The U.S. Steel Corporation in Portland, 1901–1941

by Lewis L. McArthur

IN MAY 1938, I GRADUATED from the University of California at Berkeley with a degree in economics, the dismal science. The final effects of the Depression were still manifest, and I do not recall any flurry of major corporations eager to interview prospective employees. While seeking permanent employment, I took a temporary job with Pacific Power & Light Co. There I scoured local newspapers and clipped news articles about various Public Utility District (PUD) proposals for the forthcoming November election. Finally, in October, I went to work for Columbia Steel Company, the wholly owned subsidiary of United States Steel Corporation. It occupied the brick office building and steel warehouse structure at 2345 N.W. Nicolai Street. I was hired by Clarence C. Johns, manager of sales, as an inside salesman at $90 per month with the promise, soon fulfilled, of a raise to the then princely salary of $100.

The United States Steel Corporation was formed in 1901 by Wall Street financier J.P. Morgan through the merging of a number of important steel manufacturers including the Carnegie Steel Company, Illinois Steel Company, American Sheet & Tin Plate Company, American Steel & Wire Company, and a number of smaller producers and fabricators.

Demand for steel in the Pacific Northwest was increasing with the expanding manufacturing and extensive railroad development. Portland was then the primary steel sales and distribution point for the area, a position it has held, arguably, to the present day. The new corporation, not yet ready to combine sales efforts, established separate subsidiary offices. In 1902, the American Steel & Wire Company located at N.W. 9th and Irving streets, with E.R. Eldredge as manager. The fine 1895 yellow-brick McCraken Building with the drive-through facilities for horse-drawn drays is still standing, although modified to show little of its original distinctive appearance. In 1903, the Carnegie Steel Company opened an office in the Ainsworth Building, with R.R. Hoge manager. Two years later, Hoge took on additional responsibility as manager for the American Sheet & Tin Plate Company in the same office. In 1912, a new subsidiary, the United States Steel Products Company combined sales efforts when their Pacific Coast Department opened a local office with Hoge in charge at S.W. 6th and Alder in the new Selling Building. In 1913, he hired Arthur Roberts, fresh out of Behnke-Walker Business School, as a stenographer.

In the beginning, United States Steel was almost the only supplier to the Pacific Northwest. Bethlehem and the other large steel companies had not yet been organized. Colorado Fuel & Iron Company of Pueblo, Colorado, was in existence and probably had supplied steel for the Burnside Bridge built in 1894. A small amount of steel, principally tin plate from Wales, was imported, but most local supply came by water from the corporation’s eastern mills. Prices were low, often $1 per hundred pounds or less compared to the 40 to 60 times that amount at present. Most steel was brought in to order, although a few jobbers did carry modest stocks. Pacific Metal Company stocked steel sheets at West Park and Everett streets. Pacific Hardware and Steel Company carried nails and various wire products. Haseltine Company run by Amby Haseltine was a major customer, as was Honeyman Hardware. Just prior to World War I, Marshall Wells Company built a four-story warehouse at N.W. 14th and Lovejoy.

In the early 1900s, steel-framed buildings such as the 1907 Corbett Building, the 1910 Olds & King, and the 1912 Lipman Wolfe were appearing. U.S. Steel’s American Bridge Company supplied the structural members for many of them, including the University Club, built in 1912, as well as material for many railroad bridges. Fabricators such as Northwest Steel Company ordered their mate-
rial by the job and expanded into the shipbuilding business during World War I. Beebe and Bowles was another major ship fabricator. Later, Poole and McGonigle got into the picture as an important steel bridge and building fabricator. Pacific Bridge Company and Oscar Heintz were also active in the bridge business.

Arthur Roberts remembered in his 1979 oral history that prior to World War I, U.S. Steel sold about 75 percent of the steel used in the Pacific Northwest. Imports may have been 10 or 15 percent with the balance split among other domestic suppliers. After the war, the corporation’s percentage quickly slipped to about 50 percent, as imports — mainly bars, small shapes, and some wire products — came from Germany, England, and Belgium. Wire product imports increased as there were no duties on anything farmers used, such as bale ties and barbed wire.

Bethlehem Steel entered the Northwest market, and independent rolling mills were established in Seattle, San Francisco, and Los Angeles. They all competed for market share, although Portland was still the dominant distribution point for the Northwest.

In the 1920s and early 1930s, the Portland office operated with the name United States Steel Products Company. There were three departments — rolled steel or Heavy Products, with Charles Gray assistant manager of sales; Wire Products, headed by Chandler Bloom; and the bridge department, closely linked to American Bridge Company, headed by C.C. Overmeier. By 1938, when I started to work for U.S. Steel, all three men had retired and rolled steel was under Arthur Roberts, wire products under Brydon Mitchell, and the bridge department was under Frank E. Fey. In addition, Colin Chisholm was sales office manager, but he spent much time with warehouse stocks and rolled steel sales. The whole operation was headed by C.C. Johns, manager of sales.

