Woodlawn; and Vern Nyman to represent their interests.

Also elected were three other directors: Roy Purkey, a local automobile dealer; Ed Lundgren (city councilman) and George

*E.W. Lutz, president of the Chamber of Commerce, was quoted in the *Aberdeen Daily World*, April 19, 1940, on this stock plan. He also pointed out that for each share of **common** stock, two shares of preferred likewise must be purchased. Later, the unit cost of the preferred was reduced to \$10, but ten times as many shares were to be issued.

Gauntlet, both contractors. These three were to represent mostly the workers whose pledges toward building the new plant had risen to nearly \$100,000.

A seventh director, Fred McCready of the Donovan Lumber Company, was elected a little later by the six directors, presumably to forestall a three to three deadlock if disputatious questions should arise. Another important stockholder was Jim Hodges, whose company furnished adhesives to a number of competing plywood mills, but who preferred to remain in the background where he served as a valued consultant.*

At the first directors' meeting on April 19, 1940, Albert Schafer, a strong booster for a new mill, was elected president with Nyman as vice president and general manager, and Roy Purkey as treasurer.

Schafer's logging company, along with two others, promised to give Nyman the pick of peeler logs, thus assuring an immediate supply of suitable raw material when the plant was ready to operate.

Purkey's services as chairman of the Chamber of Commerce "Subscription Drive Committee" were a significant factor in securing adequate financial backing for the new mill.

Nyman, anticipating his own election, had already started ordering new machinery contingent on prompt confirmations. These were quickly made as stock subscriptions and pledges from workers and others kept increasing. Nyman's action beat the deadline for scheduled price increases and saved nearly \$10,000. First deliveries were to start on July 1, only ten weeks ahead. Much needed to be done, and quickly.

Following the directors' meeting, Schafer announced purchase of the former Aberdeen plant site from Olympia Veneer for \$30,000. An offer by Olympia Veneer to include some four million feet of logs at the old site for \$123,000 more was refused because of their uncertain condition by the time the new mill would be prepared to use them.

The site purchase did include the undamaged boiler room with all its equipment, the stack, and all underground piping and piling. Much of the latter was found salvageable by cutting off the fire-damaged tops and recapping. Crews were put to work immediately trimming this piling and clearing the site.

On April 25, 1940, the new American Plywood Corporation of Aberdeen was legally incorporated with an authorized capitalization of \$500,000. Schafer, Nyman, and Purkey, acting for the directors, signed as incorporators.

It was announced that the directors and their associates had purchased \$150,000 of common stock, that community stock purchases amounted to \$134,000, and that plant workers had already pledged \$75,000 for preferred stock.

Meanwhile, construction plans and designs were underway to create a fully modern and efficient plant.

Preliminary site work, including dredging and clearing the log storage ponds, was being completed. On June 6, work on the contract for driving 275 foundation piles was started by the Grays Harbor Construction Company.

On the same day, Nyman announced that this company also had been awarded the general contract for the main plant building with an area of 117,000 sq.ft. The bid was accepted in competition with three other construction companies.

The new plant was definitely "on its way" and at a cost in line with the earlier estimate of \$450,000. From the financial aspect, the future appeared bright. Some \$285,000 had been paid in cash by common stock buyers out of \$387,000 "subscribed." Furthermore, members of the work crew had raised their pledges to \$150,000 for preferred 6% stock.

By July, some equipment began to arrive. The first item, a huge 55-ton lathe with capacity to peel a log 12 feet in diameter and 11 feet, 3 inches long, came in before its heavily reinforced concrete foundation was ready and had to be jacked up temporarily.

In early August, an R.F.C. loan for \$200,000 was approved, after first being rejected, but support from Washington's Senator Schwellinbach and Representative Mack saved the day.

However, the loan, processed through the National Bank of Commerce in Aberdeen, carried an R.F.C. restriction that none of the loan was to be expended until "interested parties had injected \$350,000 and spent it on the project."

By mid-September, the general contract for the main mill building and the 30 foot by 64 foot log deck had been completed, all within about three months. Equipment already installed included:

- Sprinklers, two-thirds done

- Two, 18-section dryers installed

- Big lathe mounted on permanent foundation

- Seven clipper tables partly completed (four of them "automatic")

- Ten-ton crane in place

- All conveyors and "hogging system" installed with work on saws, wiring, piping, etc., on or ahead of schedule

- One of the two huge hot presses was due to arrive September 24, the other on October 6

- Also two drum sanders would be operative by October 1.

