

Humboldt State University

**The Company's Town:
An Examination of the Longevity and Legacy of Scotia, California**

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By

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The town of Scotia began as a logging camp in 1882, as part of the Pacific Lumber Company. Scotia grew from only a few rough cabins and some tents into a mill-town that employed and maintained five-hundred workers by the turn of the century. Scotia was created in the paternalist model of the Company Town and has the distinction of having been the last such town in the United States. The subject of company-owned towns in America usually brings to mind images of hazardous, isolated work camps full of underpaid, overworked employees, exploited by greedy management, and kept in a perpetual state of indentured servitude under the burden of insurmountable debt to the company store. These charges are well founded, and in many company towns serious abuses of power occurred regularly, leading to unrest and conflicts between labor and management.

Some company towns, like Scotia, avoided many of these problems by adopting policies to address the welfare and happiness, as well as the productivity of their workforce. Pacific Lumber, despite having employed many labor practices now seen as exploitative, is more often remembered for their generosity towards their workers and to the community they had built. Their ability and willingness to adjust the mixture of exploitation and benevolence allowed them to adapt to changing social and economic conditions and thrive as a company town for over a century. Pacific Lumber, known locally as PALCO or P.L., was a truly paternalistic enterprise; they cared about and were committed to protecting the interests of their town as a whole and to preserving the way of life they helped to create for their community, much like an over-protective and authoritarian father-figure. Their goal of creating not just a profitable and sustainable business but a prosperous and contented community ultimately allowed them to

avoid the reputation for corporate tyranny held by most company towns. For many Humboldt County residents, the Pacific Lumber Company was a part of their way of life, and is still fondly remembered for their many contributions to the community.

With vast tracts of virgin land, a wealth of untapped resources, and laissez-faire government economic policies, the United States provided American businessmen of the 19th century the ideal opportunity to create their own communities and run them as they saw fit. The Industrial Revolution brought an increased need for things like coal, steel, wood, and manufactured goods. In the frontier west, natural resources were found in abundance and company-towns sprang up in isolated wilderness areas. Between the 1830s and the 1930s, countless company towns rose up across the nation to support manufacturing and resource extraction industries.¹

Some company towns were carefully planned and meticulously organized from their inceptions in an attempt to create well ordered industries and well ordered societies. The founder of the Potlach Lumber Company, William Dearing, set out not only to provide a well ordered community for his workers, but also to establish a "particular type of social order."² Most company towns, however, started off as little more than unorganized tent-cities that evolved into more ordered towns as time went by; Scotia is one such town. The idea of maintaining a certain social hierarchy, even in these rough timber-towns, is reinforced by the presence of the more extravagant homes of the managers; Eureka's Ingomar Club was once the mansion of timber baron William Carson. These homes were often situated on hills overlooking the sawmill and the homes of the workers, as in towns like Falk and Scotia.

¹ James B. Allen, *The Company Town in the American West* (Norman: University of Oklahoma Press, 1966). Much of the general secondary source information about company towns in this essay is drawn from this book.

² Keith C. Petersen, *Company Town: Potlach, Idaho, and the Potlach Lumber Company* (Pullman, WA: Washington State University Press, 1987), 86.

Humboldt County was home to many company towns; Crannel, Korbel, Samoa, Metropolitan, Falk, and Scotia were some of the many towns created to support timber companies. After its rediscovery by the Gregg-Wood party in 1850, Humboldt Bay was a jumping off point for miners traveling inland to prospect for gold in the Trinity, Salmon, and Klamath rivers. Once the excitement for gold subsided it didn't take long for people to start cashing in on the area's premier resource – big trees.³ The first sawmill in the area began operation on Humboldt Bay in 1852.

Timber companies, such as Hammond, Northern Redwood Lumber Company, and Pacific Lumber Company were the area's biggest employers for a half century, up until the end of the second world war. These three companies were known as the big three, and combined, owned 64% of the county's timberlands. Much of the county's most profitable land ended up in the hands of lumber companies through various questionable or blatantly illegal means. Some Humboldt timber operators acquired land, once held in the public trust, through the use of "dummy entries." A "dummy entry" was when a company would give someone the money to file for land grants from the government, and then turn over the land to the timber company that had secretly financed the transaction.⁴ These practices resulted in higher land prices due to speculators buying up the best acreage and selling it for profit, making land and home ownership by private individuals more difficult.⁵

The Pacific Lumber Company was incorporated on February 27th, 1869, after acquiring 10,000 acres of what was described as "the richest belt of timber lying out of doors" along the

³ Susie Van Kirk, "Humboldt County: A Briefest of Histories," Humboldt County Historical Society, <http://www.humboldthistory.org/bHumboldtHistory.html> (accessed November 19, 2011).

