RELUCTANT REALISTS: THE PACIFIC NORTHWEST LUMBER INDUSTRY, FEDERAL LABOR STANDARDS AND UNION LEGISLATION DURING THE NEW DEAL

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ABSTRACT

The relationship between government and business during the New Deal can best be understood as one based on mutual dependence rather than endemic hostility. This is demonstrated with reference to the Northwest lumber industry and its response to New Deal labor standards and labor union legislation. The Northwest lumber industry during the 1920s and 1930s was beset by the problems of overproduction and cutthroat competition which plagued much of American industry during the Great Depression. Industry leaders strove for ways in which to regulate a fiercely competitive marketplace. Attempts to foist higher production standards on marginal competitors through the promotion of voluntary trade associations failed because of the absence of enforcement mechanisms within the associational structure. The National Recovery Administration (NRA) similarly failed to provide a disciplined framework for competition in the region because the federal government failed to fulfill its role as an enforcement agent, although the experience of the NRA did suggest to the industry the potential benefits of stabilizing the marketplace through the regulation of labor costs, which were such a significant and vulnerable item in the business calculations of lumber operations. The problem of enforcement, however, remained. Labor unions had a record under the NRA and in the coal and clothing industries as an effective regulator of labor standards, but the memory of radical unionism in the early lumber industry combined with a concern for managerial prerogatives to forestall any voluntary support on the part of Northwest lumber leaders for unionisation in the region. The elevation of unions under the National Labor Relations Act, however, prompted versatile lumber executives to use the empowered unions for their own regulatory purposes. Never entirely comfortable with the potential costs of strong unions, the Northwest lumber industry turned to the federal regulation offered under the Fair Labor Standards Act as an additional, effective and less risky method of securing much needed stability in the industry.
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Introduction

For historians of the American New Deal, interpretation and analysis revolve around perceptions of the relationship between business and politics. Most have characterized this relationship as one of persistent conflict over the management of the American political economy: The business community, stressing the efficiency of the marketplace and the inefficiency and inappropriateness of governmental intervention, opposed all attempts by the New Deal to take a more active role in the economy. In this view, the National Industrial Recovery Act of 1933 is presented as the product of a transient and anxious alliance between government and business leaders at a time of emergency, an alliance which rapidly disintegrated when the atmosphere of crisis eased and it became clear that the two social constituencies had fundamentally different agendas for the future. The clashes over the Social Security Act and the National Labor Relations Act, both in 1935, are cited as examples of the tension and bitterness which more commonly defined the relationship between business and government agents across the period.¹

The interaction between government and business during the New Deal can be more fully understood, however, by starting from an assumption of mutual dependence rather than hostility. This assumption reflects the way in which power is organized under any system of "democratic capitalism". Government action is significantly constrained by business demands; politicians cannot afford to implement legislation which is odious to significant business constituencies. Those adversely affected would simply withdraw their investment from the new and uninviting economic environment with dire consequences for both the economy - unemployment and a reduced standard of living - and for the

government - electoral defeat. The disproportionate influence of economic interests in politics is exacerbated by patterns of party finance and by the myriad of ways in which those with the resources to do so are able to define the terms of political debate and dominate the subsequent discourse.2

Implicit, nonetheless, in this demonstration of pervasive business influence in political decision-making is the dependence of business on governmental authority for the ordering of the social and economic environment. Business groups lobby governments, offering the incentive of campaign contributions and threatening withdrawal of investment, simply because they recognize the crucial importance of governmental action and attitude in determining success or failure. This is particularly pertinent when one considers that "business", far from being a unified entity, is riddled by competitive divisions based on short-term strategic interests.3 Different business sectors, according to their immediate strategic position in the economy, support different political groups and depend upon them to minister to their particular needs. The web of relationships and allegiances which enmeshes political and economic actors in a capitalist democracy represents not simply an array of choices for social action, but also vividly demonstrates the intimate and mutual dependence of business and politics.


3 The emphasis here will be on divisions within the business community and the effect that this has on political choice and the relationship with politics, but divisions within government are also significant, especially in the United States where the federated government structure further extends the range of relationships which are possible between business and political agents. For a discussion of the federal structure and its effect on New Deal politics see Colin Gordon, New Deal, Old Deck: Business, Labor, and Politics, 1920-1935 (Ph.D. University of Wisconsin-Madison, 1990), 23-33.
The United States during the interwar period provides a stark example of this symbiotic relationship. Business interests increasingly turned towards the federal government for help in managing their economic problems before and after 1929. The origins of the Depression - overproduction, cutthroat competition and shrivelling consumer purchasing power - were already present in some industrial sectors in the 1920s. Textiles and coal, in particular, were plagued by excess production and intense competition early on in the decade. These industries were at the forefront of calls for federal regulation of their markets once it became clear in the late 1920s that private organizational solutions were unsuited to controlling cutthroat competition in a depressed market. The establishment of the National Recovery Administration (NRA) demonstrated a mutuality of interests and objectives which is perhaps too readily glossed over in many accounts of the New Deal.

Equally it is not very useful to think of business opposition to the 'Second New Deal' - the National Labor Relations Act, the Social Security Act and the Fair Labor Standards Act, in particular - as a product of implacable opposition to government policies based on wholly antithetical ideological premises. This approach to the problem draws unquestioningly upon an assumption of 'natural' business-government hostility. A more careful consideration of New Deal legislation emphasizes that the administration was consistent in many of its policies towards industry and labor throughout the 1930s - boosting purchasing power to match productive capacity and forcing businesses to meet certain production and labor standards as an antidote to merciless cutthroat competition. The only real shift was in the choice of agents to accomplish those policy goals. Government policies from 1935 were less acceptable to some American industrial leaders not because of some inherent anti-government mentality within the business community, but because the New

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Deal administration turned to labor unions and direct federal regulation rather than business self-regulation as more effective and reliable instruments for the implementation of production standards and more ordered internal markets.

While extremely wary of federal interference in the management of its operations, business constituencies especially resented the use of unions by the New Deal administration to act as policing agents for stricter labor standards and higher wages. The National Labor Relations Act in particular represented an attempt to strengthen the position of labor unions in the business enterprise so that they could enforce upon pusillanimous management the labor standards that were central to long-term recovery in the U.S. economy. This kind of "regulatory unionism" was clearly based on economic strategies and objectives shared by business, namely the eradication of cutthroat competition and the bolstering of the American consumer base. Business leaders however were in many cases hidebound by a long nurtured anti-union mentality, and were highly suspicious of any solution in which labor unions played such an important role. The conflict over regulatory unionism was only intensified by competitive divisions within and between industries. In sectors such as textiles and coal, some business leaders accepted the logic of regulatory unionism; in others, anti-union sentiment was still rife and managements fought the labor proposals fiercely. Different businesses responded to New Deal labor proposals in different ways according to the historical context of the industry and their strategic concerns. Because of its particular economic and social history, the lumber industry in the Northwest was home to a chaotic range of such responses.6

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The Northwest lumber industry occupied a distinctive place within the American political economy during the interwar period. During the 1920s and 1930s it suffered from the same ailments as the 'sick' coal and textiles industries, but the symptoms were not as pronounced. Consequently, while drawn towards federal and union-based solutions to its organizational problems, the lumber industry did not embrace them with the same enthusiasm that other industries did; it maintained an element of confidence in its ability to find private solutions to its problems. The industry certainly did its best to ignore the option of regulatory unionism; this attitude was influenced by the radicalism of lumber unions during the early part of the century, most notably the Industrial Workers of the World (IWW). The presence of the IWW had made lumber barons extremely leery of handing over any form of influence to unions. Industry leaders chose instead to seek out solutions in less radical measures such as tax reform, federal labor standards and conservation policies. The New Deal period would show that the Northwest lumber industry was neither strong enough to make private solutions work, nor weak enough to feel it necessary to hand over regulation to the unions.

The weakness of the Northwest lumber economy was rooted in the heavy investments that had been made by the early twentieth century in the enormous stands of Douglas fir west of the Cascades, and the pine on their eastern slopes. In part this substantial capital investment had been a result of anxieties about future forest resources after the depletion of the industry's traditional reserves in the Northeast and Great Lakes regions. Government policies covering the alienation of forest lands and early market conditions encouraged the movement of capital into the region; land prices, taxes and other maintenance costs were very low at a time that stumpage prices were high and rising. Intense capitalization was also a product of the capital demands of the Northwest forests. The Douglas fir stands
were characterized by big trees, dense forests and a rugged terrain, making large, capital-intensive mills a prominent feature of the Northwest industry; in 1929 there were 103 class eight mills (cutting 50,000 M feet or more annually) compared to only 10 in the South. Many of the industry's problems throughout the 1920s and 1930s, related primarily to cutthroat competition, can be traced to excessive capitalization.7

While the rush of capital into the region did establish "settled" lumbering operations, as early as 1915 it became clear that the extent of investment was excessive and a source of instability. Spiralling fixed costs, most notably land taxes, became a liability for investors, encouraging large firms to liquidate timber stocks to service their fixed costs, regardless of market demands.8 Furthermore, although large, intensively capitalized mills were a distinct feature of the Northwest landscape, the regional industry still had a relatively low degree of concentration in its organization. This only intensified competitive conditions and the readiness with which lumber companies liquidated their stock. There were a significant number of small mills operating in the region. The large overhead costs associated with permanent logging operations in Washington and Oregon meant that small mills rarely owned timber-land themselves, but instead operated with portable equipment, mopping up behind larger mills, working on isolated and left-over stands and in areas with sparser growth. Although confined to particular areas of operation, portability and low overheads allowed small mills ready entry into the market.

