

Ochoco Timber Company 1923-1940s

Before getting into the history of Ochoco Timber Company some background on timberland acquisition in Green Gold Country is in order. The acquisition of timberland in all of Oregon became the largest scam ever perpetrated on the government and its citizens—east and west of the Cascades. Yet this scandal is little known outside of timber industry insiders and Oregon historians. The most interesting description of the problem is found in an out of print and very hard to find book by S.A.D. Puter called *Looters of the Public Domain*. Puter wrote this from his jail cell where he was serving sentence for his part in the scam. Most of Puter’s activity was on the west side but his descriptions show how easy and widespread the practice was—west and east sides of the Cascades.

What made the activity so easy was the federal governments propensity to give public domain land away, especially to road building and railroad companies. In Oregon the chief beneficiary of this give-away was the Willamette Valley & Cascade Mountain Wagon Road Company. The men who started the company on March 12, 1864, (with some prior planning it can be assumed) were plain, ordinary men from Albany: Luther Elkins, D.W. Ballard, John Settle, Isaac Coryell, Morgan Kees, Jacob Kees, James A. Richardson and John Powell.

The purpose of the new company, in its own words was:

...to make and keep in repair a wagon road, with the necessary bridges, ferries and ferry boats, toll gates, etc., from the Willamette River, and across the Cascade mountains on the eastern bank of the Deschutes river; commencing at a point on the east bank of the Willamette river, in Linn County, opposite or near the city of Corvallis, thence....

The route of the road “dropped into the Crooked River Valley near O’Neal which was called ‘Carmical’ in those days...The Wagon Road Co. had received a grant of every other section of land for a distance of six miles on each side of the road.... About 400,000 acres of this land lay in Crook County.”¹

The road came through Prineville, up Ochoco Creek into what is now the Ochoco National Forest to the then Wasco-Wheeler County line, jogged south and then southeast to insure that the forests of Snow Mountain didn’t escape the land grant, then on through Camp Curry and Burns, then crookedly northeast to Ontario. The most readable account of this outrageous rip-off can be found in Cleon L. Clark’s *History of the Willamette Valley and Cascade Mountain Wagon Road*, published in 1987 by the Deschutes County Historical Society².

1. Quoted from “Prineville Centennial Literature Legends for Historical Markers” prepared circa 1968, probably by the Crook County Historical Society.

2. Another book on this subject is Carroll John Amundson’s *History of the Willamette Valley and Cascade Mountain Wagon Road Company*, University of Oregon Press, Eugene, 1928. By means no longer remembered, I also found a college student’s doctoral thesis on the subject. I’ve lost the record of that documents author & title. It was interesting to compare the findings of these three sources. They were almost identical. Also, Gale Ontko had in his possession part of the transcript of the U.S. Senate’s hearing into the matter which he gave me and I’ve lost. The part that Gale gave me was of testimony of some of Prineville-Crook County’s leading citizens and testimony of several Harney County citizens about what they observed during the “building” of the road and how the road appeared after “completion”. Very interesting reading for history nuts.

How does this scandal touch Ochoco Timber Company? Only indirectly, through the land acquisitions of A.R. Rogers (Minneapolis, Minnesota) and C.M. Youmans (Winona, Minnesota), both timbermen of long standing. I seriously doubt that they were ever directly involved in obtaining illegal land but the people from whom they bought—usually “mom and pop” land owners, had to have acquired the land directly or indirectly from illegal entrymen. All that land had to go somewhere.