Completion of the new plywood plant was in sight. A test run was set for October 10, with actual production to start October 17. This was a day of rejoicing for the entire Aberdeen community, but especially for the former work crew of some 450 and their families who had followed events somewhat despairingly at times, but with increasing hope, as problems arose and solutions were found.

First had been the stunning shock of the fire; then the community response and firm resolve to rebuild, followed by pledges of financial support; then Olympia Veneer's decision not to rebuild and the quick organizing of a new company with Nyman as general manager; the purchase of the old site; then successful stock sales and financing, plans drawn and construction contracts let; new machinery ordered; then the R.F.C loan negotiated just as current funds were getting low; and finally, the blast of the new mill's whistle to signal the first day of production. It also signaled the triumph of cooperative enterprise by the Aberdeen Chamber of Commerce, the union workers, the Grays Harbor Business Builders, and all the individual contributors and community support.

*About 1946, Hodges sold his adhesives products company and was elected a director of Aberdeen Plywood. Later, when Carl Schafer, who had joined the company originally as corporation secretary resigned as president, circa 1954, Hodges succeeded him, serving until final liquidation in 1964.

Sales

A strict jobber sales policy except for government contracts was established, in line with the policy of the old mill.

Nyman, who acted as sales manager for several years, had announced that the old Aberdeen Plywood sales force would be available. Also, most of his old mill representatives around the country would be ready to take orders from their various jobber contacts.

Gene Maw, sales manager from the late Forties until the mid-Fifties, recalls their sales representatives during that period were:

Charlie MacDonald, Seattle
Harvey Bennison, Kansas City
Harry Freed, Baltimore
Ben Varner, Dallas
Adrian Roop, Memphis
Louis Le Corgne, New Orleans
Clyde Hawkins, Tulsa

Many of these sales representatives had been with Vern Nyman before the fire and stayed with him when he started the new mill.

Other Problems

There were continuing problems, however, for management to solve. Restrictions imposed with the \$200,000 R.F.C. loan caused most of the cash from stock sales to be expended during construction. Fortunately, credit had been arranged with the local branch of the National Bank of Commerce to cover contract payments and operating expenses until income from eventual plywood sales began arriving. Apparently that bank was the only one then in Aberdeen and its splendid cooperation was a significant factor in the new mill's development.

Change of Name

The new mill had been incorporated as American Plywood Corporation, but after a few months of operation it was deemed best to revive the former name. On January 10, 1941, the new mill was officially designated as the Aberdeen Plywood Corporation and the Washington State Secretary of State was duly notified.

Wartime Problems

The first half of 1941 saw the new mill surviving and as it began to regain its many customers, production, sales and profits expanded. But rumors of war were in the air, as well as involvement in World War II. Then on December 7, 1941, Pearl Harbor burst on the country. The United States was in World War II. Almost overnight we were on a war economy with its inevitable government mandates and inefficiencies.

Plywood, along with other essential war materials, was rationed and allocated. Profits were taxed at 90%, but manufacturers were allowed to average their incomes for five years back. This was of no significant benefit to a new plant like Aberdeen, but hard work, plus good management and ingenuity, enabled the mill to keep running despite the usually well intended "directions" from Washington.

Jim Hodges, who was an active and interested consultant with Vern, recalls a somewhat typical example of government



Jim Hodges

overzealousness. One day a notice from the I.R.S. arrived stating Aberdeen Plywood was delinquent in their income tax payments and unless payment was immediately forthcoming, certain "drastic action" such as "attachment" or closing the plant would follow.

Hodges, usually cool and amiable – a fairly accurate description according to his friends – hit the ceiling. A large part of their production was going to the Navy for critical use in the South Pacific and the Navy was about 90 days delinquent in paying its bills to Aberdeen.

Hodges, bristling, walked out on the dock where an unsuspecting Navy inspector was checking the shipment and announced, "The government is threatening to attach us because we haven't paid our income tax. You'd better get on the phone and tell Washington that if they don't pay their bills immediately, and they are already 90 days delinquent, I am going to issue orders that you get the hell out of here, and the Navy will get no more plywood from us 'til they pay for what they have already received.

"Within less than 48 hours," Jim recalls, "we got a whole pile of money from Washington, the tax collectors were staved off and Aberdeen continued shipping needed plywood to the Navy." Conditions were tight and that critical.

Hutment Grade

This grade, developed by the DFPA in the early part of the war, was designed originally for Army "hutments" and shelters in the South Pacific theater.