⁴ United States General Land Office, "Annual Report of the Commissioner of the General Land Office (1885)," Internet Archive, <http://www.archive.org/details/annualreportofcg00unit> (accessed October 27, 2012).

⁵ Ryan Eric Emenaker, "Corporations and Resistance in the Redwood Empire: Towards a Corporate History of Humboldt County (1579-1906)" (master's thesis, Humboldt State University, 2005), 33-37.

Eel River.⁶ Most of this land was acquired for only \$1.25 per acre under the Morris Land Act of 1862.⁷ The company officially began lumber operations in Scotia, known at that time as Forestville. In 1883, Pacific Lumber undertook the difficult and expensive task of building a railway along the Scotia Bluffs, after having been stymied in their attempts to purchase a right of way across Eagle Prairie. By 1885 P.L. had finished constructing a railroad line between Scotia and Alton to facilitate the shipping of wood to Humboldt Bay where it could be taken by ship to the rest of the world.

P.L. completed the construction of their first sawmill in 1887, using wood floated downriver from Bluff Prairie, known today as Shively. It employed 150 men in Forestville, which at this time was little more than a disorganized collection of cabins. By 1888 they were the county's largest producer of lumber, at 20 million board feet annually, and employed 300 people.⁸ The town officially changed its name to Scotia in 1888 when the company bought the town site and the post office was established.⁹

Companies owned the land and provided areas for workers to sleep and eat. The remote nature of most of these places when they were founded meant that all of the needs of the company and its labor force had to be provided for on-site. At first company towns mostly employed single men, and few provided for family housing until the 1890's or later. Men in these early company towns slept in tents or bunkhouses and took their meals in the company cookhouse. The cookhouse was a vital part of the company's morale. Men worked long, hard hours, and typically had only two other activities while in camp: sleeping and eating. In order to

⁶ Gerald T. Takano, "Scotia Historic Assessment Study," assessment of historical significance of Scotia, California, in compliance with California Environmental quality Act, Scotia, CA, October 24, 2007), 4.

⁷ Richard Widick, *Trouble in the Forest: California's Redwood Timber Wars* (Minneapolis: Univ Of Minnesota Press, 2009), 108.

⁸ Lynwood Carranco, *Redwood Lumber Industry* (San Marino, Calif.: Golden West Books, 1982), 149.

⁹ Widick, *Trouble in the Forest*, 109.

keep the workers content in these spartan conditions, companies typically fed them quite well. The men were charged for meals, often as a payroll deduction. This cost them about sixty cents a day for meals in the 1920's,¹⁰ which would be about \$7.00 today.¹¹

Bunkhouses had few luxuries, often consisting of crude, hastily built shacks, constructed wherever a clear patch of unused ground could be found. Many early bunkhouses were nothing more than four walls, a roof, a wood-stove and a half-dozen bunks. In places exceeding their capacity for housing, and where the company ran more than one shift, men would sometimes have to share their bunks with a worker on another shift, a practice that was known as "hot sheeting"¹². Some of the western timber companies, like Pacific Lumber, built portable bunkhouses that could be moved by railcar. When the area surrounding the logging camp was clear of timber, they would simply pick up the buildings and move to the next site. An example of these portable lodgings can still be seen at the Elk River scout camp¹³, south of Eureka, California. Towns of a more permanent nature frequently constructed large dormitory buildings for their single workers.¹⁴

Eventually married men came to be regarded as more reliable and easier to control, due to concerns about losing their jobs and leaving their families homeless. As a result more companies began building housing for families. The housing was different from town to town; some houses were very plain and austere, little more than shacks, while others were well designed, craftsman homes with modern amenities such as a wood stove, running water, and later, electricity and sewage service. The rents charged for houses in most western logging towns were relatively low

¹⁰ Evelyn McCormick, *Living With the Giants* (Rio Dell, CA: McCormick, 1984), 27.

¹¹ "Cpi Inflation Calculator," U.S. Bureau of Labor Statistics, http://www.bls.gov/data/inflation_calculator.htm (accessed November 21, 2012).