A.R. Rogers first bought land in Crook County on May 7, 1907. He bought a lot of land that day. C.M. Youmans bought his first Crook County land on June 7, 1908. He, too, made many purchases over the next two years—many, many purchases.³

By 1923 these two men, both of whom had their separate lumber companies and were partners in the Rogers-Youmans Lumber Company, had acquired a lot of timberland. Enough that the *Lumber World Review* of July 25, 1923, would remark, “The sale of one billion feet of western pine in Crook county⁴, Oregon, known as the Rogers tract, owned by A.R. Rogers... and C.M. Youmans... was effected here today to the Ochoco Lumber Co.,⁵ recently incorporated...” On July 28, 1923, the *American Lumberman*, was announcing the company’s formation and that the land holdings were 73,000 acres. Which is more impressive: 1,000,000,000 feet or 73,000 acres? Whichever way you look at it the company now had a lot of land.

But it wasn’t enough. As soon as the company was formed they started buying more. At almost every meeting of the board of directors as well as the annual stockholders’ meeting (which were just about the same people; this was not a large company as far as stockholders went) the president was either giving acquisition reports or receiving orders to purchase more timber land.

No serious commercial logging had taken place in Crook County up to now and it wasn’t likely anytime soon that a large sawmill would be built. Two major problems: transportation and the nation’s economy. Prineville did have a railroad but it didn’t extend east to the timber belt and building some 30 miles of new railroad in the economy of the times was not a prudent undertaking.

The company’s land was not all contiguous; large patches and small patches with either private land or national forest dotted the company’s holdings here and there. The company worked hard to exchange land with the forest service so they would have a solid block but because money was so tight the Forest Service was slow to move. Eventually, the Forest Service bought outright a large chunk of the company’s land and this brought some badly needed funds into the treasury. The company’s land was heavily mortgaged.

Money was badly needed. The company was having trouble collecting assessments from its own stockholders and it was having trouble making payments to the lien holder of the company’s land. By October 1931, the company was in default by \$750,000 (principal and interest). This condition would plague the company for several years. The loan was not foreclosed upon simply because of the nation’s economy. What would a lending institution do with 80,000 acres of unmarketable timberland?

But the company never gave up. Right from the start investigations were made into extending the railroad to the timber. The City of Prineville Railway was in very poor financial shape and was close to foreclosure itself. Company executives convinced national railroad officials to come to Prineville and evaluate the possibility of (1) assuming ownership of the city’s railroad, and (2) building additional trackage into the forest. The railroad executives declined the invitation.

3. My great-great uncle Ike Mills made his first land purchase in the area, one of many, as early as 1896. He was after cattle-raising land, some of which just happen to have timber. At one time, Mills Land & Livestock Company was the largest land owner in Oregon. Somebody by the name of John Hudspeth also had that title, many years later.

4. In those days the word “county” was not considered part of the name.

5. Wrong name: should be Timber, not Lumber; the lumber company didn’t come along until 1938.

Although a significant amount of money was expended in planning for this extension it never came to pass. By the time everything had fallen into place a wonderful new machine made logging railroads second best: the logging truck.

I've never been into the forest land that belonged to Ochoco but I've talked with several people who have assured me that as late and the late 1990s, railroad survey marks could still be found. I did view a company railroad expansion plan and tried to photograph the big piece of paper but to no avail. This was before it was possible to have large documents scanned. While I had the plan I sketched in on an Ochoco National Forest map the approximate planned routes. You will find a copy of my "working map" at the end of this chapter.

In passing, let me mention that I know many details about the company that would bore you if you heard them. Early in this project of collecting the history of the timber industry here-bouts, a deceased stockholder's estate donated a large box of early company papers. Because of the quality of the paper the documents were unsuitable for scanning so I retyped each document, all of which I've studied time and time again looking for exciting ways to explain the company's course through the years. I haven't found such a way. The story seems to be an accountant's dream and a yawn for everyone else.⁶

The company overcame the nation's and its own financial difficulties and fulfilled the early-made plan of building an operating company: a sawmill. The story of that sawmill's birth and life will be told by someone more familiar with the story than I so you won't read very much about Ochoco Lumber Company in *Green Gold*.