There was a tremendous demand for plywood of any kind, but exterior type was especially in short supply and the old interior could not be expected to withstand tropical exposure. Several years before, the DFPA had developed a performance standard requiring concrete form panels to withstand a ten-cycle test of soaking for 24 hours and air drying for 24 hours, without any significant delamination. In order to meet

the field requirements in the South Pacific, a three-minute dip of panel edges and faces using a 5% pentachlorophenol toxic sealer was added to the specification.

Tests in the DFPA lab at Tacoma proved highly satisfactory. The 10-cycle glue plus the sealer-dip protected the bond, and the "penta" took care of bacterial and fungus attack on the protein glue line. The Hutment grade was born.

Hutment grade panels were shipped to the South Pacific forces by the tens of thousands, providing a quick and effective means of protecting men and equipment from the elements. Aberdeen was one of the major suppliers with much of its output requisitioned by the Navy supply officer.

Crisis

The producers of Hutment grade Douglas fir plywood were rudely surprised by a wire from Wright-Patterson air base* stating, "Supply officer, South Pacific, has ordered no more plywood shipped account of serious delamination. Urgent DFPA send committee to meet with Navy at Wright-Patterson for conference."

A DFPA committee consisting of Bev Hancock, Sales Manager for Cascade Plywood; Hollis Nunnally, Willamina Plywood; Ted Robinson, Robinson Plywood and N.S. Perkins, DFPA Technical Director, left the next day.

The meeting at Wright-Patterson was cordial and fairly short. Lt. Col. Don Brouse, in civilian life a top wood technologist and glue expert from the U.S. Forest Products Laboratory, presided. An Air Force Lieutenant with a D.S.C. was the South Pacific general's representative. He had brought some 25 to 30 clear snapshots of delaminated plywood.

After introductions and a brief description of the problem, the snapshots were spread out on the conference table for examination. With a hand lens borrowed from Col. Brouse, it took about three minutes to determine there was no Douglas fir or any other western softwood plywood involved. We informed Col. Brouse it all looked like hardwood and he quickly confirmed it. Somehow, the wrong kind of plywood had been shipped.

The mystery was why it wasn't detected earlier, but "plywood was plywood" apparently in those days until they learned the hard way. The ban on plywood was quickly removed, and shipments of Hutment grade resumed. This was an especially important boon for the Aberdeen Plywood Corporation.

Plant Operation

Bill Thompson was superintendent at Aberdeen for a number of years, probably starting during (or before) the war, and continuing well into the Fifties. When he left, Mike Oreskowitz, assistant to Bill, became superintendent and stayed for several years. Both were highly competent and contributed toward Aberdeen's success.

Log Supply

Although Schafer Brothers and one or two local logging companies had assured Nyman the pick of their logs when the new plywood mill was being organized, he and the other directors realized they would have to seek additional sources

of raw material.

Among these sources were logging shows at Forks, Washington, several along the Columbia between Astoria and Cathlamet and "some big shows around Mt. St. Helens." Aberdeen bid for some timber around Spirit Lake and ended up paying "an outrageous price" at that time, although they never logged it.

Years later, however, when the company was being liquidated and timber prices had skyrocketed, they sold it at an "excellent profit."

During World War II, it was obvious that for Douglas fir timber being used by the West Coast plywood industry, the center of gravity was moving south into Oregon, and logs for areas like Grays Harbor and Aberdeen were getting scarcer and more expensive.

The catastrophic forest fires that destroyed thousands of acres of virgin Douglas fir in not too distant Tillamook County, only aggravated the log supply problem.

The Tillamook Burn Timber

From an article by Harland Plum in the *Aberdeen Daily World* of Saturday, November 3, 1945: "Twelve years ago a terrible forest fire raged through Tillamook County, Oregon. When the smoke was gone, loggers shook their heads sadly at the desolate scene, and headed for greener fields.

"Six years ago, the greatest forest fire of modern times again ravaged the Tillamook timber, reburning the scene of the 1933 blaze and eating into other thousands of acres of far-spreading, untouched fir."

The devastation appeared complete. The logging industry considered the area as dead.

Nevertheless, at a board meeting five years later in 1944, Aberdeen Plywood president Albert Schafer and general manager Vern Nyman were discussing the need for new sources of plywood logs. The Tillamook Burn area was mentioned as a possibility. Several members were quite negative. "Everyone knows that fire takes the life out of wood" and "bugs and beetles to say nothing of decay and even woodpeckers would have ruined any logs on the ground."