U.S. Steel took a major step in 1927 when it purchased several acres of land from John B. Yeon, the owner of the Yeon Building and an important figure in the building of the Columbia River Highway. At what later became the intersection of Nicolai Street and Yeon Avenue, the corporation built a two-story brick-faced office building and a large five-bay warehouse. The office and warehouse were occupied in 1928 when the sales department moved from the Selling Building. In 1929, the corporation purchased Columbia Steel Company, an independent rolling mill in Pittsburg, California. Shortly thereafter, all Pacific Coast operations were consolidated in a wholly owned subsidiary with the name Columbia Steel Company, and the bronze letters over the front door of the office were changed to suit.

The warehouse had a double track, partly covered rail spur. All material was received by rail, either directly from the mill or by rail switch from the Portland docks. The vast majority of shipments were also by rail to a wide variety of distributors and hardware concerns throughout Oregon, eastern Washington, and western Idaho. There were also regular shipments to the new Seattle warehouse, a considerably smaller installation. During the 1930s and until the start of World War II, the Portland warehouse was one of four major distribution points for the Pacific Coast.

The office building had two stories. The entire second floor was occupied by the sales department where there were several separate offices and one large room for the inside sales staff. Orders were written in longhand on
company forms, and later transcribed by the clerical staff on the first floor. Two young girls in the large room took dictation and typed the necessary letters. I never used a typewriter and was spared the nuisance of carbon paper. There was a teletype machine next to Frank Fay’s office that we used to communicate with Seattle and San Francisco. Messages were often typed on a tape and accumulated to send when the line was open.

The sales department had two major and two minor divisions. I worked for Arthur Roberts who headed the Heavy Products section, which handled all carbon steel, rolled products such as sheets, plates, structural sections, and small bars. Under Roberts was Colin Chisholm, who doubled as supervisor and office manager. There were three inside salesmen — Bill Mathison, the lead man, handled inquiries and quotations; Jim Cosgrove worked on customers’ mill orders; and me, much the youngest and greenest. I spent my time taking phone orders for warehouse stocks. About 1941, Stewart Murdoch, the office runner, was promoted to salesman, and I was no longer the low man.2

Brydon W. Mitchell was in charge of Wire Products, which included all types of wire, nails, fence, and wire rope and were shipped by rail to many of the same customers who purchased heavy products. A great deal of wire rope was sold to Consolidated Timber Company, which was logging the Tillamook Burn, and Consolidated Builders, Inc., which was completing Bonneville Dam. Mitchell’s major domo was Frank Hedges who later left to run a hardware company in the Willamette Valley. Jean Grady and Bob Braddock worked with Frank.3

The two minor divisions were Alloy Steel and Pipe & Tubing, with Norton Peck, in charge of Alloys. Peck left the company about 1940 to join Pacific Metal Company, where he later succeeded Harry Morrow as president. Gordon Nichol took over Alloys after Nort left. The assistant to both, Stan
Greer went into the service and upon his return in 1946, also joined Pacific Metal where he subsequently succeeded Nort as president. Tube sales and pipe, which were sold through distributors such as Crane Company, were handled by Jerry Lowry. Five or six outside salesmen traveled assigned territories—all of Oregon, southeastern Washington, and western Idaho. Some were real old-style salesmen like Lew Hayes and Elmer F. “Pete” Peterson, and some were younger like Marsh Harrison, Alex Walker, and wire-rope expert Balfour Logan. The Portland office continued to house Frank Fey, the Northwest representative of the American Bridge Company.

Columbia Steel supplied a great deal of tin plate to the nearby American Can Company plant, and that account was handled by a resident salesman whom we never saw. He reported directly to San Francisco, and I don’t recall ever hearing his name.

We entered the office building on the first floor, and, turning right, passed the credit office, where Everett Knoff and Harry Skelton, his assistant, kept an eagle eye on the customers’ credit ratings. The effects of the Depression were still with us, and woe betide a salesman who let material get out of the warehouse without their approval. At least one of the local jobbers and a few of the fabricators were on shaky financial ground. Beyond the credit office, the first floor was one large room that housed the accounting and clerical help. Wes Olson was chief clerk, and his assistant was Hamilton Slade, better known as one of the luminaries of the Portland Civic Theatre. All salesmen’s orders were handwritten and then typed on company forms by the clerical staff. Miss Charlotte Gustafson was a stern old girl who kept the order books. If you slipped up on your paperwork, it was best to fess up. After a mild tongue lashing, she would bail you out of trouble.