¹² Linda Carlson, *Company Towns of the Pacific Northwest* (Seattle: University of Washington Press, 2003), 17

¹³ Formerly known as Dolbeer-Carson Camp #2

¹⁴ Hardy Green, *The Company Town: the Industrial Edens and Satanic Mills That Shaped the American Economy* (New York: Basic Books, 2010), 15.

in comparison with other company towns. Average monthly rent was around seven dollars¹⁵ in most of these towns in 1900, a figure representing about 10% of the average monthly income, whereas in places like Pullman, Illinois, rent would cost a worker at least a third of their monthly wages.¹⁶ Rent in Scotia was cheap by any standard and by 1951 a three bedroom house would cost a worker only twenty-one dollars a month, including water, sewer, garbage, and electricity.¹⁷

The growth of the company and the town represented a considerable investment. To protect that investment, the owners needed to ensure that they could attract and keep a stable, productive workforce. To this end many company towns, like Scotia, provided for more services for their communities. Some even hired their own police and organized and funded volunteer fire departments. Pacific Lumber Company built stores, hospitals, skating rinks, and theaters for their employees. They also constructed a hotel and added telephone and telegraph lines. In 1888, they built a schoolhouse, which was used as a church on Sundays, and served by a circuit-riding pastor.¹⁸ In 1890, the company built an electric plant that initially supplied lights to the hotel, stores, offices, and stables, and later lit the homes of the residents.¹⁹ All of the homes in town were equipped with running water, an unusual luxury at the time.²⁰ A great deal of money was spent to improve the overall efficiency of the company, but even more was spent on improvements that raised the quality of life and the overall happiness of the workers and their families.

No other aspect of the company town has a worse reputation for abuse as the company store. In remote areas it was likely to have been the only store around. Some stores were small

¹⁵ Carlson, *Company Towns*, 10.

¹⁶ Carlson, *Company Towns*, 10.

¹⁷ Frank J. Taylor, "Paradise with a Waiting List," *Saturday Evening Post*, February 24, 1951, 103.

¹⁸ Anderson, "Company Towns and Their Neighbors", 146.

¹⁹ Gerald T. Takano, "Scotia Historic Assessment Study," 5.

²⁰ Anderson, "Company Towns and Their Neighbors", 146.

and carried only the bare necessities, while others were big, multi-department establishments offering everything from groceries to furniture. The company shipped in goods and sold them to the workers, and most were accused of having high prices and predatory credit policies. Many companies discouraged employees from shopping elsewhere. To help enforce this, the company store was often where the paymaster's office was located. This was one way in which the boss could encourage employees to spend their pay there, and much of what was paid in wages never left the building.²¹ This was a way to recoup some of the money the company had paid out in wages; goods and services at the company store were often sold to workers for a tidy profit. Some companies, like Scotia, were more vertically integrated than others, having company farms where they grew their own produce, and raised their own beef, pigs, and other animals to supply their cookhouses and stores. This lowered costs, and maximized profits by reducing the amount of goods that the company would have to ship in.

P.L. was a model of paternalism and vertical integration; they provided well for the needs of their workers, but still sought means by which they could recover some of the wages they had paid out. The company made sure that they owned all of the resources that might be needed, thereby making themselves the only recipient of their employees spent wages. In addition to having cookhouses and bunkhouses at all of their camps, they had their own chain of company stores in the county serving the towns of Scotia, Dyerville, Shively, and Fields Landing. Scotia also had a barber shop, and livery stable, as well as a butcher shop that sold company-raised meat.²²

Many companies used scrip and profited from their employees by its use. Scrip is a form of currency printed or minted by the company and paid to employees in lieu of or in advance of

²¹ Carlson, *Company Towns*, 104.

²² Widick, *Trouble in the Forest*, 110.

cash payment. Scrip enabled employers to limit the amount of cash they had on hand and encouraged patronage at the company owned retail stores. Since the scrip could usually only be used at the company stores, which often had inflated prices, the scrip was worth a fraction of the value of the cash it represented. When there were non-company businesses nearby that accepted company scrip, it was never traded at face value. This discounting of scrip was also practiced by the issuing companies; workers could take an advance in scrip, and then exchange the scrip at the company bank for a fraction of face value. This might enable employees to purchase things not available in the company store, like alcohol, but in effect amounted to a reduction in wage for the worker.²³ The use of scrip as payment is one of the most denounced practices of company towns.