But before leaving the story of the timber company it is worth noting that several of the original families are still stockholders today. And although Ochoco's sawmill in Prineville has dis-

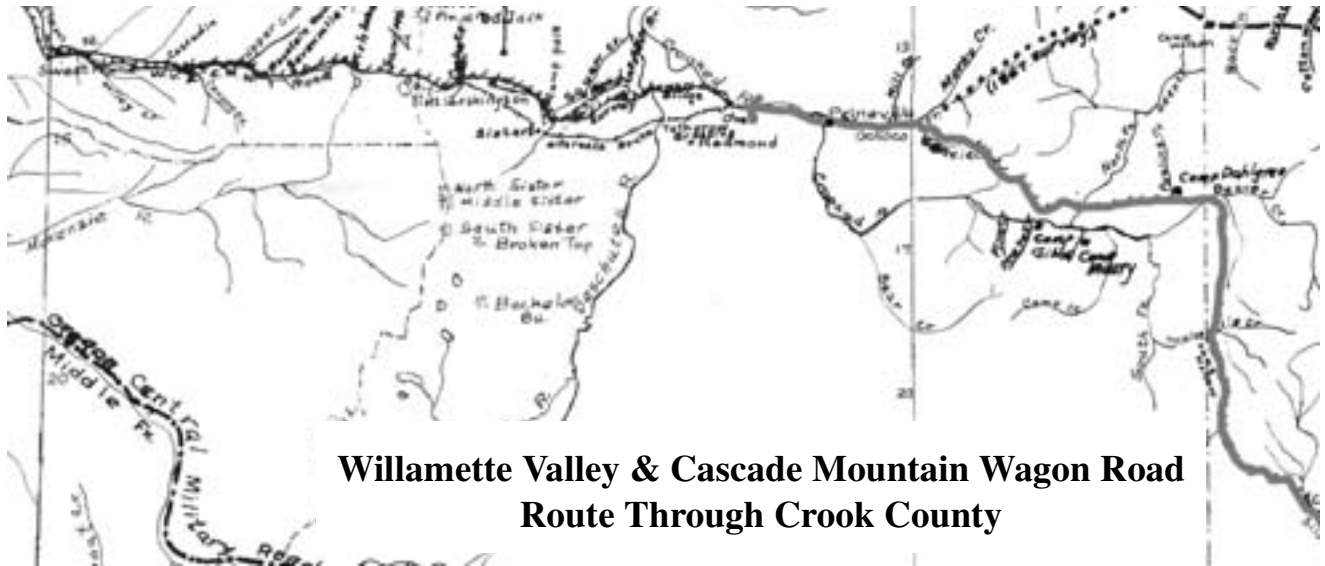
appeared the company, Ochoco Lumber Company, is still operating—one would not be inaccurate in saying "still operating worldwide." The only continued operation of the company in Prineville is the office facility on Combs Flat Road (world headquarters?).

If you are not plugged into the Crook County rumor mill you may not know what is set to replace the sawmill that sat for so many years and where I spent many childhood hours exposing myself to serious injury and having great fun, so here is the "official" rumor: A shopping complex anchored by Fred Meyer's. Plans include at least one cinema. Since the mid-1940s when I was a kid it has been rumored from time to time that "Safeway is coming to town." It never did. Fred Myers's, in my opinion, is the better store anyway.

By the time the timber company was ready to launch its sawmill, Prineville already had two large sawmills in operation: Pine Products Corporation and Alexander-Yawkey Lumber Company. More would follow Ochoco, the largest of which was Hudspeth Pine, Inc. Where there are sawmills there is soon remanufacturing plants so it was not entirely unexpected that in 1946 a small "sash and door" plant opened on Ochoco Creek down the hill from Ochoco Highway. Called Prineville Millwork Company, it was owned by my father with financial backing from my Mother's uncle, Orrion Mills. You can read the story of that operation elsewhere in this book.