7 Vernon Jensen, Lumber and Labor (New York: Farrar and Rinehart, 1945), 15-17; Charlotte Todes, Labor and Lumber (New York: International Publishers, 1931), 27-28; William G Robbins, Lumberjacks and Legislators: Political Economy of the US Lumber Industry, 1890-1941 (College Station: Texas A&M University Press, 1982), 6. While large mills dominated the economy of the Northwest, small mills were the prominent unit in the South; the South had 5,944 class one mills, cutting 50-499 M feet annually, compared to only 672 in the Northwest.

with a very competitive product when demand and prices were favorable, and a relatively painless exit when a glutted market, to which they had contributed, depressed prices too much. The entry into the market of a significant number of small mills in the early 1930s increased preexisting tensions between small and larger mills in the Pacific Northwest.9

There were also tensions between the Northwestern and Southern mills. As in many other industries, the lumber mills in the South benefited from very low wages, long shifts and poor working conditions. A study for the Council of National Defense in March 1941 suggested that there was competition for lumber markets between the Pacific and Southern regions in twenty states, at a time when sales of Pacific softwood in those states represented 30% of all softwoods distributed from the Pacific Northwest. The competitive advantages enjoyed by mills in the South were therefore a significant source of resentment among their rivals in the Northwest.10

Competition with the South and disorganization and excessive levels of investment within the Northwest combined to create powerful competitive pressures within the regional industry. When stumpage prices fell and carrying costs became more burdensome after about 1910, lumber owners were increasingly sensitive to the fragility of their investment position. Many attempted to divest themselves of heavy investments that carried high risks by liquidating their forest stocks; initial investments in the region subsequently became a

9 Jensen, Lumber and Labor, 15-17; Todes, Labor and Lumber, 29; Ficken, The Forested Land, 170-172; Gordon, New Deal, Old Deck, 156; James, "Restrictive Agreements and Practices," 120-121; West Coast Lumberman, April 1932, 21.
principal cause of overproduction. The industry consistently failed to match production to demand, a fundamental cause of depression in the 1930s. The case of the lumber industry is noteworthy because it exhibited the features of overproduction and subsequent depressed economic performance much earlier than many other industries. As far back as 1914 a Forest Service study reported that growth in sawmill capacity vastly outstripped potential lumber markets. Large mills faced with high, fixed running costs operated at full capacity in the face of a declining market and even added to their capacity during slumps in demand in an attempt to profit from their precarious investments. At a time of contracting lumber markets, static or declining lumber prices and fierce competition within and between lumbering regions, production for profit or even survival meant engaging in a dangerous battle of cutthroat pricing.11

FINDING SOLUTIONS: TAX REFORM, STANDARDISATION, AND THE PITFALLS OF ASSOCIATIONALISM.

Faced with chaotic market conditions, elements of the lumber industry in the Pacific Northwest attempted to find solutions to the problems of overproduction and cutthroat competition. Immediate attention was focussed on alleviation of the industry's tax burden and the enforcement of more rational production levels and standards. Yet the industry was often caught in a dilemma in which it appreciated the need for effective organization to enforce proposed solutions, but took fright at the costs that such organization entailed. While lumber companies preferred private strategies such as trade associations that maintained managerial autonomy in decision-making, these lacked any means of enforcing their standards or programs. Fierce, self-interested competitive rivalries made

11 Robbins, Lumberjacks and Legislators, 6; Timberman, July 1930, 36, and see also West Coast Lumberman, January 1930, 13 and August 1931, 25.
nonsense of a solution which lacked any form of compulsory membership or sanctions for non-complying members. Governmental regulation, on the other hand, offered guarantees of enforcing compliance with standards and quotas, but aroused fears within the business community in general that it would threaten managerial power and smother the entrepreneurial, competitive spirit of business.

Direct governmental aid and political support without the accompanying interference in the managerial decision-making process was, however, more acceptable. Lumber companies lobbied State governments intensively for a reduction in the amount of tax they paid on their large land stocks. The burden was a heavy one because of the dependence of the Washington and Oregon State governments on receipts from forest lands, and the likelihood that owners had overstocked in the initial speculative rush. Furthermore, State tax laws made no distinction between cut and uncut forest land; faced with an indiscriminate and heavy tax burden, financially insecure lumber companies liquidated their stock in the hope of reaping quick returns on investments and relieving themselves of the tax burden.12

Overproduction led not only to lower prices and profits, but also to a growing concern about rapidly dwindling Northwest timber reserves and the failure of the lumber industry to implement any substantial program of reforestation. It was the confluence of these two themes which provided lumber companies with a potential strategy for stabilizing the market. They argued that the industry's failure to pursue conservation-oriented forestry practices was a product of the unfair tax burdens it was forced to bear. Rescheduling of tax

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12 On the impact of State land taxes on the lumber industry, see: W B Greeley to House of Representatives, Special Committee to Investigate Communist Activities in the United States, Seattle, Washington, Friday, October 3, 1930, 29; Statement in Transmittal, Code of Fair Competition for the Lumber Industry, Timberman, July 1933, 6; Robbins, Lumberjacks and Legislators, 10-11, 60-62; Ficken, The Forested Land, 121-122, 157-159; Gordon, New Deal, Old Deck, 157-164.
structures in the Pacific States, especially a movement towards a yield rather than land tax, would provide the financial strength necessary to pursue conservation measures such as reforestation. Working through the Western Forestry and Conservation Association, formed in 1909, and supporting legislative initiatives such as the Clarke-McNary Act of 1924 and Article X of the Lumber Code under the National Recovery Administration (NRA) in 1933, Pacific Northwest lumber interests persisted with their attempts to secure federal and state tax reform by making a crucial identification between the health of the industry and concern for conservation measures.13

The lumber industry used concepts of conservation not simply to enlist direct governmental aid but also as a means of bringing greater order and stability to the industry. In the 1920s some Northwest corporations began to promote wood utilization and standardization programs. More prudent use of timber stocks and more uniform marketing patterns would help to check the inefficient practices that contributed to overproduction and the depressed market for lumber, as well as fulfilling conservation objectives. It was also a potential method for imposing industry-wide production standards, involving costs which, if not already met by major producers, they could easily absorb. The same costs, however, would work to exclude from the market more marginal units whose competitive standing depended upon trimming on such standards. The National Committee on Wood Utilization and the Timber Conservation Board were all dominated and guided by large lumber corporations, suggestive of the bias under which the conservation initiatives were conceived.14

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14 Robbins, Lumberjacks and Legislators, 121-125. Conservation initiatives in the period included the National Conference on the Utilization of Forest Products, November 1924, and Article X of the National Recovery Administration. On the corporate domination of the conservation initiatives in the 1920s, see Ellis W. Hawley, "Three Facets of Hooverian Associationalism: Lumber, Aviation, and Movies, 1921-1930", in Thomas K McCraw ed.,
Despite the focus on tax reform, conservation laws and more exacting production standards, the industry was more commonly distracted by the search for an effective method for deploying any kind of common business strategy in a chaotic market environment. The lumber industry struggled with a number of alternative enforcement mechanisms: mergers might organize the industry through the market; trade associations attempted to organize the market by internal or private methods; various federal legislation, particularly during the New Deal, represented external or political methods. 1898-1902 and 1926-1930 witnessed the height of formal mergers among lumber companies in the Pacific Northwest which were clambering for the benefits and efficiency of economies of scale in times of depression. Larger economic units would not only provide "the cohesiveness and strength that is possible only through large units" but might also represent a more compelling force for the enforcement of common business strategies such as new and exacting standards in production. Even temporarily successful mergers, however, failed to secure any lasting organizational achievements because they could not bar the entry of new mills or marginal competition. Moreover, the sheer costs of integration exacerbated pressures to cut lumber and service fixed costs.\textsuperscript{15}

An alternative organizational form was the trade association, based on strategy of sharing price, production and marketing information in an attempt to bring stability to the regional market. Trade associations in the Northwest dated to 1901, while the West Coast Lumbermens' Association, the most prominent organization of the period, was formed in

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Regulation in Perspective (Boston, Harvard University, 1981), 105-107, and Gordon, New Deal, Old Deck, 163.
\textsuperscript{15} Walter J Mead, Mergers and Economic Concentration in the Douglas Fir Lumber Industry (Portland, Oregon, Forest and Range Experiment Station, 1964), 4; Timberman, September 1930, 79; Four L Lumber News, (4LLN), March 1930, 48; Robbins, Lumberjacks and Legislators, 140, 145, 148-152.
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1911. The association movement received ample support from Herbert Hoover's Department of Commerce which saw industrial self-government as the most effective method of both stabilizing and promoting the growth of the industry. The standard rhetorical line was that trade associations promoted order, predictability and efficiency, and discouraged "unfair" or "cutthroat" competition. The more earthy reality was, however, that larger mills used trade associations to enforce higher production, conservation and marketing standards on small, marginal units. One industry journal claimed that "Improving the small mill product is lumber industry's problem", urging more precise and sophisticated production methods already employed by larger mills, but which could "be achieved only by the investment of more capital than is required by the average small mill in merely cutting logs into boards". The capital investment that was required for higher conservation and production standards threatened to send many small mills out of business, a fact clearly recognized by the larger lumber interests who enthusiastically supported trade associations and their conservation and production codes.16

Hoover and other supporters of the association movement stressed that business stabilization was best achieved through "economic government by enlightened private groups" rather than legislation or "political government". While important sections of the industry used trade associations and self-interested interpretations of conservation objectives in order to enforce production standards upon certain competitors, the institutions themselves proved to be ineffective for the task in hand. In part, anti-trust suits conducted by the Federal Trade Commission and the Justice Department discouraged

associational activity. More crucially, the failure of associationalism and conservation policies in the 1920s lay in the inadequacy of the voluntarist ethic under competitive conditions. While the problems of the lumber industry demanded some form of organizational solution, it was the nature of the problem - intense and diverse competitive self-interest - which made cooperative schemes futile.

Trade associations lacked any form of effective enforcement mechanism. No fines system was ever developed and the associations' standards were not enshrined in law. There was no altruistic commitment to long-term, objective industry goals; when the costs of association membership became too great or the temptations of free-riding on the back of association activity too strong, especially when it was one of only a few strategies of survival, individual members left. So intense was the individualistic impulse for competitive survival in the early 1930s, the National Lumber Manufacturers' Association struggled for members and the West Coast Lumbermen's Association survived only after a concerted and national campaign for renewed subscriptions. Such fragile institutions could hardly have enforced standards on an industry wracked by competitive tensions.