Although the exploitation of workers by companies and their stores is undeniable, many company stores saw workers through tough years by lowering prices and extending credit, even to workers who had been laid-off.²⁴ Some companies continued to operate the company store even after they ceased to be profitable. Eventually, most stores were sold to private enterprise. Many company stores grew to serve wider communities, and some existed long after their parent companies had disappeared.

Pacific Lumbers paternalistic desire to protect their employees from hardship, was a support system for its workers in times of adversity. In 1891, after PALCO had made a huge investment by implementing the latest logging technology of the day, Dolbeer's steam-driven winches or "steam donkeys,"²⁵ the price of lumber dropped, forcing P.L. to reduce production. This meant less hours and less money for the workers to get by on. These hardships were only made worse by the Panic of 1893, when a series of bank failures sent the nation into a

²³ Allen, *The Company Town in the American West*, 135.

²⁴ Judith A. Anderson, "Company Towns and Their Neighbors: A Spatial Analysis" (master's thesis, California State University, Hayward, 2003), 146.

²⁵ Evelyn McCormick, *The Bluffs Around Us: A History of Early Days of Rio Dell, Scotia and Eel River's Famous Bluffs* (Rio Dell, CA: McCormick, 1981), 33.

depression. Throughout these lean years however, PALCO showed off the positive aspects of paternalism by not laying off any workers, despite having to close one side of the mill. Instead, jobs at the mill were shared among all of the workers. Nobody got rich, but nobody got evicted either.²⁶ To help see their community through, P.L. employed farmers to supply company lumber camps with fresh produce grown on company land. Many labor problems were avoided by treating their workers well in this "age of discontent."²⁷

A fire in 1895 consumed most of the mill and town. They quickly rebuilt and, by the turn of the century PALCO employed 500 workers at the mill and in the woods. They had their own railroad line from Scotia to Fields Landing, and a fleet of schooners and steam ships which they used to export redwood to San Francisco, Los Angeles, and beginning in 1901, Hawaii and Japan.²⁸ At this time Scotia was the third largest town in the county and, by providing better-than-average conditions for their workforce, they were building a reputation as a good place to work and live.²⁹

A welcome addition to the community came with the construction of a new hospital. Prior to its construction, injured workers would have to be transported by train to Eureka to seek medical care.³⁰ In another show of benevolence, PALCO adopted the policy of employing workers disabled on the job to work in positions they could manage with their disability. This practice continued into the 21st century.³¹ Pacific Lumber Company employees were also some of the first workers in the nation to have workingmen's compensation.³²

²⁶ Anderson, "Company Towns and Their Neighbors", 146.

²⁷ Anderson, "Company Towns and Their Neighbors", 145.

²⁸ Gerald T. Takano, "Scotia Historic Assessment Study," 5.

²⁹ Widick, *Trouble in the Forest*, 108.

³⁰ Widick, *Trouble in the Forest*, 110.

³¹ Anderson, "Company Towns and Their Neighbors", 152.

³² Anderson, "Company Towns and Their Neighbors", 153.

After the San Francisco earthquake and fire of 1906, demand for redwood lumber skyrocketed. PALCO increased production to meet this demand, and by 1910 a second mill was in operation in Scotia. This meant hiring more workers and building additional housing, as well as a new main office, a volunteer fire department and the First National Bank of Scotia.³³

The company saloon, opened in the early 1890s to discourage workers from visiting the bars outside of Scotia, was closed at this time. This decision set the tone for the types of activities that would be looked down upon in the company's town. Alcohol still remained available at the many saloons in the neighboring town of Wildwood, or at Emerson's Green Goose saloon. The Green Goose had been in business since before P.L. began operation, offering a combination saloon, gambling hall, and whorehouse which operated on property adjacent to the Pacific Lumber mill and town site.³⁴ This adjacent property was purchased by Pacific Lumber in 1883, much of it becoming the site of the PALCO headquarters building. The Green Goose was allowed to continue operating in Scotia for many years.³⁵

Perhaps because of the good rapport P.L. management had with its workforce, it survived its first brush with union activism in 1908. There was no vacation and no regular pay raises back then, just hard work. Long days and low pay fueled the fires of discontent. Worker grievances mounted, leading to a strike at Stitz Creek and at Camp #5, across the river from Stafford. Armed men were brought in by the deputy sheriff as strikebreakers but no shots were fired and a compromise was reached once management arrived on scene and talked with the laborers.³⁶

³³ Gerald T. Takano, "Scotia Historic Assessment Study," 5.