The warehouse was in charge of Art Nelson, and the shipping clerk was Elbert Foudray. Al Foudray joined the sales department during the war and later for a short time was district manager. He retired from the company after long service. The warehouse had five seventy-foot-wide bays, each with a substantial overhead traveling crane. Bay 5, farthest from the office, had structural and bars. Bay 4 was plates, bay 3 sheets, bay 2 wire rope and wire, and bay 1 nails and boat spikes. The nails and spikes were in 107- and 210-pound wooden kegs, respectively, and they were stacked twelve to fifteen high. The higher stacking was done by a man standing in a skip or three-sided box suspended from the overhead crane. OSHA had yet to monitor safety, but I don’t recall any serious accidents. There was still much handwork moving nails and stacking sheets, as lift trucks and similar equipment were not common.

Columbia Steel had a bar mill in Los Angeles and a bar, sheet, and wire products mill in Pittsburg, California, along with a wire rope plant in San Francisco. All the heavy structural and plates came from the East, most from the Chicago area by barge down the Mississippi and by ocean through the Panama Canal. In extremely urgent cases, material might be shipped all rail. The all-rail rate from Chicago was $1.10 cwt for a 40,000 minimum carload, while the ocean rate was in the 70-cent range. When I started in 1938, we still had shipments of bars from Los Angeles that moved by coastal steamer, but that stopped sometime in 1939. After that, all material from both Los Angeles and Pittsburg moved by rail.

Our major competitor was Bethlehem Steel, which had substantial bar mills in San Francisco and Seattle and
maintained a smaller warehouse in Portland. For a long time, the warehouse was marked by a tall stack that had been erected when the company thought it would build a rolling mill here. That never came about, and the site is now occupied by the Metro Garbage facility. Bethlehem’s coast mills had a range about the same as Columbia’s but did not make any sheet steel; their larger sizes also came from the East. They also had a modest size bolt and nut plant in San Francisco.

Columbia Steel was the major supplier of steel in the Portland area, closely followed by Bethlehem. Alaska Junk, the predecessor of present-day Schnitzer Steel Industries, and one or two others did buy some imported steel, mostly small shapes and reinforcing bars from Belgium and the low countries. Our steel trade with Japan at the time was all one way — scrap westbound. The Columbia Steel warehouse was a big player with several cars a day going in and out. Portland was the biggest steel-fabricating center in the Northwest. We had a larger stock of heavy products than Seattle and shipped numerous items to the Seattle warehouse. There was no rolling mill in Portland, so all steel was shipped in.

Northwest Steel had a bar mill in Seattle competing with Bethlehem on the smaller sizes and made the reinforcing bar trade highly competitive.

The principal distributors in Portland were Woodbury, J.E. Haseltine, Barde Steel, Honeyman Hardware, Marshall Wells, Jacobs and Gile, and Alaska Junk. They all carried a general line of steel and mill supplies. About 1940, Sid Woodbury built a fine new concrete warehouse, designed by Dick Sundeleaf, at 23rd and Nicolai. The building was razed when the I-105 freeway was constructed. Marshall Wells Company used the full block building at 14th and Lovejoy, designed by Burnham in Chicago. The old Jacobs and Gile building still stands at 1204 S.E. Water Street. Pacific Metal Company was the premier sheet jobber. In addition to black and galvanized sheets, they carried a full line of aluminum and stainless. Their combined office and warehouse was on West Park between Everett and Flanders, and after the Flanders Street rail line was torn up, all material had to be delivered by truck.

The major Willamette Valley customers were Salem Steel & Supply, a Gerlinger company, and Stevens Equipment Company in Salem, who were suppliers to the loggers and sawmills. R.A. Babb Hardware Company in Eugene, Hubbard Bros. in Medford, and A.J. Daly in Marshfield were the other principals west of the Cascades.

To the east there were Lorenz Bros. in Klamath Falls and Basche-Sage Hardware Company in Baker, as well as various branches of Tum-a-Lum Lumber Company along the Columbia River. Of course, these were only a small part of the customer base.

In addition to the tonnage shipped by rail to various hardware and independent steel distributors we shipped to fabricators such as Beall Pipe & Tank, Moore Dry Kiln, General Metalware, and Irwin Hodson, which had the contract for automobile license plates. I remember an interesting order from Schmitt Steel for 40,000 pounds...
of ¾-by-6 hot rolled strip used for shims when the Bridge of the Gods at Cascade Locks was raised in 1939 to clear the Bonneville Dam pool. Washington fabri cators included Waitsburg Welding Works, a tank manufacturer. I well remember crowding Waitsburg Welding Works, Walla Walla County, Washington on the order form.