Indeed, there was a growing realization within significant sections of the Northwest lumber industry that a more rigorous and mandatory form of regulatory control was necessary, especially in the context of the savage depression of the 1930s. All mills had to be compelled to play by the rules that others had until then only volunteered to follow. In 1932

17 The Hardwood Manufacturers' case in 1921 found trade associations and mergers in the lumber industry to be in restraint of competition, a decision which had repercussions through all of American industry.
plans were sketched for a central corporation for legalized control of lumber production, fixing a basic production cost below which subscribing members were not allowed to sell their product without incurring fines. By 1933 the rhetoric and plans were more forthright, invoking metaphorical and literal dictators: one lumberman advocated a plan for “economic dictators for industry”, while the editors of one trade journal came out in support of Mussolini’s strong-arm legislation against “over-exuberant industries”, apparently resigned to the fact that “before business is again on an even keel, we may have to accept many restraints not heretofore dreamed of, but necessary to restore our equilibrium”.20

While sections of the lumber industry were magnanimously braced for new restraints under the terms of any industrial recovery package proposed by the New Deal administration, the eventual form of the National Recovery Administration (NRA) was in fact more reminiscent of Hooverian business self-government. To be fair, the proposed regulation of prices, production levels, working hours and wages under the lumber code of fair competition was a radical one requiring real and symbolic shifts in attitudes among business communities. The act, however, shied away from a truly substantial restructuring of the American economy by endorsing the principle of “partnership in planning”, or “self government under federal supervision”. The interests and priorities of well organized, economically strong groups within the lumber industry, most especially the trade associations, dominated both the formation and administration of the codes. The NLMA was at the heart of the initial code-drafting procedure and the general oversight of its administration as the Lumber Code Authority; the regional trade associations, such as the West Coast Lumberman’s Association, were effectively the administrators of the code on the ground. The federal government did not threaten managerial autonomy but instead

20 Timberman, July 1932, 14-17; April 1933, 5; March 1933, 8; West Coast Lumberman, May 1933, 9.
took on the role of an external policing agent in order to provide a more reliable means of enforcing compliance with the terms of any code on "the small fringe of non-cooperators".21

By delegating power to business, however, the organizational deficiencies of the trade associations of the 1920s were simply replicated in the NRA. Discretionary self-government did not lend itself to disciplined adherence to the long-term, objective or unpalatable regulatory standards necessary for recovery in the lumber industry. The larger mills of the Pacific Northwest simply used their strength within the Lumber Code Authority of the NRA to campaign vociferously and successfully for the abandonment of price controls which they had initially supported, but had since decided afforded unfair advantages to their competitors. The tensions and intensity of competitive self-interest which had characterized the lumber industry on both a national and regional scale - South versus Northwest, large mill versus small mill - were simply transferred to the administrative arena of the NRA.22

The NRA failed not simply because it absorbed rather than solved the dilemmas and weaknesses of associationalism, but also because the federal government did not have the confidence or political will to fulfill its allotted function as an external enforcement

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22 Hawley, *The New Deal and the Problem of Monopoly*, 132-146; Bellush, *The Failure of the NRA*, 47; Robbins, *Lumberjacks and Legislators*, 190-195. On the campaign for the abandonment of price controls, see *Timberman*, May 1934, 9; June 1934, 9; September 1934, 9-10; October 1934, 10; November 1934, 10-11; *West Coast Lumberman*, October 1934, 20. A W Clapp spoke against price controls, and in favor of the labor standards that had been written into law, during a statement on behalf of western interests at a meeting of the Lumber Code Authority, October 3, 1934. Quoted in *Timberman*, October 1934, 10.
agent. One prominent Northwest lumberman, D T Mason, had professed doubts at the beginning of the NRA that the system would be able to provide adequate enforcement of the code's provisions. The steady chorus from small operators against what they felt was the discriminatory nature of the codes soon crystallized into active non-compliance with the offending provisions, especially the price controls. It was at this point that the weakness of the enforcement mechanism was exposed; the Justice Department lacked the resources, the will and the confidence in the constitutionality of the NRA to pursue blatant violations of the code's provisions. When in March 1935 the Justice Department withdrew the Belcher indictment, brought against a lumber operator from Alabama who had violated the wage and hour provisions of the lumber code, it was clear that the code would collapse. One editor wrote with a certain contempt that "men in high places were barking edicts on subjects diverse and sundry. Barking is the precise word, for little was ever done to bring 'violators' to justice, in spite of the so-called teeth in the act." The federal government had clearly failed to act as an external regulatory agent under the NRA as originally envisaged by businessmen and legislators alike. Compliance was left dependent, as in the 1920s, on the weak mechanisms of voluntarism and exhortation.23

SALVAGING THE NRA: LABOR STANDARDS AND FEDERAL LAW.

Despite its failure to solve the problems of intense competition in the industry, the experience of the NRA was instructive for certain fractions of the lumber industry. Even during the course of the NRA there was an awareness that the labor standard provisions of the code could be used as the foundation for a more permanent and effective system for the

control of excessive production and ruinous cutthroat competition. One lumber executive realized that the labor standards had been carved in legislative stone and had not been left to the discretionary management of the code associations: "We could not, even if we wished, avoid the provisions of Article V [of the lumber code, guaranteeing the right to bargain collectively]. It is vain for us to talk of abandoning those provisions in the code which relate to maximum hours of labor and minimum wages." In the clear absence of discipline within the industry itself, certain Northwest elements were ready to flirt with fixed, non-negotiable federal labor standards legislation, despite the implied threat to managerial autonomy.24

Large Northwest lumber companies were sensitive to the place of wage cuts and long shift hours in exacerbating the problems of overproduction, cutthroat competition and plummeting prices in the region. A W Clapp of the Weyerhauser Corporation thought that "there has been no factor so disturbing in price competition within our industry, and that has contributed so much to cutthroat competition, as the fact that wages were not maintained at a fair level", while his boss, Phil Weyerhauser, protested the wage cuts recently enforced in 1932 at the Klamath Falls branch, stating that he was "very anxious (that we) ... lend ourselves to a movement vigorously to stabilize wages at some point, literally to my mind, the higher the better." Certainly wages were a "soft" item in the calculations of some lumber companies. Wages represented approximately 50 percent of overall production costs and were an obvious target for rationalization programs, especially in smaller units which did not carry any significant fixed costs.25 A 1931 survey of leading Washington

24 A W Clapp to the Lumber Code Authority, October 1934, quoted in Timberman, October 1934, 10.

25 A W Clapp to the Lumber Code Authority, October 1934, quoted in Timberman, October 1934, 10; Charles E. Twining, Phil Weyerhauser, Lumberman (Seattle, University of Washington Press, 1985), 96-99. On the place of wages in production costs, see W B Greeley, speaking to the House of Representatives, Special Committee to Investigate Communist
and Oregon firms showed that almost half of them had retrenched by cutting back on wages by an average of 15 percent.26

The larger Northwestern mills identified small and Southern mills in particular as wage trimmers and hoped to remove this competitive advantage by compelling higher and uniform standards on the industry. One anonymous West Coast lumberman wrote that since the wage item was so vulnerable in the calculations of the price chiseler, "if the wage question were made an industry problem and one wage paid by all mills, no mills would have any wage advantage in his cost of production." Major E G Griggs of the St Paul and Tacoma Company supported the Black-Connery Thirty Hour bill, suggesting that the whole industry should be brought under its terms since excessive production in the South was the most disruptive element in the industry. Clearly, though, firms were more likely to pursue uniformity in standards for their particular market; they were not motivated by humanitarian motives but by specific strategic concerns which were usually focussed on a regional rather than national market. A W Clapp testified to the Lumber Code Authority that "the most valuable element of any mutual agreement between lumbermen would be the maintenance of fair rates of wages at a uniform level within each of the various producing regions", an attitude more alive to the political realities and sensitivities surrounding Southern differentials, but perhaps also reflecting the specific business interests of the Weyerhauser Corporation that he represented.27

The NRA seemed to provide a fine opportunity for challenging wage and hour differentials in the industry. Southern operators recognized the implications of the labor provisions if

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26 The survey was quoted in West Coast Lumberman, March 1932, 11, 45.

27 West Coast Lumberman, March 1932, 11; August 1934, 3-4; Timberman, August 1933, 7, 26.
they were enacted and enforced, and fought an aggressive political rearguard action during the code drafting process in defense of their wage and hour levels. Throughout the New Deal Southern representatives emphasized the significance of the labor cost in southern mills, the cheaper cost of living in the South and the difficulty of running double-shift operations in order to justify their employment conditions. Ultimately a forty hour week was made mandatory nationwide under the NRA, but regional wage differentials were only partly reduced; a 24 cent per hour minimum wage was established for the South and a 42.5 cent per hour rate for the Northwest. A subsequent request in February 1934 by the Northwestern operators for a 7.5 cent raise in the code rate met with fierce resistance from the South.28

Although the South was able to mobilize itself politically in order to contain the assault on its labor standards, the code did nonetheless have a significant impact on wages and hours in the Southern industry. Reports suggested that between July and September 1933 the average hourly wage in the lumber industry increased by 47 percent and the average lowest wage by 72 percent, with the bulk of the increase concentrated in the South.29 Northwest operators recognized that the reduced differentials and increased costs for the South were at least a helpful start and they attempted to manipulate the administration of the code to reap full advantage of the regulatory mechanism; by October 1933 the Western Pine Division had proposed amendments to the lumber code imposing the Northern Pine scale of wages on the Black Hills region and extending the jurisdiction of the Western division well into the traditional Southern Pine Division as far south as El Paso, Texas. Nor did the

28 American Lumberman, 12/07/33, 12; 5/08/33, 16. The arguments in defense of differentials, deployed by the South during the drafting of the lumber code, were those which were also used in opposition to the Fair Labor Standards Act: see American Lumberman, 19/6/37, 26-7; 9/10/37, 30-1; West Coast Lumberman, August 1938, 24. Gordon, New Deal, Old Deck, 434-5; Ficken, The Forested Land, 198; Jensen, Lumber and Labor, 154.

29 American Lumberman, 23/12/33, 14-15.
Northwestern operators derive simply material advantages from the NRA. It was also of value for the education it provided on the industry's political economy: "Southern operators are having it forcibly impressed upon their minds that the government does not consider their ideas of wages as adequate .... Whatever may be the final result of Roosevelt's bold economic experiment, the clarifying and illuminating comparisons between Southern wage scales and those of the Pacific Coast will be a helpful beacon in illuminating the mental horizon in future discussions regarding the differences in wage scales in the various competing lumber-producing sections of North America."