³⁴ Anderson, "Company Towns and Their Neighbors", 140.

³⁵ Anderson, "Company Towns and Their Neighbors", 140.

³⁶ Allen, *The Company Town in the American West*, 135.

Hard, dangerous work, 11-13 hour workdays, and low pay remained a hallmark of the timber industry, and it wasn't for everyone.³⁷ Tony Stanich worked for the Pacific Lumber woods crew for just one day before quitting. After deductions for room, board, and train fare, he received a check for exactly five cents, a fraction of the \$2.75 he had earned for the day.³⁸ Five cents wasn't much, even in 1915. Tony could have bought lunch and a beer, or a glass of whiskey, or some rolling tobacco, but not much else.³⁹ Despite holding to the industry standard on wages, P.L. continued to provide the best worker accommodations in the county and, in 1915, spent \$500,000 on town improvements.⁴⁰

The onset of World War I meant another increase in the demand for lumber, coupled with a severe labor shortage. In response to this P.L. hired Italian immigrants and, for the first time, hired women to work in their new cigar-box factory.⁴¹ The population of Scotia swelled, and many workers were forced to live in tents, or be housed in the neighboring community of Rio Dell while houses were being built to accommodate them.⁴² Morale in the company's town wasn't always high, but they continued to provide for their workers better than many of the other sawmills in the area. 1918 saw a surge in International Workers of the World unionism in the Pacific Northwest's timber towns. Workers in Scotia were able to secure shorter working hours during this time, after years of negotiations which brought them from 12 hours, down to 10 hours, then finally to 8 hour shifts.⁴³ The company also began their "Continuous Service Compensation" program at the end of the war, a move that was well received by workers.⁴⁴ This was a pension plan in which employees, after one year of service, could save up to 7% of their

³⁷ Anderson, "Company Towns and Their Neighbors", 152.

³⁸ Anderson, "Company Towns and Their Neighbors", 155.

³⁹ Evelyn McCormick, *The Bluffs Around Us*, 46.

⁴⁰ Widick, *Trouble in the Forest*, 109.

⁴¹ Gerald T. Takano, "Scotia Historic Assessment Study", 6.

⁴² Anderson, "Company Towns and Their Neighbors", 159.

⁴³ Widick, *Trouble in the Forest*, 110.

⁴⁴ Anderson, "Company Towns and Their Neighbors", 159; Widick, *Trouble in the Forest*, 110.

annual income, and receive matching funds from Pacific Lumber. This program helped to secure the loyalty of the workers and avoid strikes in Scotia, thus ensuring the continued operation of the mill. P.L., along with the other lumber companies in the county, instituted a nine hour shift the following year, but met with little resistance from their relatively contented labor force⁴⁵, despite the fact that other operators in the area were beset with difficulties from the International Union of Timber Workers over this very issue.⁴⁶

In 1920 P.L. sold 20,000 acres of old-growth forest for preservation in parks. Although criticized in more recent times as being motivated more by pressure from environmentalist organizations than from a desire to do the right thing, this decision gained them some respect for good stewardship of the land.⁴⁷ In the early 1930s, after the start of the Great Depression, PALCO limited their logging operations. They retired the steam donkey and replaced it with gas powered tractors which allowed them to return to selective logging. By limiting the amount of mature trees they harvested in any given year, they ensured the sustainability of their operations and the continuing welfare of their employees and their way of life. The practice of leaving immature trees to grow while harvesting only those in their prime, a method that was discarded with the advent of the steam donkey and reinstated with the tractor,⁴⁸ was better for the land than clear-cutting and gained the company the respect and admiration of the community for years to come.⁴⁹ They later bolstered their reputation as good stewards of the environment by building fish hatcheries on the Eel River.

⁴⁵ Widick, *Trouble in the Forest*, 110.

⁴⁶ California Northcoast Labor/Community Archives Project, "RDC Overall Historical Sketch," in *Redwood District Council of Lumber and Sawmill Workers Collection*, in the Online Archives of California, <http://oac.cdlib.org/findaid/ark:/13030/tf8p3006h6> (accessed November 10, 2012), 4.

⁴⁷ Widick, *Trouble in the Forest*, 111.

⁴⁸ Anderson, "Company Towns and Their Neighbors", 166.

⁴⁹ Joan Dunning, letter to the editor, *Eureka Times Standard*, March 1, 2013.