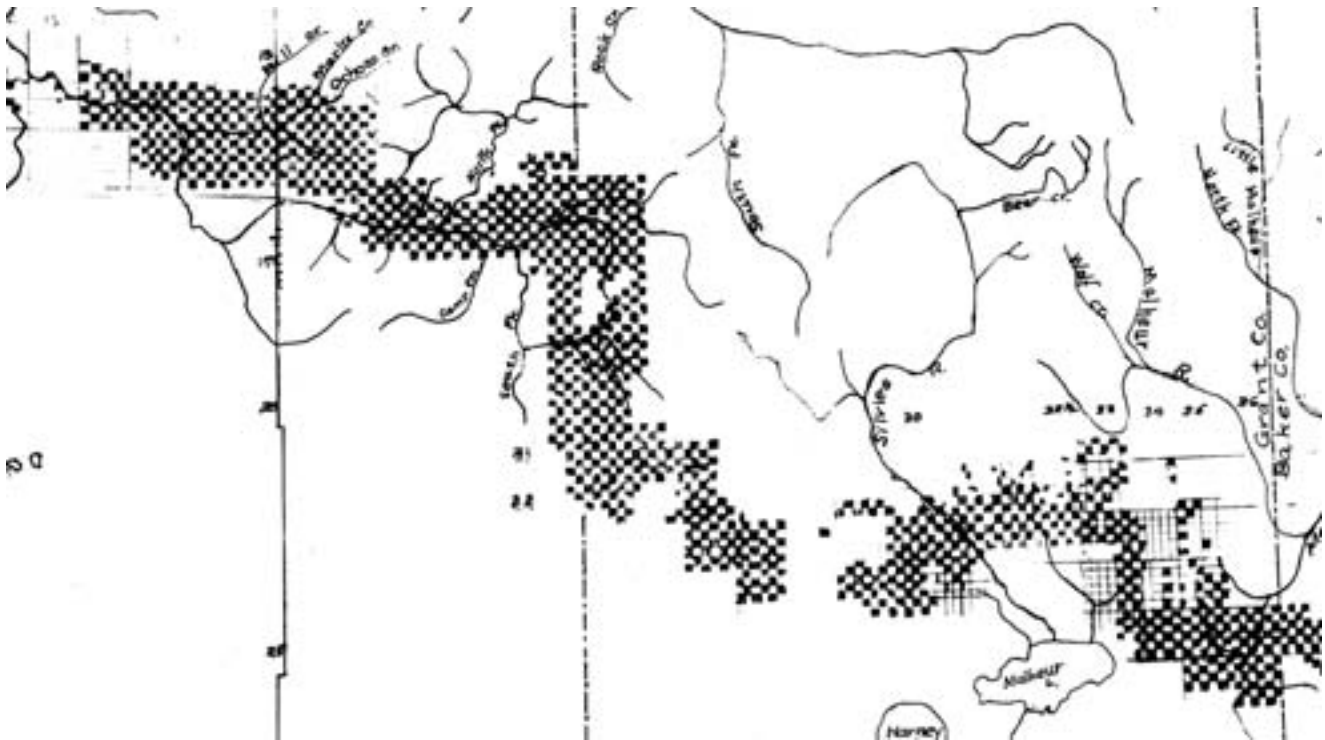
Following my dad's business came Carl Peterson with Clear Pine, a company that owes much of its success to the waste heap at Ochoco Lumber Company. Sorry, but there wasn't room to include Carl's great story here. Some of Carl's story can be found in *Crook County Timber History: A Narrative*, Crook County Historical Society, 1998.

6. At the end of this chapter I have recreated a short article that I wrote for *Timber History News* in May 1995 which explains more about how the Museum came to have these historic documents.



Willamette Valley & Cascade Mountain Wagon Road Route Through Crook County

This isn't an easy map to glean much from but it gives you an idea of the road's route. If the goal of the road, as stated, was to provide a way for Willamette Valley people to get to the east, why didn't the road go east out of Bend across the desert rather than right through the best ponderosa pine forest in the Northwest?