Large Pacific lumber companies also used the NRA to force uniform labor standards on the smaller mills of the Northwest region, in much the same way that they had used trade association production and conservation codes to force more sophisticated, and therefore expensive, production standards on shoestring operations. Small mills maintained their market position by offering low prices which were made possible only through sometimes savage trimming of production, safety and labor standards. In the Coos Bay area of Oregon, James A "Jimmy" Lyons and Bill McKenna both operated marginal units, moving in and out of the market as prices rose and fell; this strategy was only possible by constantly hiring and laying off the workforce and often withholding wages. In 1930 the Loyal Legion of Loggers and Lumbermen (more commonly known as "the 4L"), representing some of the larger employers and their employees, protested that "small logging operators and sawmill operators are to blame for approximately 70% of the claims for unpaid wages in the state of Oregon." 3627 wage claims had been filed with the Oregon Bureau of Labor between October 1928 and September 1930, amounting to $136,061. The organization went on to endorse a State law compelling all employers to supply a bond guaranteeing employees their wages. Dismissing criticisms that the bond system would

30 American Lumberman, 28/10/33, 16; Timberman, August 1933, 7.
bankrupt businesses, the 4L maintained that it wouldn't "drive any but incompetent and crooked employers from the State."  

Some in the Pacific lumber industry obviously hoped that the NRA labor standards would have a comparably purifying effect, driving out "crooked" mills, a strategy that the smaller units were very aware of. One struggling operation complained that the big mills "saw a chance to break the men that owned the little mills ... and believe me they surely have made a good job of it." The small Northwest mills made efforts to resist the overwhelming logic of the large mills during the drafting and administration of the lumber code; A W Fairhurst, representing 123 small mills from the region, submitted a separate code during the hearings, and in December 1933 small sawmill operators met in Spokane to organize the Pine Belt Lumbermen's Association to campaign against discrimination under the lumber code which "virtually means the extermination of the unorganized units." There is indeed strong evidence to suggest that the Lumber Code Authority, dominated by larger firms, was a far from sympathetic counselor to the small mills. C Arthur Bruce, executive officer of the Lumber Code, responded to the complaints of small mills with an emphasis on the benefits of stabilization for the entire industry under the code; small operators could be a "cooperative or constructive part of the lumber industry ... only ... by putting them on an equitable basis in respect to cost production and production quotas with the large mills." The hidden agenda of the large mills was barely concealed behind its rhetoric of efficiency and equity.  


32 Quoted in Gordon, New Deal, Old Deck, 436.  

33 American Lumberman, 5/8/33, 32-33; 23/12/33, 14-15.
The establishment and administration of the codes was dominated by larger units who used their position to undermine the economic strategies of the small mills. At a WCLA meeting in April 1934, W B Greeley recognized the disadvantage of small mills in not being able to sell at the same price as large mills under the conditions imposed by the code; but rather than awarding the right to price differentials on the basis of mill capacity, the code committee instead chose to interpret the problem as the product of deficient equipment and sales facilities at small mills engaged in the rail shipping trade, effectively dismissing the principal grievance of the small mill operators.  

The effect of these manoeuvres on small mills was clear. High minimum wages struck them at the very point in their operations where they enjoyed a competitive edge over their larger rivals. One mill reported with bitterness that "we are compelled to raise wages from 20 to 30%." They resented the imposition of external rates and felt that mutual employer-employee conferences would be the most effective means "to determine on the wage scale a mill of this type is best able to maintain, without disturbing matters all around."

Reminiscing on the 1920s and 1930s, C W Frase of Alpha, Washington spoke of having hired half a dozen men until "the doleful days that hatched the Blue Eagle [the NRA logo], with much of its well planned and gay feathered benefits molting into pin-feathery..."

34 W B Greeley, WCLA annual meeting, quoted in American Lumberman, 28/4/34, 19 and Timberman, March 1934, 40. Wilson Compton, general manager of the National Lumber Manufacturers' Association, made sympathetic noises in early 1934 about the plight of the small mills, recognizing that increased costs associated with the new, high minimum wages and reduced working hours were at the root of complaints and closures. Far from offering any concrete help, however, Compton merely reflected that the high minimum wages were part of a wider plan to restore purchasing power and living standards within the economy, so that "mills cannot be expected to continue operating which cannot recover the increased costs involved under the code." Compton attempted to deflect criticisms that large mills were suffocating smaller enterprises with the argument that the problem was caused by the NRA's failure to solve the problem of funding the higher wages necessary for improving standards of living; the cost of wage increases could not be passed on to the consumer when the lumber industry was already suffering such damaging competition from substitute materials. W B Greeley, American Lumberman, 20/1/34, 17, 47.
bedevilments. 'I continued to hire men...although NRA wages and lumber prices could not be forced so suddenly into the lumber industry that had taken years to build...It finally had me straightened out where I couldn't pay my bills and men's wages.'35

While the collapse of the lumber code provided small and southern mills with a temporary respite, large Northwest lumber companies persisted with their attempts to stabilize the industry by elevating labor standards to uniform levels. An NLMA executive meeting in June 1935 resolved that the industry should not "drift away from its provisions concerning minimum wages and maximum hours... . The collapse of the NRA has put the responsibility for maintaining the essentials of fair dealing with employees squarely upon industry itself."36 Significant elements of the industry clung to the labor provisions of the NRA, despite the failure of all other features of the experiment. In the immediate wake of the Schechter decision, however, efforts to maintain labor standards were pursued on a private basis; the Western Pine Association, for example, resolved to continue voluntary adherence to the Code's standards.37 One lumber manufacturer admitted the centrality of policies on wages and hours but rejected the "meddling impractical interference of the NRA" and diagnosed the problem as "one that challenges the businessmen of this country to prove that they are equal to the responsibility that confronts them."38 Some interests within the industry were therefore intent on pursuing the agenda of uniform labor costs, but resistant to any further federal intrusion into the industry's affairs, and blind to the inconsistency and futility of such a stance.

35 West Coast Lumberman, August 1933; Timberman, August 1937, 88.
36 A W Clapp, Timberman, October 1934, 10.
37 Timberman, June 1935, 9.
38 Timberman, June 1935, 10-11.
The experience of the 1920s and early 1930s, however, had made it clear to others that lumber companies were not "equal to the responsibility", and that left to their own devices would simple engage themselves once more in mutually damaging cuts in labor standards and prices. It is significant that only the Western Pine Division, of all the lumber associations, volunteered to maintain the code's labor provisions; the anxieties of the Northwest lumber leaders were sincere enough, but these anxieties rarely motivated positive, voluntary action, a fact well recognized by significant sections of the industry.

The industry's general realization that solutions based on private organizational methods were too weak helped to generate support for more robust alternatives. The post-NRA scramble to rationalize labor costs led to a hesitant flirtation and pragmatic acceptance of "regulatory unionism" under the Wagner Act, and enthusiastic support for the Fair Labor Standards Act (FLSA) of 1938, a measure firmly rooted in the NRA, but free of its paralyzing weaknesses.

THE PRICE OF LABOR STANDARDS: REGULATORY UNIONISM.

In their attempts to harmonize regulatory conditions and thus stabilize the industry during the 1920s and 1930s, some lumber interests had found it increasingly necessary to consider labor unions as potential regulators of common labor standards. They felt that the relationship of unions to the individual enterprise made them better suited than the federal government to the role of enforcing standards: unions were intimately engaged with the industry on a day to day basis and were therefore a well informed inspectorate; their obvious concern about the standards they regulated made them highly motivated; the market strength of unions could be harnessed by corporate managers to enforce standards where the federal government had abjectly failed during the abortive NRA. Certainly the experience of some industries under the NRA codes had shown that unions could be used as a constructive regulatory tool; strengthening the ability of unions to bargain with all
employers through legislative fiat would ensure that labor standards of some form would be imposed on all business sectors rather than just on those who had been compelled by strategic necessity to bargain with unions voluntarily. There was indeed a suggestive example of unionism within the Northwest industry itself - the Loyal Legion of Loggers and Lumbermen (the 4L) - which dramatized the potential utility of unions as a regulatory element. Despite the logic of regulatory unionism and the positive demonstrations of its potential in the 4L and under the NRA, events and ideas in the history of the Northwest region at the same time suggested to lumber owners that unionism was a terrible threat to managerial autonomy and business prosperity; the costs associated with using unions as a mechanism for organizing the industry far outweighed the potential benefits in the minds of lumber leaders during the debate over the National Labor Relations Act of 1935 (NLRA, also known as the Wagner Act).39

The early union movements in the lumber industry grew out of protests at working and living conditions that were almost universally condemned as inhumane. While conditions marginally improved when the industry became less peripatetic and settled in the Northwest, lumberworkers were still characterized as "homeless, womanless and voteless." The IWW first emerged in the Northwest lumber industry in 1907 as a result of growing resentment at working conditions.40 The union presented a radical critique of capitalism and mobilized its members for direct economic action, eschewing political critiques, in many senses reflecting the disenfranchised nature of its early members. Its strike activity between 1907 and 1917, its disruptive "on the job" tactics and involvement in the shootings at Everett in 1916 and the Centralia massacre of 1917 earned for them the

39 Gordon, New Deal, Old Deck, 455.

40 The IWW organised a strike in Portland in March 1907 over wages and hours in the lumber industry there; see Jensen, Lumber and Labor, 119.
unmitigated hostility and suspicion of mill and camp owners. The wife of Phil Weyerhauser reported in 1917 that his concern over war with Germany seemed "far less eminent to him than Civil War between Capital and Labor." The IWW became, and remained into the 1930s, a potent symbol of what employers saw as an assault on their property rights and managerial autonomy; even during the frantic search for an organizational solution to the industry's instability in the Depression, the memory and legends of the IWW contributed to the reluctance of lumber leaders to consider unions as responsible agents within the economy.41

While employers did respond to the perceived threats of the IWW with belligerent strategies, such as the employment of company detectives and scab labor, on a more sophisticated level lumber owners also pursued the benefits of “welfare capitalism”. They identified the crucial link between working conditions and industrial peace and grew more confident in their ability to manipulate the working environment according to immediate goals of industrial efficiency rather than humanitarian concerns.42

Progressive technicians identified unions as self-interested and offered scientific plans, such as the Bedaux method43, as an antidote to that threat. One owner felt that "there is a


42 The tendency to tackle labor problems because of motives of industrial efficiency and costs rather than humanitarian imperatives, can be seen in the furor in the 1930s over safety in the workplace, a concerted campaign in the lumber industry inspired not so much by a desire to stop the dreadful waste of life, but rather to stop the dreadful waste of money in industrial insurance premiums; see West Coast Lumberman, January 1931, 34; January 1932, 25.