With Prohibition came the closing of the town's last "safety valve," the Green Goose. Scotia officially became a dry town, and stayed that way for decades.⁵⁰ Anyone wishing to drink and carouse had to do so in the neighboring community of Wildwood, which hardly missed a step in moving the sale and consumption of alcohol underground. Wildwood, now known as Rio Dell, was known throughout the county as a den of decadence, where one could obtain a variety of illicit goods and services. Much of Wildwood was reduced to smoldering ashes in 1928 when a whiskey still exploded, igniting half the town in the process.⁵¹

In 1925, P.L. constructed the new Scotia Inn, which was initially used to alleviate the shortage of worker housing. The inn was also used as the company cookhouse for the single workers.⁵² 1925 also saw the construction of the Winema Theater, a new school building, and a church. At Christmas time that year the company bought gifts for every child in town and gave free turkeys to every household⁵³, starting a tradition they kept until 2006. This P.L. Christmas party earned them a great deal of good will from the community.

The effects of the depression were felt in Scotia, just as they were in the rest of the country. During this time, workers frequently became heavily indebted to the company store. High markup, combined with the use of scrip for payroll⁵⁴, devalued the wage and created a hardship for many families, who felt as if they had been reduced to a state of indentured servitude to the company.⁵⁵ PALCO attempted to alleviate the difficulty by raising large herds of beef, to be sold at discounted rates to employees in the company butcher shop. Company

⁵⁰ Hardy Green, *Industrial Edens and Satanic Mills*, 44.

⁵¹ McCormick, *The Bluffs Around Us*, 26.

⁵² Anderson, "Company Towns and Their Neighbors", 152.

⁵³ Christmas in Scotia, *Humboldt Times*, December 24, 1952.

⁵⁴ Widick, *Trouble in the Forest*, 110.

⁵⁵ Emenaker, "Corporations and Resistance", 41.

management also relaxed their credit policies concerning delinquent accounts, and no one was evicted due to late rent.⁵⁶

Pacific Lumber boosted morale and its public standing when it founded the Scotia Band. Company management encouraged participation from the community and funded the band's purchase of uniforms.⁵⁷ A Humboldt County fixture since its inception, the Scotia Band invites musicians of all ages into their ranks, and plays at all of the county's parades, fairs, rodeos, celebrations, and events. It is one of the most enduring and beloved legacies of the Pacific Lumber Company.⁵⁸

In May 1935, a large scale strike was organized throughout the Pacific Northwest to force union recognition and higher wages. While unions would find success in Oregon and Washington, they weren't prepared to take on the company towns of Humboldt County. With only one-third of the local workers organized, and the "forbidding territory,"⁵⁹ of Scotia as yet un-breached by the local union, the strikes organized in the Humboldt region had little chance of success. Workers in Scotia, as in many other companies, were *requested* to sign a loyalty oath stating they would not be involved with the unions. Failure to sign inevitably led to termination. After the shooting deaths of three striking mill workers at the hands of the Eureka police and vigilantes in what became known as the Holmes-Eureka Massacre, the strike lost all of its momentum. Afterward the strike-leaders were blacklisted and never worked in the local timber industry again.⁶⁰

With World War II came another increase in the demand for lumber, and another shortage of labor to fill that demand, due to the draft. Local labor unions would gain some

⁵⁶ Frank Shaw Bacik, interview by author, Scotia, CA, October 25, 2011.

⁵⁷ Widick, *Trouble in the Forest*, 111.

⁵⁸ Brianna Brown, interview by author, Fortuna, CA, November 4, 2012.

⁵⁹ California Northcoast Labor, "RDC Overall Historical Sketch", 4.

⁶⁰ California Northcoast Labor, "RDC Overall Historical Sketch", 4.

ground, pressing their advantage by encouraging workers to organize while the demand for labor was at its highest. By 1943 every lumber company in the area, with the exception of Pacific Lumber, had a certified union bargaining agent.⁶¹ Unions were presented with some difficulties as well; a war time no-strike pledge took away a powerful tool for forcing negotiations, a fact that the timber companies knew well and capitalized on by holding firm to their positions on wages and union shops. The union was unable to come to an agreement with lumber company owners and their issues were referred to the National War Labor Board. This proved to be fruitless when this board was dissolved at the end of the war, before having heard the case. In January of 1946, the union voted to strike. In response, PALCO and 8 other companies closed their mills. By July of 1946, the strike came to an end, and the workers went back to their jobs in the mills. They had failed to organize in time, and at the war's end lost their biggest bargaining chip when returning servicemen flooded the labor market. The closures had been extremely costly for the mill operators, having lost untold profit from the post-war housing boom. It was even more devastating for the many workers who lost their jobs.⁶² After the war, PALCO was the last non-union lumber mill in the county. Disputes between unions and company management in the area continued into the 1960s⁶³, but Scotia flourished in this period, both as a company and a community. Unions were never able to organize successfully in Scotia, perhaps owing to the company's willingness to negotiate with disgruntled laborers, and find solutions that labor and management could agree upon, or perhaps the political ties that money can provide outweighed any clout the unions had.