This map is even more difficult to read but I use it to show the belt of timber which was lost to the nation because of the road. Notice the jog south, right in the middle of timber land. The jog wasn't topographically necessary, it was made to insure that the most land was covered with timber. The checker-board pattern results from the alternate section scheme the government used, six miles deep on each side of the road. Barney Prine had to move from his property east of Prineville (he had been squatting).

It must be noted that in addition to the general nature of the rip-off of public land, the road was never made passable anywhere east of Prineville. The original owners/founders of the company sold out after only a short time and within a few years the land was owned by a company from France.

Bickering over this mess ended up before a Senate investigating committee. One of Oregon's senators as well as the governor were found guilty of corruption. The government made no move to recover the land.

Ochoco Timber Company's Railroad Development Plans



Like the maps above, this one has been reduced so much that it really isn't readable but it does give you an idea of how extensive Ochoco's plans for railroad development were. Some of the above was drawn from memory. For example, I don't remember if the RR was on the north or south side of the lake; doesn't really matter at this point. Ochoco Lumber did, sometime in the 1950s, build a log-haul road from the mill on Combs Flat to the reload site up in the timber. This was done so the company could employ large trucks that hauled loads too large for highway use. The road can still be seen from Ochoco Highway. I've often thought of walking it but that would be trespassing.



Chow time at the logging camp. See next page for additional information.

Consider this:

There has been lots of discussion as to why the timber industry failed in Prineville. The answers given seem to depend on the perspective of the person giving them.

What happened to the industry in Prineville happened other places too so the problem wasn't unique. Simply put, it was too many sawmills cutting too much timber for too long.

In retrospect, doesn't it seem folly to expect a forest (of combined public and private lands) to support what amounted to uncontrolled cutting "forever"? And forever was the dream.

There is the theory of "sustained yield" The reality of the theory turns into myth. The concept, in lay terms, says that a forest grows X new timber every year and that that amount should be the amount that is harvested to keep the forest healthy. Sounds right. But in almost every year after the concept was announced Congress insisted that the Forest Service exceed what is called the "allowed cut".¹ Allowed cut is supposed to insure that the sustained yield is not exceeded.

With five major sawmills operating at full blast the trees of the forest were gobbled up at a disastrous rate, and everyone, including the sawmill operators, knew this. The operators don't get all the blame; they were just out to make a buck, after all. As you will read later on, society itself must shoulder part of the blame.

To keep our nation strong, it seems, we need to build, build, build and that takes lumber. The sawdust couldn't help but hit the fan eventually. But the myth that the forest ran out of trees is just that, myth. Trees did become more limited, costly, and harder to harvest, but they didn't "dry up"; there are still merchantable trees in the forest today.

Many of the sawmills that ceased operations said it was because of "lack of logs". This was seldom the truth; there were other factors that were the real cause, and those factors were usually under the control of the company.

Yet, it cannot be denied that the industry crashed sooner rather than later because of the environmental movement. If environmental restraints can be eased it is possible that the forests and the industry can be revived—but not quickly or completely as before, and not to everyone's satisfaction.

Someone, somewhere, sometime must bite the bullet: the forests must be restored to a state of good health or we will lose them, and all that they contain, forever. Such devastation has happened elsewhere, it could happen here.

1. Congress was influenced in its decisions by lots of different special interest groups.



The photographs on the right were taken in the forests around Knappa, Oregon. They were given to me by a woman I met on Snow Mountain one 4th of July. My brother, Bill, and I had stopped at the site where he had spread my father's ashes.

The road opposite dad's resting place exposes lots of rock

which turns out to have a lot of sea-floor fossils in it. There was a group of three "Knappa-ians" there picking up shells.

We got to talking about history, timber history, to be specific. Some days later these photos showed up in the mail. Blushing with shame, I admit to having lost the names of these nice people.