43 On the Bedaux method see Timberman, January 1931, 22-24, 50.
better feeling among the men in the mill, too, since we put in Bedaux. They are more contented and take a greater interest in their work." This fitted in neatly with contemporary concepts of employer paternalism in workplace relations; William G Reed spoke of his memories of the 1920s at Simpson Reed as a time when "the concept of employee-management relations ... was almost a father-son relationship. My father somehow gave the employees the feeling that we were one big happy family." Both scientific control and the paternalistic philosophy promised employees a wholesome environment, but one directed entirely at the behest of the autonomous owner-manager.44

The formation and development of the Loyal Legion of Loggers and Lumbermen (the 4L) exemplified the threat that lumbermen felt from union activity around World War One. It was created in 1917 by the War Department, with the full support of the lumber companies, in order to thwart the IWW.45 It also demonstrated, however, the confidence that lumber companies eventually drew from their ability to undercut independent unionism and shore up managerial legitimacy with a prudent mixture of improvements in working conditions and the frequently trumpeted concept of mutual interest and cooperation between employer and employee. The 4L constitution identifies the predominant thoughts of employers on industrial relations in the 1920s and, in many cases, the 1930s: "to promote a closer relationship between the employer and employee .... to standardize and coordinate working conditions ... to improve the living environment in the camps and mills ... [and to] stamp out sedition and sabotage in the Pacific Northwest." The 4L drew much of its sense of self-worth from its non-confrontational, cooperative stance. In the early 1930s it

44 S P Hays, Conservation and the Gospel of Efficiency, 126-127; West Coast Lumberman, January 1931, 31-33; Ficken, Four Generations of Management, 92.

claimed to have "substituted reason for violence, confidence for misunderstanding, and
the cooperation of employee and employer to avoid labor trouble, wasteful strikes and
lockouts." Employers clearly held the initiative despite claims of mutual cooperation.
Employees had no recourse to independent action, since if an employer decided to
withdraw from the organization, the local collapsed.46

Employers, however, came to see the 4L not simply as a regulator of working conditions
within individual enterprises but as a potential regulator of labor standards across the
whole industry; in the words of its constitution, "to standardize and coordinate working
conditions." In this sense the 4L served as a precursor for the regulatory unionism that
some lumber executives flirted with during the 1930s. The secretary-manager of the
WCLA felt that the 4L and its principle of mutual representation had "dominated the
sawmills and logging camps of the West" during the 1920s.47 It was because of this
domination that some lumbermen felt that the 4L could be used to regulate employment
conditions and therefore stabilize the industry. In 1930 one lumberman ascribed to its size
and strength the fact that "its policies are followed by, and have considerable influence
upon, the majority of the mills in this Pacific Northwest," and focusing on the problems of
the industry the 4L could "lend its influence in the industry to help correct the
overproduction evils by adopting as one of its basic principles of operation that five and one
half days a week is the maximum employment for any such period." The 4L undoubtedly

46 Jensen, Lumber and Labor, 133-4; 4L Lumber News (4LLN), June 1931, 9, 48; Ficken, The Forested Land, 162. As well as the common theme of cooperation, the 4L also hooked neatly into the efficiency drive of the period. Not simply did the 4L check the independent union movement in the cause of industrial efficiency, but in its concern for working conditions it set itself an agenda to provide "maximum efficiency to the employer." The 1920s saw the organization move closer to the declared objectives of its employer members; the new president elected in 1926, William C Ruegnitz, originally trained and employed as an efficiency expert.

47 W B Greeley, to the House of Representatives, Special Committee to Investigate Communist Activities in the United States, October 3 1930, 29.
became aggressive in its advocacy of a floor for wages and a ceiling for hours. By 1932 Ruegnitz, the 4L president, believed that "without the 4L, it is safe to say, there would be at present a lower and more chaotic wage situation than there is."48

Events during the NRA at first seemed to confirm and strengthen this view of the 4L as a regulatory agent within the industry. The 4L's membership, which had been falling during the 1920s and early depression period, trebled between May and November 1933.49 Admittedly much of this increased employer support was the cynical fulfillment of the terms of Section 7a; where other industries had to create company unions, the Northwest lumber industry simply had to pay lip-service to the merits of 4L as a union and sign up. In May 1933 the Weyerhauser Executive Committee abandoned its earlier reservations about the 4L and rather ironically conceded that it "may be a valuable medium through which to secure cooperation between employers and employees."50 The 4L, however, was not quite the lame duck that company unions created under 7a proved to be. Trade associations in the Northwest rallied behind the 4L, to fulfill not simply the clause relating to collective organization, but also those clauses setting labor standards for wages and hours. Both the Western Pine Association and the West Coast Lumbermen's Association decided that the 4L should be the mechanism for helping to enforce the labor standard sections of the act. D T Mason, a progressive forester involved with the drafting of the lumber code, met with Secretary of Labor, Frances Perkins, and was able to convince her to accept the 4L under the terms of section 7a on the strength of its record in the industry. The 4L wage schedule

48 4LLN, June 1930, 12, 38-9. For the campaign for the eight-hour day, see 4LLN, February 1930, 6, 7, 23, 45, 48; June 1930, 5; December 1930, 5. For the wages campaign, see 4LLN, December 1930, 5, 48; June 1931, 9; January 1932, 5.

49 4LLN, November 1933, 3.

became inextricably linked with the wage schedules set in the lumber code. By February 1934 the 4L was attempting to lead the industry by its nose, setting its minimum schedule 2.5 cents above the code minimum.\(^5\)

Despite its fighting rhetoric and substantial efforts and achievements as a regulator of labor standards in the Northwest lumber industry, the 4L was, nonetheless, unmatched to the task of enforcing standards on such a competitive industry. In the same breath that Ruegnitz boasted that the 4L had raised its minimum wage scale over that of the NRA he also admitted that "too many non-4L plants have held back." Even at the beginning of the NRA code experience, despite the recommendation of the trade associations that the 4L handle the wage clauses of the code, "some operators ... are disposed to handle the labor problem themselves just as they have always done."\(^2\)

The 4L incorporated many of the weaknesses of the association movements of the 1920s: on one level it had no way of compelling mills, often crucial ones, to become members, as was to be seen from its frequent membership drives; on another level it had no means of enforcing compliance to labor standards even among those mills that did voluntarily take up membership. Although during the earlier stages of the 4L it had operated an employer bond system to encourage adherence to its policies, the system was abandoned in 1922 leaving the 4L dependent on the conference system, exhortation and the self-defeating punishment of expulsion. Without a significant number of complying members the 4L minima became irrelevant: in December 1932, the 4L voluntary minima had collapsed in the face of falling membership and fierce competitive conditions; 4L exhortation was

\(^5\) Ficken, The Forested Land, 203-4; Loehr, Forests for the Future, 113, 118. On the role of the 4L in the NRA see Jensen, Lumber and Labor, 154-159; West Coast Lumberman, June 1933, 5; August 1933, 5; 4LLN, February 1934, 3.

\(^2\) 4LLN, 1/4/34, 3; West Coast Lumberman, July 1933, 3.
equally hopeless at maintaining standards in the wake of the Schechter and Belcher cases. Regulatory unionism required independence from employers; independence was necessary to compel "membership" among employers and ensure disciplined adherence to standards that employers often attempted to evade when short-term, individualistic motives intruded. Because the 4L was clearly not independent it was unable to fulfil its frequent promises to help organize the industry around uniform labor standards.53

In this way the NRA code experiences educated industry in the basic criteria and benefits of effective regulatory unionism. At a time when the code authorities responsible for administering the provisions of the act were barely disguised trade associations, industries which were party to vibrant, independent unionism were the only ones which enjoyed any semblance of discipline in the maintenance of standards. One report on the NRA stated that "Codes in which the labor provisions reflected or grew out of collective bargaining were generally more detailed and better formulated and set higher standards," and that "the status of these agreements was made more certain." The report emphasized that "in some instances (the codes) not only became enforceable, but could be made binding upon non-assenters," in contrast to the "complicated compliance machinery established by the NRA."54 An aide to Senator Wagner went so far as to claim that unions were "fighting the decent employer's battle ... by forcing the undercutters to observe code provisions, or by forcing them out of business."55

The ability of labor unions to "fight the decent employer's battle" was strengthened by Section 7a, and then again by the National Labor Relations Act, both acts attempting to


54 President's Committee on Industrial Analysis, Report on the National Recovery Administration, 109, 111.

55 Quoted in Gordon, New Deal, Old Deck, 457.
enshrine the right of workers to bargain collectively. In the lumber industry, the Sawmill and Timber Workers' Union (STWU), which was made an affiliate of the AFL in 1935, received a significant boost to its organizing drive from the NRA's endorsement of collective bargaining; by 1935 it had 10,000 members within the Northwest region. At this stage it still faced obstacles in the form of employer favoritism for the 4L and the continued resistance of employers to any form of independent unionism, but these were also removed with the Wagner Act's ban on company unions. By 1936 it was estimated that the STWU organized up to 70,000 workers in the Northwest. Unions deployed their newly acquired power to force recalcitrant lumber companies into recognition of unions and the adoption of union labor standards, most significantly through the use of boycotts. The Kimble Logging Company found its logs rejected by the unionized workforce at the Olympia Harbor and Tumwater mills until the Kimble management recognized the Shelton local of the Loggers and Sawmill Workers' Union and agreed to abide by the labor standards and working practices negotiated by the local.