Ten years later PALCO president Stan Murphy made the decision to revise the company pension plan to include all employees with one or more years with the company, and extended

⁶¹ California Northcoast Labor, "RDC Overall Historical Sketch", 5.

⁶² California Northcoast Labor, "RDC Overall Historical Sketch", 5.

⁶³ California Northcoast Labor, "RDC Overall Historical Sketch", 7.

the new plan to include former workers already in retirement. They also gave their employees free life insurance, bonuses, and college scholarships for their children.⁶⁴ They later expanded their scholarship program to include the children of former employees.⁶⁵ This paternalism cost PALCO a great deal of money, but bought them a lot of good will from their workers and the community.

In the early 1950s, PALCO decided to close down the company stores and lease space in a newly constructed shopping center to private businesses. They had lost money on the stores for years despite high markup⁶⁶, in part because of the leniency they had shown through the depression years and other hard times for workers in need of credit. PALCO had traditionally forbidden outside vendors from operating in Scotia, and now that the town was open to them, more services than ever came to serve the needs of the community. The new shopping center offered a supermarket, drug store, general department store, hardware store, and a diner. The town also hosted a dentist office, barbershop, dry cleaners, bank, movie theater, service station, and abattoir.⁶⁷ Herb Colby, who took over the Scotia grocery store in the 1960s, said they were the best landlord he'd ever had, but characterized them as a "benign dictatorship". They had their own priorities, and as long as you didn't buck the system, you could fit right in. Colby remembers that their concern was to provide convenience to their workers, not to increase business for retail stores.⁶⁸

In 1955, there was massive flooding on the North Coast. High snow levels in the mountains followed by a warm torrential rain resulted in tremendous flood and the destruction of many communities along the Eel River. Hundreds of homes were washed away, along with

⁶⁴ Anderson, "Company Towns and Their Neighbors", 168.

⁶⁵ Pacific Lumber Expands Scholarship Opportunities, *Humboldt Times*, September 10, 1967.

⁶⁶ Frank Shaw Bacik, interview by author, Scotia, CA, October 25, 2011.

⁶⁷ *Scotia: Home of the Pacific Lumber Company* (Scotia, CA: The Pacific Lumber Company, 1957), 5.

⁶⁸ Herb Colby, interview by author, Scotia CA, November 17, 2011.

bridges and roads. Scotia lost their cherished skating rink, which broke in half and floated downriver to smash into the Ferndale Bridge. They also lost over a million board feet of lumber⁶⁹, and watched as over a hundred structures floated by in testament to the destruction of places further upstream⁷⁰. PALCO workers were immediately set to the task of cleanup. They assisted the town residents in the aftermath by using the kilns to dry out the resident's furniture and personal possessions. Things in town rapidly returned to normal, but sadly, the skating rink was never rebuilt.

A few years later the town closed down the hospital, as other hospitals were available in towns close by. A doctor's office remained though, and still operates in Scotia today. The Winema Theater was also closed down during this time, owing to the low attendance that came with the rising popularity and availability of television. Perhaps to make up for these losses, the company built a recreation center in 1960, complete with an indoor swimming pool, basketball court, and weight room.⁷¹

In 1964, massive flooding once again visited the area, this time bringing even more destruction to the town of Scotia and the surrounding communities. Flooding destroyed the towns of Weott, Stafford, Metropolitan, and Pepperwood⁷², and caused tremendous damage to many other area towns. The towns of Scotia, and Rio Dell were cut off, all bridges and rail lines having been taken out by the raging water. Scotia lost its baseball stadium, and some 20,000,000 board feet of lumber in this flood⁷³, which residents described as making the 1955 event look small. PALCO wasted no time in the massive cleanup effort, and set crews to work on opening their connections to the outside world. They converted their plywood plant into temporary living

⁶⁹ Gerald T. Takano, "Scotia Historic Assessment Study," 7.