But Schafer, a logger, and Nyman, an experienced woodsman, wanted evidence and prevailed. They quietly sent a crew of knowledgeable foresters and loggers to make a thorough inspection of the Burn. By cutting into numerous charred logs and standing "dead" trees, they found that the charred surfaces had concealed sound, dense, undamaged cores suitable for the best grades of Douglas fir plywood and to the extent of many millions of feet.

Schafer started negotiations with Tillamook County officials and despite criticisms from so-called experts, Aberdeen Plywood ended up with the "dead" forest.

Out of the graveyard of countless thousands of blackened trunks and logs, Aberdeen Plywood proceeded to perform a modern miracle.

Logging operations were begun in early 1945. By October 1945, Aberdeen had built a modern veneer plant (peeling 30 thousand feet on one shift), a log pond, a railhead and truck roads. Francis Nyman, Vern's brother, managed the operation. The dead forest was producing veneer and logs that would furnish millions of feet of top grade plywood during most of

*Where all plywood to be shipped to the South Pacific was specified.

the next decade. Tillamook timber proved a vital supplement to Aberdeen's supply of raw material, at times amounting to 50% or more and in the aggregate to over one hundred million feet. It was a triumph for Schafer and Nyman whose imagination, curiosity and persistence finally paid off.*

Aberdeen's management, however, continued to seek further sources of timber. One was a tract near Toledo, Oregon that trustees for Wm. Boeing's estate wanted to sell, Aberdeen had joined with St. Helen's Pulp and a logging company in Portland. Each had their own cruise made and each report was extremely negative as to quality and extent of the timber, so the partners lost interest.

Later, apparently, Georgia-Pacific Corporation, new to the West Coast, bought it – and, as Hodges admitted, “did all right with it.”

Aberdeen also had a favorable prospect in a large tract of Crown timber in British Columbia, but in an election year, as Hodges related, “They threw out the ‘scoundrels’ who were in power, including the timber department, and put some new people in. We couldn't do any business with them so that one went by the board. “

In the early 1950's, Aberdeen's president Carl Schafer and Vern Nyman, still vice president and general manager, persuaded other directors of the company to join with Frost Snyder and Will Kilworth, wealthy owners of Vancouver Plywood (Washington) in an intensive investigation of a proposed Mexican timber project far-reaching in scope. It involved mahogany and other species from lush forests near the Guatemalan border.

A railroad would have to be extended to the site and a town had to be built. The Mexican government required a school and hospital facilities.

The project would then start with a logging operation, then a sawmill, followed by a plywood plant for hardwoods and softwoods, and eventually a pulp plant. It was an imaginative proposal, carefully planned, and “could have been a major show.”

Wesley Kilworth, Will's nephew with whom Jim Hodges had grown up in Seattle, was sent to Mexico, living there several years working out various details and political obligations, but keeping in close touch with his principals until finally everything seemed in order.

On November 25, 1953, the minutes of Aberdeen Plywood showed a regular monthly meeting of the Board of Trustees called by Nyman “to hear a report from our timber cruiser on his inspection trip of Mexican mahogany timber.”

Other meetings followed but the older trustees were lacking the adventurous spirit required. Many were near retirement age and reasonably secure financially. They did not wish to get involved in a huge deal in a foreign country. So, the project was rejected and abandoned, sometime in 1954.

That probably marked the beginning of the end for the Aberdeen Plywood Corporation.

Carl Schafer, who with Hodges was a strong advocate for the Mexican project, was greatly disappointed and evidently felt, as did Hodges, that they “were writing the company off.”

*After some 10 years, as Jim Hodges relates, the material was beginning to deteriorate and become “junky,” so Aberdeen Plywood decided to sell the site, getting more for it than the original cost.

Shortly thereafter, Schafer resigned as president and Hodges was elected in his place.

Although Aberdeen Plywood has always been aware of the menace of a diminishing log supply, they had been able to cope with the problem, initially through the assistance of local logging firms, and then as we have seen, through a number of “logging shows” for which they contracted or ran themselves.

The Tillamook Burn venture was a master stroke that in the decade following 1945 furnished a goodly percentage of their veneer, as well as logs to be peeled at the Aberdeen plant. But the quality of that material had been deteriorating and as Hodges said, “was becoming junky.”

Furthermore, Grays Harbor, with its one small and three large plywood plants and several major sawmills, had become about the most expensive area for Douglas fir, hemlock, and other less commonly used softwoods.

Other economic factors also were reducing profits at an alarming rate and when, in 1957, the mill showed a substantial and increasing loss, it was shut down with the hope it might be sold.