Phil Weyerhauser of the Weyerhauser Corporation recognized the likelihood that there would be a general organization of labor in the lumber industry under 7a and its administration by the National Labor Board. He was far from being an unflinching advocate of unionism; he spoke rather testily of the NLB's willingness "to assist the AFL to organize our industry," and ignored the results of plant elections when they were called at Longview and White River Lumber Company. But he did typify at an early stage the

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57 Buechel, Labor Relations in the West Coast Lumber Industry, 33; Hidy, Timber and Men, 424. Account of the Kimble Company boycott in Box 195, St. Paul and Tacoma Lumber Company records, University of Washington Archives.
willingness on the part of some lumber executives to respond in a positive fashion to changing conditions in the status of labor in the industry. Aware of the increasing strength of the AFL, P W Weyerhauser reported to his uncle F E Weyerhauser that "I do not think we can refuse recognition of the union in some way in the future. One thing which seems very definite is that the 4L has done us no good whatsoever, and is completely dead at our plants with no members at Snoqualmie or Longview." The conservative 4L failed to represent employees' views at the Weyerhauser plants and the 4L initiative on raising wages in January 1934 to 45 cents had been too timid.58

Phil Weyerhauser was clearly willing to consider union-powered regulation as an organizing force in the industry, reflecting his own eagerness "to stabilize wages at some point ... the higher the better." But even his acceptance, ambivalent though it was, of a new union role in the regional economy was far from representative of general opinion in the industry. According to Weyerhauser there were "many who have not yet their tail in the gate who still advocate the methods which refuse to recognize the union or have anything to do with it." In part this reference was to generation gaps within the Weyerhauser corporation itself; his uncle Frederick Edward thought that "we are merely letting ourselves in for a lot of trouble when we invite ourselves into the AFL as it exists on the Pacific Coast." Al Raught at the Weyerhauser's Longview mill reported that for some "it was just considered heresy for an operator to give any consideration to talking to a union about wages or working conditions or anything like that. They were wild-eyed about it." Despite the experiences of the Northwest lumber industry in the period from 1920 - the failure of private and federal regulation to ameliorate chaotic and damaging market conditions in the lumber industry - the majority of the industry were unable to accept or understand the potential for harnessing a resurgent union power-base in the service of its

58 Hidy, Timber and Men, 428; Twining, Phil Weyerhauser, 88, 96-100.
organizational crisis. While at least some prescient industry leaders acknowledged, albeit in a very qualified manner, a new role for unions in the political economy of the lumber industry, a more significant number were hidebound by more traditional conceptions of union power and intent.59

Anti-union sentiment drew much of its strength from the memory of the IWW and the more recent radicalism of the longshoremen on the West Coast, but grievances among lumbermen boiled down to an acute concern about loss of managerial control at the hands of a selfish and radical labor movement. F E Weyerhauser believed that while it was necessary to give employees "all they are entitled to, and more, we cannot allow them to run our industry." It was in this context that the closing of the open shop was the most vivid fear of many industrialists. John Wallace, president of a Seattle-based employers' organization stated simply in 1934 that "it needs no logic or discussion to prove to you that the closed shop is industrial suicide." The closed shop undermined employer policies of "divide and rule" through which they had previously diluted the potential strength of a unified, organized labor force by insisting on the recognition of all organized groups of employees.60

Confrontations on the issue of the closed shop took a number of distinct forms through the period. Both managers and unions recognized, for example, the strategic importance of hiring practices in determining relative power within lumbering enterprises, since unions could simply pack companies with loyal union men; union campaigns for their own hiring halls were occasions for particularly fierce management resistance.61 Section

59 Twining, Phil Weyerhauser, 118-119, 147-149; Hidy, Timber and Men, 426.
60 Twining, Phil Weyerhauser, 147; Box 99, Folder 22, Merrill-Ring Company records, University of Washington Archives.
61 The WCLA was vehemently opposed to any preference for union members in the hiring of new employees and a Seattle-based employers' organization warned that radical labor
7a and, more especially, the National Labor Relations Act were the cause of particularly frantic anxiety within the lumber industry. During the passage of the NIRA John Wallace despaired that, if enacted, section 7a "would destroy with one stroke all the efforts of open shop employers of many years to keep industry free from union domination." Because of its unambiguous intent and because it did not come diluted with other provisions supporting industrial self-government, the Wagner act met even fiercer opposition.

Corydon Wagner, vice-president of the St Paul and Tacoma lumber company, felt that the "present fight against unionization is merely one phase of an attack which is being directed against all open shop industries in the country." In all these confrontations on the closed shop issue, the lumber industry tried to soften its demand for open shop managerial autonomy with a professed concern for the rights of "a great body of unorganized workers ... who have not elected to place themselves under the domination of labor czars and racketeers." The WCLA declared in 1935 that "at no time, and under no circumstances, leaders were "out to gain complete job control of the industry", citing in particular the movement of recently hired loggers in Seattle through the union rather than loggers' clearing office - they predicted ominous consequences for the industry's open shop. The Timberman led with an editorial in May 1936 which bemoaned the willingness of unions in the Columbia River logging camps to strike over the right to dictate hiring practices, even when the union acknowledged that the offer on wages and hours was satisfactory; the strategic importance of hiring practices was clearly recognised by both parties; Timberman, May 1936, 9-10. See also Boxes 195 and 199, St Paul and Tacoma Lumber Company records, University of Washington Archives.

62 Merrill-Ring Company records, Box 93, Folder 14. Although 7a proved to be less of a boon to unionism than first anticipated, C C Crow, owner of a Pacific lumber journal, celebrated the Schechter decision with his own verdict that it "returns to all lumber men and loggers the right to again run their own businesses without outside interference", a remark directed both at unions and the federal government; C C Crow, quoted in Buechel, Labor Relations in the Pacific West Lumber Industry, 173.

63 Corydon Wagner to Walter Nettleton, Nettleton Lumber Company, May 24 1935, Box 195, St Paul and Tacoma Lumber Company records; W B Greeley to E G Griggs, president of St Paul and Tacoma, Box 195, St Paul and Tacoma Lumber Company records; American Lumberman, 25/5/35, 16, 60.
will the West Coast lumber industry submit to rulings based upon the principle involving
denial of representation of any minority groups of employees in collective bargaining."

Many lumbermen also objected to Section 7a and the Wagner act because they had placed
undue restraints on the capacity of companies to challenge union prerogatives. Section 7a,
D T Mason believed, had not captured "the even balance between employer, employee and
consumer interests which is so essential to the prevention of disaster." W B Greeley was
even more explicit on the bias within the Wagner bill, which he felt "hedges the employer
about with 'unfair labor practices' enforced by federal courts, but leaves labor
organizations free from any legal responsibility." Combined with the movement towards
the closed shop it put "American industry and its workers under almost complete
domination by professional labor organizers." 65

These grievances reflected a more general concern about the federal-labor union axis
which lumber interests saw emerging in industrial relations. One trade editorial
criticized the Wagner act for giving "federal sponsorship and encouragement to the closed
shop." C C Crow, less restrained in his editorial comments, lambasted President Roosevelt
in an open letter for having personally "bound and gagged the capable leaders of industry
and set the enemies of law and order upon them to exercise their despotic influence." The
closed shop and the suffocating restraints on managerial action written into federal
legislation were alarming enough, but administration of those acts was reckoned to have
perpetuated the bias against employers; C C Crow continued in his inimitable fashion that
Roosevelt had "conducted a travesty on justice by sending from governmental

64 Merrill-Ring Company records, University of Washington Archives, Box 99, Folder 22.
The WCLA claimed that the bill would destroy the most fundamental conception of labor
relations in the West Coast industry, "namely the right of men to work in accordance with
their individual qualifications without coercion."
65 D T Mason, in R C Loehr, Forests for the Future, 162-3; W B Greeley to E G Griggs, May 4
1935, Box 195, St Paul and Tacoma Lumber Company records.
departments alleged arbiters to settle disputes when as a matter of fact you know that they are but master minds of this great revolutionary movement you have clothed with authority, and their mission is not to arbitrate but to bludgeon." The Industrial Relations officer of the WCLA summarized the perceptions of many lumbermen of federal intervention in industrial relation when claiming that "the government aided in the collecting together of the discontented and provided them with an arena for their antics."66

The lumber industry did not in any sense enthusiastically or unconditionally embrace the prospect of unionization in the industry during the 1930s. Their responses were dominated by a fear of the closed shop, intrusions upon managerial autonomy, and the radicalism of the emergent unions. Only rarely can one detect among lumber executives, notably Phil Weyerhauser, an appreciation of the regulatory potential in an emboldened and comprehensive union movement. The 4L offers a further suggestion that lumber companies understood the concept of regulatory unionism, but the timidity of lumbermen in supporting even such an emasculated version of a labor union made the most undemanding of regulatory goals unrealizable and highlights the anxieties that underpinned attitudes towards more independent unionism.

Despite their concerns, lumbermen in fact responded flexibly to changes in the relative position of the union movement. This was partly because some lumber executives did appreciate the dangers of blindly defending the open shop when it was merely a makeshift

66 American Lumberman, 25/5/35, 16; C C Crow, quoted in Buechel, Labor Relations in the West Coast Lumber Industry, 104-05; The 4L also thought that "politically active labor organisers, by gaining the ear of administrative agencies," had wrung favorable interpretations of 7a from the National Labor Board, an assessment with which Corydon Wagner of St Paul and Tacoma Lumber Company agreed: see 4LLN, October 1934, 3, 10; Corydon Wagner to Walter Nettleton, Box 195, St Paul and Tacoma Lumber Company records; J B Fitzgerald, in charge of labor relations under the West Coast Lumber Code, interviewed April 20 1936, quoted in Buechel, Labor Relations in the West Coast Lumber Industry, 72.
dam behind which swelled a growing body of radicalism; Phil Weyerhauser's belief by 1933 that support of 4L was futile owes itself, in part, to this view. Other lumbermen soon agreed, in part out of an intuitive sense of when resistance to the closed shop was futile, and in part out of a need to accept majority unionism as the only sure way in which to chart its otherwise unpredictable course. Once it became clear that the Wagner act was a permanent fixture in industrial relations, Northwest lumber interests redirected their energies from opposition to the open shop towards ensuring that unions in their region were conservative, based on industrial rather than craft lines and, most importantly, were represented at all Pacific mills.

Laird Bell of the Weyerhauser corporation recognized the perils of unswerving hostility to unions and was among those who tried to direct the union movement along more conservative paths by drawing a self-interested distinction between responsible unionism and the radicalism of racketeers. Another lumber manufacturer professed a belief in "the fundamental principles expressed in the act, and the right of workers ... to organize and bargain collectively," but went on to bemoan the fact that "some of our unions ... have radical leadership, which does not want peaceful relations."67 There was also an identifiable movement within the industry to avoid the jurisdictional confusion of craft unionism, even if it meant aligning the industry with the industrial unionism of the Committee of Industrial Organizations.68

67 Twining, Phil Weyerhauser, 88, 160-1, 181 - both Phil Weyerhauser and Laird Bell were leery of the radicalism of the communist influenced National Lumber Workers, and angled for the more conservative AFL; US Senate, Committee on Education and Labor, National Labor Relations Act and Proposed Amendments, 1939, statement of John J Long, 957. See Gordon, New Deal, Old Deck, 525-40, on efforts in other industries to encourage conservative unionism.