⁷⁰ McCormick, *The Bluffs Around Us*, 56.

⁷¹ Anderson, "Company Towns and Their Neighbors", 170.

⁷² McCormick, *The Bluffs Around Us*, 60.

⁷³ Gerald T. Takano, "Scotia Historic Assessment Study," 7.

quarters for the families who had been displaced by the flooding. Having operated in this area for decades, PALCO management knew of the Eel's tendency to flood, and had anticipated the possibility of becoming trapped if the bridges washed out. They had a policy of warehousing enough essential supplies for the town to last for four months in isolation. This foresight and planning served them well as they were able to draw on these supplies to aid the community during this time.

Maxxam Corporations buyout of PALCO in 1985 spelled the beginning of the end for Scotia as a company town. In an effort to maximize profit, the new management lifted their long-standing, self-imposed moratorium on clear-cutting, and the resultant media coverage of denuded forestland brought the attention and ire of the environmental movement. Various environmental issues were fought out in the courts in the following years. Ultimately, Maxxam reaped huge profits from raping the woods, and then declared bankruptcy in 2007. The town ended up in the hands of Marathon Assets Inc., and now exists as the Town of Scotia Company. Many of the families that used to live there have moved on and the houses are being rented out, for the first time, to non-millworkers. The prospect of selling the town or any part of it has been met with difficulty due to zoning restrictions. The sawmill has been refitted and is now being operated, though at a much diminished scale, by the Humboldt Redwood Company.⁷⁴

The Pacific Lumber Company engaged in many unsavory practices over their long reign as Humboldt's largest employer; they obtained land through predatory and illicit means, exploited their workers by their use of scrip and company stores, and held down unions and collective bargaining efforts for decades. They also built and maintained an idyllic town for their workers, supported them through many hard times, and encouraged them to participate in the creation and success of their community. They provided prosperity and security for their

⁷⁴ Widick, *Trouble in the Forest*, 114-116.

employees with generous health, disability, and retirement programs. Overall, despite the fact that they engaged in many of the exploitative practices that have come to stigmatize company towns in this country, Scotia is remembered by most former employees as the best place to work and live in Humboldt County. Scotians, as the residents are sometimes known, didn't typically think of their town as a "company town,"⁷⁵ but rather as a quiet community with traditional values, and a good place to raise a family.

It is clear that a good deal of their success in creating this well-loved town and keeping their good reputation, came from the many services and benefits they provided over the years to improve and maintain the high quality of life for their employees and their community. In 1971 Pacific Lumber Company president Stanwood Murphy explained "We're a paternalistic company. I know that's a dirty word, but it's accurate."⁷⁶ Over the years and through good times and bad, P.L. management did what they felt was necessary during changing social and economic climates to maintain a profitable business and, of equal importance, a prosperous community of reliable workers, content with the good life the company had made for them.

In a 1959 interview in the Humboldt Times, Scotia Logging Museum curator, Alden Ball summed up a sentiment shared by many past and present Humboldt residents: "To live in Scotia is a way of life, and it is a privilege to be a part of that way of life."⁷⁷ For the people who lived and worked in Scotia, the Pacific Lumber Company was a part of their "way of life"⁷⁸ that they still remembered fondly and think of as an ideal. Some of the company's practices as a company-owned town have rightfully come under fire, but all were undertaken with the ultimate purpose of maintaining this way of life.

⁷⁵ Frank J. Taylor, "Paradise with a Waiting List," *Saturday Evening Post*, February 24, 1951, 103.

⁷⁶ Hardy Green, *Industrial Edens and Satanic Mills*, 43.

⁷⁷ History of the Pacific Lumber Company, *Humboldt Times*, September 24, 1959.

⁷⁸ History of the Pacific Lumber Company, *Humboldt Times*, September 24, 1959.

With the company gone, residents miss the old days and try to hang on to traditions established over generations. When The Town of Scotia Company took control of the town in 2008, they removed all of the signs and plaques that said PALCO on them and set about removing many of the now obsolete fixtures of a mill town. The residents made an impassioned plea, however in support of keeping the old mill whistle in operation. Many residents, who are probably so used to it that they don't even notice when it sounds, said they wouldn't know what to do without it. The new management of the town agreed, and the whistle still sounds three times a day.⁷⁹

⁷⁹ Frank Shaw Bacik, interview by author, Scotia, CA, October 25, 2011.

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