In late 1940, as war preparations commenced, the Portland warehouse stock began to run low. By early 1941, all the inside staff were busy with shipbuilding orders from Kaiser or other war-related industry. The company decided to sell the remaining stock, and I was kept busy parceling out the desirable sizes along with a compulsory allotment of a few very slow movers. I shall never forget the overstock of ⅞-by-1¾ flat bar and the satisfaction at seeing the last of it sold.

The Nicolai Street facilities were outstanding. The warehouse was state-of-the-art when it was constructed. Everything was first quality, including the 22-gauge Seal of Quality galvanized corrugated roofing and siding that had a zinc coat about twice as thick as conventional galvanized. The office building was far superior to other structures in the area, and I thought up to date in all respects. I do recall how warm it got on the second floor in summer, but air conditioning was unheard of in those days. The covered shed parking was an added feature, although my stall, as junior user, was the one farthest from the office.

When the I-105 freeway was built about 1980, the railroad tracks on Yeon Avenue were removed. That seriously diminished the utility of the warehouse, and it was occupied by a variety of incidental users. In 1994, the complex was listed on the National Register of Historic Places and simultaneously became involved in a local controversy when Price-Costco Company planned to use the warehouse building for a discount retail outlet. The local industries objected strenuously to the retail proposal, and the city refused a necessary rezoning. The property was sold to the Oregonian Publishing Company, and soon the office and warehouse were razed. As of 2005, the lot is still unimproved.

The northwest industrial district originally included most of Portland north of Burnside and east of 16th Street, except Chinatown and a small area along the river south of the Union Station. There were railroad spurs on Flanders and on 11th, 12th, and 14th streets that served the vertical warehouses typical of the era before the advent of the lift truck. They included industrial warehouses such as Marshall Wells, Honeyman Hardware, and Crane Company along with McKesson & Robbins’s wholesale drug establishment and Meier & Frank’s two warehouses. There was a variety of industry other than warehousing, including bakeries, cold-storage facilities, breweries, ropemakers, and woodworking shops. Livery stables were abundant, as horse-drawn drays were the prime movers. I remember that Meier &
Frank was still moving merchandise by dray from their warehouse on 14th Street to the downtown store as late as the middle 1920s. Many of these buildings still stand, converted to posh condominiums and tony apartments.

A smaller complex later developed farther west. It included U.S. Steel, American Can Company, Schmitt Steel, Chase Bag, and W.P. Fuller, the glass-and-paint company in the building later occupied by Naito brothers’ Norcrest China. Montgomery Ward had a cafeteria and dining room. Three or four of us would often sample the twenty-five-cent merchants lunch of entrée, dessert, and coffee. If the weather was hot, we might go to Joe Turk’s next door on Nicolai Street for a glass of beer and a liverwurst sandwich. About twenty cents. Turk’s is gone, along with U.S. Steel. American Can is a sorry reminder of bygone days, but Montgomery Ward is a splendid example of what can be done with imagination. Of course, in the 1930s Guild Lake had been filled but was largely devoted to the Northern Pacific Terminal Company rail yards. There was abundant activity along the waterfront with Albers and Crown Mills north of the Union Station and Oceanic Terminal farther downstream.

In 1974, the Oregon Historical Society produced Space, Style, and Structure, an overview of northwest buildings edited by Thomas Vaughan and Virginia Ferriday. I was lucky to be asked to do the sections on industrial buildings, and I well recall the area thirty years ago when the transformation was just getting underway. My participation in that phase of

Portland’s development and history has been most rewarding, and I am confident the next fifty to hundred years will be equally fascinating to future observers.

I was an Army Infantry reserve shavetail, and in October 1941 I received the message “Uncle Sam wants you.” I proceeded to the Aleutian Islands, where I spent the better part of two years at Dutch Harbor and Adak. After discharge in December 1945, I went to work for Ray Becker in the metal-building business. For the next forty years, my steel perspective was that of a buyer, not a seller.

**NOTES**

1. This is an account of the United States Steel’s activities in the Pacific Northwest from its incorporation in 1901 until the start of World War II. It is based upon my personal recollections, an oral interview with Arthur L. Roberts and Colin G. Chisholm done at the Oregon Historical Society in 1979 and some verification of names and addresses in early city directories.

2. Roberts worked for the corporation for forty-five years and after retiring in 1958 spent some eighteen years with Joe Fought at Fought & Company. In 1979, he gave an oral history of his steel marketing career to the Oregon Historical Society and much of this account up to 1938 is taken from that interview.

3. Arthur Roberts and Bill Mathison stayed with the company until retirement, Colin went to work for Sid Woodbury after World War II and later joined the Schnitzer interests, Jim Cosgrove left Columbia sometime during the war and joined Kaiser Steel where he was later manager of tin plate sales.

4. Jean left during the war and later joined Templeton Lumber Company while Bob entered the military and later moved to California.