68 For the suggestion of a preference in some quarters for industrial rather than craft unionism, see Twining, Phil Weyerhauser, 186; Minutes of WCLA Legislative Committee for Washington, 21/1/37, page 3, Box 199, St Paul and Tacoma Lumber Company records. See also footnote 71 below.
Once lumber companies had accepted the imminence of some form of organization of labor in the industry, they did not simply rally behind a conservative and more manageable variety of unionism but they also promoted union organization of the whole industry. Unions would by their nature bring with them demands for higher wages and improved hours and conditions of work. Lumber companies, especially those that had been the target of 'guinea pig' membership and trade agreement campaigns by labor unions, were anxious to ensure that they would not be operating under any competitive disadvantage and so encouraged a union movement of maximum possible coverage in the Northwest region. This was similar in motivation to the campaign that the larger mills would wage against proposed exemptions for small mills under the Fair Labor Standards Act, and emphasizes the importance that large Northwest mills attached to a level playing-field in their region.

With the process of unionization within the industry underway and considered irreversible, lumber corporations simply set about establishing a new set of priorities within their industrial relations policy. This is most plainly seen in responses to the jurisdictional disputes between the CIO and AFL in the late 1930s. Not only did the bitter inter-union wrangling disturb the industrial peace and lead to a debilitating series of boycotts on rival union products, but it also retarded the rapid and comprehensive unionization of the regional industry, leaving a hodge-podge of employment standards across different lumbering enterprises.\(^69\) Resigned to unionization of the industry, but dismissive of what they saw as an unnecessarily distracting jurisdictional dispute, some sections of the industry called for a "coalition union". "Let's have a new Sawmill Workers' Federation", argued one trade journal, "open to both AFL and CIO members, limiting the membership strictly to western lumber states and keep control in the West."

\(^69\) Gordon, New Deal, Old Deck, 515-525. For details of the CIO-AFL jurisdictional dispute see Margaret Glock, Collective Bargaining in the Pacific Northwest Lumber Industry, (Institute of Industrial Relations, University of California, Berkeley, 1955).
The intention was not just to restore a proper environment for production but also to build union strength on an even, regional basis to ensure the equalization of labor costs within the Northwest.70

Lumber leaders in the Northwest also articulated a new brand of rhetoric with which to justify their changed position on patterns of union development in the industry. Having spent considerable energy on the defence of the open shop and minority rights, new strategic considerations necessitated defence of majority rule. This was no more brazenly illustrated than in the attempts to endorse the NLRB's authority in plant elections between the two main unions in the late 1930s. One journal editor, in particular, found himself the mouthpiece for some rather foreign sounding concepts when lambasting the AFL for not respecting NLRB election verdicts: the AFL's conduct attempted "to substitute minority for majority rule ... This country will not tolerate indefinitely flaunting an open disregard of the principles of majority rule upon which its very existence as a free people rests."71

A tentative movement towards joint employer negotiations with the unions in settling worker contracts was also evidence of a shift in attitudes concerning labor relations. Even the more enlightened elements of the industry had been wary of "entangling alliances", but pattern agreements gradually came to be seen as a more reliable method of equalizing labor costs through collective bargaining. Certainly the St Paul and Tacoma Lumber Company was anxious that union demands on wages and hours would not affect their market position, and from 1937 onwards displayed an eagerness for the formation of some

70 The plan for the coalition union was mooted in Timberman, September 1937, 9. The deconcentrated nature of the southern industry made unionisation of the region unrealistic, and lumbermen had to wait for the FLSA for a movement towards national labor standards.

71 Evidence of the rapid conversion to concepts of majority rule can be found in Timberman, December 1937, 9-10. The grievance with the AFL discussed here was also rooted in the battle of some Northwest sectors with craft unionism and its perceived threats of disruptive multiple representation and greater implied threat to managerial authority.
kind of employer organization that would negotiate blanket agreements and thereby remove labor costs from competition. Other sectors of the industry agreed that an employers' council for the purposes of collective bargaining was a positive step. It did not simply stabilize industrial relations and strengthen the organization of management within negotiations, but it might also "band the employers together in a mutuality of interests ... and frankly set itself up in the interest of employers free from camouflage and prejudice."72

This was all more than a little reminiscent of the trade association rationale of the 1920s; compelling all mills to subscribe to an organization that established certain standards of production, supposedly in a mutuality of interests, but clearly in an attempt to enforce high standards on marginal firms. The strategy had been given an ironic twist in that previously disparaged labor unions became the instrument for setting those standards. It was a clear demonstration, however, of the flexibility and determination of certain lumbermen in their attempts to reduce the level of competition in the region and thereby stabilize the industry. Once their strength in the regional economy had been accepted, unions were seen to offer a robust alternative for the enforcement of labor standards on chiseling mills. The strategy came with risks and was therefore taken on board only when federal legislation such as Section 7a and the Wagner act had been used to force structural change within American industry. Elements in the industry proved versatile in adapting the new union strength to their own ends. In response to union strike activity, one editor pondered:

72 Phil Weyerhauser was wary of employer alliances for the purposes of collective bargaining; see Twining, Phil Weyerhauser, 191. On increasing warmth to the idea of employer alliances, see: E G Griggs in correspondence with other Northwest lumber executives, Box 199, St Paul and Tacoma Lumber Company records; Timberman, December 1938, 10-11.
.. if the great lumber industry of the Pacific Coast shall have to pass into the hands of the Carpenters and Joiners Union, and the Douglas fir, western pine and redwood operations must concede radical changes in wages and hours, then there ... must be a counter demand upon this union of carpenters and joiners. We can brand our lumber with the union label in great big letters, and demand that no lumber be used by union carpenters and joiners on any job, anywhere in this fair land, where the mill producing it does not guarantee to its workers comparable wages and comparable working conditions.

The acceptance of unionism among lumbermen was at best reluctant, but the labor demands and market strength that New Deal unionism carried with it were nonetheless swiftly used to enforce otherwise elusive regulatory standards upon chiselers and marginal enterprises.73

RETREAT TO FEDERAL STANDARDS: THE FAIR LABOR STANDARDS ACT.

Northwest lumber leaders demonstrated versatility and common-sense in their use of resurgent union power to move closer to strategic goals which for a long time had been kept tantalizingly out of their reach. But it did not necessarily follow that they should abandon support for effective federal labor standards, whose potential for restructuring the lumber industry had been hinted at during the NRA. The appeal of federal labor standards to the Northwest lumber industry was apparent during the debate over the Fair Labor Standards Act (FLSA) of 1938. On one level, the FLSA offered labor standards without recourse to union power and the risks which that carried. On another, it provided a ready loaded weapon with which to launch an assault on wage differentials between the South and the Northwest; the union power-base in the South was insubstantial and could not be relied upon to enforce significantly higher standards on recalcitrant Southern mills, even given the immediate effects of the Wagner Act.

73 Timberman, May 1935, 9-10.
The appeal of the NRA labor standards to Northwest lumber leaders has already been discussed. The FLSA not only incorporated the rationale of the NRA labor standards, but also benefitted from a more simple agenda of objectives compared to that of the NRA, which had entangled itself in more thorny issues of price controls and production quotas. The act was also more robust than the NRA in terms of its constitutionality\textsuperscript{74} and its subsequent enforceability. The dubious constitutional status of the NRA and the poor enforcement record of the federal government initially made the industry wary of unconditional support for a new federal excursion into industrial regulation.\textsuperscript{75} The FLSA, however, was based on more solid constitutional foundations, an asset which encouraged more rigorous administration on the part of the federal government. It soon became clear that the FLSA had "teeth" where the NRA had simply "barked".\textsuperscript{76}

Labor unions were also perceived as having a bite to match their bark when it came to enforcing common standards in the Northwest region, but despite their versatility in exploiting the regulatory potential associated with union growth, lumber leaders remained wary of the net benefits of union empowerment. Anxieties which had been on full display during the passage of the Wagner Act still plagued the calculations of lumber executives. It seems possible that the industry's support of the Fair Labor Standards Act (FLSA) of 1938

\textsuperscript{74} The West Coast Hotel v. Parrish case of 1937 had found federal regulation of employment conditions to be a reasonable exercise of police power and the Jones v. Laughlin decision of May 1937, upholding the National Labor Relations Act of 1935, rested on a new and broadly defined role of the commerce clause which left the way clear for wages and hours legislation. The US. v. Darby Lumber Company case of 1941 was testimony to the constitutional resilience of the FLSA. For discussion of the constitutional background to the Fair Labor Standards Act, see Vittoz, New Deal Labor Policy, 132, and Paul H Douglas and Joseph Hackman, 'The Fair Labor Standards Act of 1938,' Political Science Quarterly, 1938, 492-3.

\textsuperscript{75} Wilson Compton had been particularly skeptical about the ability of the government to administer the act, while D T Mason and a colleague had met with the first administrator of the act "to express our sympathy ... based on our own lumber code experience"; American Lumberman, 5/7/37, 25; D T Mason quoted in R C Loehr, Forests for the Future, 209.