Meanwhile, Mon Orloff, who lived in Bellingham and managed the Mt. Baker mill there, was interested in acquiring Georgia-Pacific's Bellingham plant which had recently closed down, but was unable to make a satisfactory deal.

Collins Lloyd, a Seattle wholesaler who had sold some of Mt. Baker's production, had known Orloff for many years. He also knew of Orloff's interest in the Georgia-Pacific mill. When Collins Lloyd learned of Aberdeen's predicament, he suggested to Mon that they look over that mill and see if they could buy it.

Orloff's Mt. Baker plant had been one of the pioneers in the use of western hemlock. Douglas fir was too costly as a basic material although they did use some in Marine grade. A number of mills in the early 1950's also started peeling hemlock. This caused Mon Orloff to shift largely to cottonwood using the better veneers primarily for core stock, in various species of hardwood-faced panels. The lower grades of cottonwood veneers were utilized for sheathing.

Although cottonwood logs were selling then for about \$25/M, contrasted with Douglas fir at \$120 and up, cottonwood was still a tricky material to handle because of an extremely high moisture content.

Years before, a small plant in Sedro Woolley owned by a man known as Cottonwood Bill, and a small co-op, Woodlawn in Grays Harbor, were both using cottonwood. But, as Orloff stated: “To peel it was an art, to dry it was an art, and to lay it up was an art” – arts which few had mastered.

No wonder most plywood manufacturers shied away from it.

Apparently just prior to Orloff's and Collins Lloyd's inspection trip to the Aberdeen Plywood Company, its stockholders at a special meeting on December 20, 1957, authorized their directors to give an option to Orloff's group to buy the plant and equipment in Aberdeen. The directors were authorized also to liquidate in an orderly fashion all the assets of the company including various timber cutting contracts, log inventories and accounts receivable.



Mon Orloff

Orloff's trip through the Aberdeen plant with Collins Lloyd convinced him they should buy.

"Look," he told Lloyd, "we'll just come in here and duplicate what we're doing at Mt. Baker. They've got everything – scarfing equipment, sanding equipment, two good hot presses and an excellent green veneer plant."

The result was Orloff and Lloyd exercised their option on December 31, 1957 and bought the Aberdeen plant for \$800,000 with a down payment of \$200,000, the balance with monthly payments starting April 1, 1958 with final payment on December 1, 1960.

Money was tight and apparently the Aberdeen Chamber of Commerce, just as it had helped raise money after the 1940 fire to build a new Aberdeen plant, also helped the new owners in getting started with the "Aberdeen Plywood & Veneer Company."

Cottonwood was the secret weapon, although Orloff did take over one timber sales contract near the Toutle River that "fortunately was primarily noble fir and hemlock." Orloff reports the noble fir logs were the finest he had ever seen. They used it for "Marine grade" faces.

The first month the new operators lost money, in the second they "broke even," and from then on "were never in the red."

It might be interesting to note that when the new operators took over, Mon Orloff had as his assistant and vice president, a young man named C. Calvert Knudsen, now Chairman of the Board and Chief Executive Officer of MacMillan Bloedel Ltd., Vancouver, B.C.

Later, as the company prospered, they bought Harbor Plywood from Norton Simon in 1961, modernized the plant and transferred all the Marine grade operations from Aberdeen to the Harbor mill. Still later they merged with Evans Products Company. At the end of 1962, Mon Orloff became president

of Evans and finally in 1965, when it was found to be more efficient to consolidate their activities, everything was transferred to the modern Harbor plant. The old Aberdeen mill, built in 1940 by Vern Nyman and others, was finally shut down, ending an era of a quarter of a century of plywood manufacturing.

EPILOGUE

The Aberdeen Plywood Company with Hodges as president, started liquidating its various assets as soon as its sale to the Orloff-Lloyd group was made, December 31, 1957.

It was more than 6-1/2 years later when on August 31, 1964, President Hodges signed the final liquidation letter to the shareholders of the Aberdeen Plywood Corporation, enclosing a final check of \$18.77 per share. This compared to the trading price of \$10 to \$11 in 1957 and 1958.

Hodges pays just tribute to the tremendous job of liquidation done by Emmett Lenihan, secretary and attorney for the company, crediting his skill and acumen for the extra million dollars or so that was finally distributed to the shareholders. Jack Carlson, former auditor also contributed, and especially, Vern Nyman. But Jim Hodges' advice and counsel during the operating years of Aberdeen Plywood, as well as his service during the 6-1/2 years until final liquidation, also deserve the appreciation of the stockholders.