\textsuperscript{76} Timberman, May 1939, 9; June 1935, 10-11.
was a further way of registering its unease at labor unions operating as the sole arbiter of labor standards throughout the Northwest region. The opposition of the American Federation of Labor to the FLSA was based on the organization's fear that a federal measure enforcing minimum wages and maximum hours would sharply curtail the potential appeal and power of labor unions in the workplace. It seems very likely that the Northwest lumber industry based some of its support for the act on precisely the same calculation. The FLSA promised labor standards without dependence on, or encouragement of, union power.77

Low levels of unionization in the South, however, made even post-Wagner labor unions appear inadequate for the enforcement of production standards in the South. The ability of the FLSA to penetrate the South immediately was probably its most attractive feature for Northwest lumber barons. The Northwest region was already paying well over the minimum wages registered in the act and had for the most part operated under the eight hour day, forty hour week since 1917, so that the effects of the FLSA were to be felt primarily in the low-wage South. Indeed, a 1941 study for the Council of National Defense reported that although the period 1934-37 had seen the Douglas Fir region experience larger increases in wages than the South, "the minimum wage provisions of the Fair Labor Standards Act ... caused a large increase in wages on the Southern lumber region, while they left the Douglas Fir region virtually unaffected." 43 percent of the common laborers in the Southern lumber mills earned less than the 25 cents per hour minimum rate established

77 West Coast Lumberman, June 1938, 39; the editorial predicted that if government carried through plans for federal control of working conditions in the forests, then unions would "become subservi-ant to government bureaus and officials, lose their power and finally their free existence." This gives a clear sense that lumber interests understood the connection between federal intervention in the industry and the relative influence of labor unions.
by the act for the first year of its administration, so that some lumber companies closed their operations rather than attempt to reach the standards laid out in the legislation.\textsuperscript{78}

Not surprisingly, many Southern mills protested strongly at what they saw as the unjust basis of the FLSA, citing traditional arguments in defense of their lower wages and longer hours and predicting that "unreasonably high labor rates can have but one effect, and that is to close down the vast majority" of small mills in the South, adding greatly to unemployment problems and the burden on the relief rolls. Certain Southern lumber owners were also incensed by the prospect of more governmental regulation; they found the legislation "more far-reaching than they had contemplated; that it goes deeply into actual regulation of business."\textsuperscript{79}

Lumber interests across the nation, including Northwestern ones, appeared to echo many of these Southern grievances; in response to the threat contained within the legislation, there were calls from one national trade publication for "complete unity in this effort to guide legislation along proper lines and to save a great industry." Invoking the businessman's concern about loss of managerial control at the hands of government or unions, the editor called upon members of the industry to "See Your Congressman. Tell him how you feel about hours and wages legislation, and more regulation of business."

One report suggested that the Northwestern industry had in fact responded to this clarion call; in a letter from W B Greeley to Congressmen, the secretary of the WCLA had opposed

\textsuperscript{78} On the predicted and actual effects of the FLSA on the South, see Keezer, \textit{The Douglas Fir Lumber Industry}; Fickle, \textit{The New South and the New Competition}, 300-305; \textit{Timberman}, September 1938, 10.

\textsuperscript{79} \textit{American Lumberman}, 19/6/37, 22. For the traditional arguments of the South against removal of regional differentials, see \textit{American Lumberman}, 19/6/37, 26-7; 9/10/37, 30-1; 21/5/37, 51; \textit{West Coast Lumberman}, August 1938, 24.
the "unwise and unsound law fastened onto the entire industry," and the further
establishment of "government control over the whole industrial fabric of the country."\textsuperscript{80}

Greeley's letter, however, should be regarded more as lip-service to the policy line of the
NLMA rather than as a sincere sacrifice of foregoing advantages it would enjoy under the
act. The article quoting Greeley's letter recognized itself that the WCLA had "taken the
high ground in its opposition to the act ..... Insofar as wages and working hours are
concerned, the West Coast lumber industry would benefit greatly from this legislation
through the removal of a handicap under which it now labors."\textsuperscript{81} While making some
public shows of opposition to the act, Northwestern interests privately welcomed the act and
the competitive advantages it provided for the regional economy. While there had been
considerable discussion of the FLSA within the southern industry, the Northwestern
industry was conspicuously reticent at the time of the bill's prolonged passage, punctuating
its contented silence with demands that it be administrated fairly and efficiently. Clearly
the Northwest identified the advantages the act would bring to their competitive position.
All other responses of the Northwest to the act demonstrated acceptance, if not outright
enthusiasm, for its provisions. They tended to express their support for the act in terms of
its benefits for the working man and the need to raise living and educational standards in
the South rather than be so crude as to admit their material motivations. Walter Lippman
characterized this strategy neatly when he claimed that the Fair Labor Standards Act was
"in truth a sectional bill disguised as humanitarian reform."\textsuperscript{82}

One curious aspect of the political maneuvering around the FLSA, however, was the
tentative alliance that developed between the large mills of the Northwest and those of the

\begin{thebibliography}{99}
\bibitem{80}American Lumberman, 19/6/37, 22; 17/7/37, 22.
\bibitem{81}American Lumberman, 17/7/37, 23.
\bibitem{82}American Lumberman, 19/6/37, 26-27; Fickle, The New South and the "New
Competition", 305.
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South. The simple categorization of South versus Northwest does not match with the demands made from large mills in both regions for "fair" and "impartial" administration of the act. This shared rhetoric was a thinly veiled assault on proposals for exempting small mills from the provisions of the legislation. Representing the NLMA at the FLSA hearings, but echoing demands being heard from large Southern mills, Wilson Compton argued that "if standards are to be applied, no competitor should be exempt ... Congress should not pass any law which the Government cannot administer and cannot enforce promptly, impartially and uniformly." The demands for uniform application of the act's provisions were clearly targeted at small mills. Compton pulled few punches: "There is an important place for small lumber enterprises. But their place should be determined naturally by their efficiency and by their local advantages, not by statutory preferences or exemptions set up by federal law." The political maneuvering within the industry during the passage of the FLSA suggests that while there were two competitive fault-lines in the national industry - North versus South and large mill versus small mill - size rather than location was more significant in determining corporate strategies during the New Deal period.

It is interesting to note that the large Southern and Northwestern mills resolved their public and private positions on the FLSA by emphasizing issues of efficiency and conservation in the operations of the lumber industry, a policy line more than faintly reminiscent of the associationalism of the 1920s; Compton made it clear that a mill's market position "should be determined naturally by (its) efficiency," while one southern

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83 Testimony was submitted by Wilson Compton which showed that the original intention of exempting businesses employing up to 25 employees would exclude between 86 and 88% of mills nationally, accounting for 20-22% of total production; American Lumberman, 3/7/37, 25, 42.
84 American Lumberman, 3/7/37, 25, 42. Trade journals identified the same fault-line in the industry: One editor claimed that "the outstanding question in the minds of the lumber operators, especially among the larger operators, is, will the new law be enforced fairly and impartially on all alike." American Lumberman, 22/10/38, 28.
lumberman corresponded with a Northwestern trade journal, citing the case of small southern mills that would close when the act came into force in October 1938; "Now that is as it should be, because their timber is the poorest on earth ... just 'seaweed' lumber which should never be used in anyone's home." This approach enabled them to hold rank with those elements that felt threatened by the act and yet at the same time rid themselves of any responsibility for helping those mills that sank under the act's provisions. After all, mills folded because of their inefficiency rather than because of the unfairness of the FLSA.85

For large mills in both of the major producing regions, the FLSA was the culmination of a long search for suitable mechanisms for the organization of the industry, in particular for the control of marginal, price-chiselling small mills. Private associations had been founded on hopelessly idealistic premises; the NRA had promised a more rigorous approach to the issue of regulation, but was eventually too constitutionally weak to fulfill its allotted role; labor unions were clearly a significant element in the business plans of large Northwest mills, but could never constitute a unilateral strategy because of the history of unionism in the American political economy in general and the lumber industry in particular. The FLSA both covered weaknesses in earlier strategies and quelled fears arising from the apparently unchecked growth of labor associated with regulatory unionism.

85 American Lumberman, 3/7/37, 25; West Coast Lumberman, August 1938, 24; Timberman, September 1938, 10; American Lumberman, 5/7/37, 25. In a closely related argument, Compton unabashedly drew upon the issue of forest conservation to justify his opposition to exemptions for small mills under the act: "For reasons of economy and efficiency, [a conservation policy] requires producing units of substantial size. If, by a legislative policy, you put the larger and moderate-sized mills under a substantial competitive handicap, you will retard the progress of forest conservation", American Lumberman, 5/7/37, 25.
Regulated labor standards were a central element in many of the plans formulated to stabilize market conditions in the Northwest lumber industry during the New Deal period. Owners of large mills with more substantial fixed costs and a permanent, well-paid work-force saw the logic of labor standards, and their ability to force debilitating wage rates on those establishments which they blamed for damagingly low prices and cutthroat competition. High and uniform wages and controlled hours struck marginal mills at the precise point in their operations where they attempted to cut costs and undercut market prices. On this point, the New Deal administration and Northwest business leaders shared a very clear objective - stabilization of the economy through greater regulation and control of an otherwise chaotic marketplace. Their relationship was based on a close identification of interests rather than hostility.

Fluctuations in the relationship between the government and the Northwest lumber industry can be traced to negotiations on the narrower issue of how labor regulatory standards should be formulated and implemented. Significant sections of the industry were aware that the chaotic nature of the Northwest market made voluntary associations an inappropriate mechanism for enforcing standards of any sort. It was against this backdrop that the federal government was welcomed in as a policing agent to enforce production standards set by the industry itself under the lumber code. Indeed, misgivings within the industry about the NRA centered not on the inappropriateness of government intervention, but on the inability of the government to fulfil the crucial function of enforcement. The rationale for high and uniform labor standards survived the Schechter decision intact, and had in fact been reinforced in the minds of the larger mill owners through the NRA experience. This paved the way for the Northwest industry's support of the
Fair Labor Standards Act which resolved the problems of inadequate coverage and enforcement.

While the lumber industry was sickly enough to cast aside doubts about federal management of the economy, it was not so sick that it would allow in labor unions as some kind of paramedic task-force in the same way that textiles and coal leaders were willing to do. This was in spite of the fact that the potential for using labor unions to enforce high and uniform labor standards was recognized within lumber circles: the 4L, for example, had been pencilled in for a regulatory role during the late 1920s and early NRA. The speed and frightening agility with which lumber leaders moved to support union drives across the entire region, once union strength had been accepted as a significant and permanent force, further suggests that the lumber industry accepted elements of the strategic thought behind even the National Labor Relations Act. This is not to claim that the act did not raise serious points of difference between government and business in New Deal America, or that the lumber industry had not been vocal in its defence of existing open-shop labor relations, but it is important to recognize also the substantial points of agreement between Northwest lumber and the New Deal administration on the logic of all the acts relating to labor standards. One lumber manufacturer at a conference in 1939 adopted a slogan which captured the sense of something having been lost in the struggle over labor relations, but also of something very substantial having been gained: "Yesterday is Gone. Forget it! Today is Here. Use It!"86

86 *Timberman*, February 1939, 9.
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