

Heron Lumber Company

Flathead Indian Reservation Logging Operations

In July 1855, Isaac Stevens, Governor and Superintendent of Indian Affairs for the Washington Territory, negotiated the Hellgate Treaty with members of the Flathead, Kootenai and Pend d'Oreille tribes. The treaty created the 1,242,969-acre Flathead Indian Reservation in western Montana, a reservation rich with ponderosa pine, fir, and western larch.

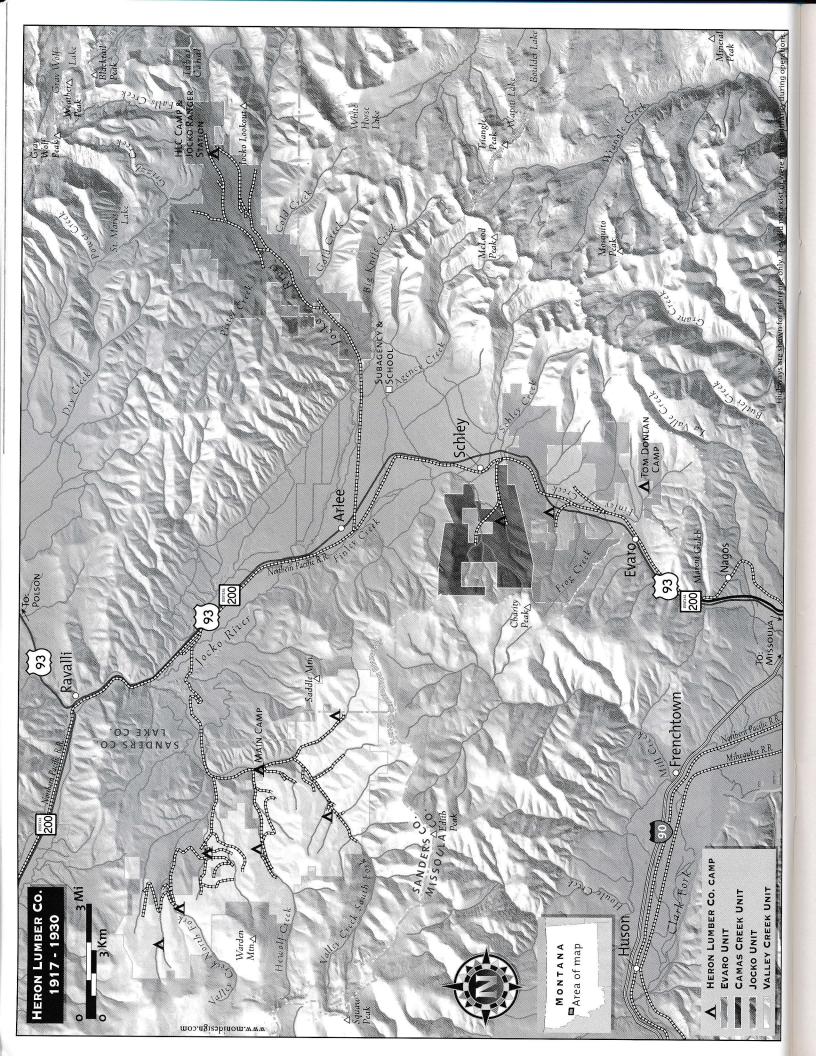
By Robert G. Dundas



Above: A view of the Heron Lumber Company camp on the Camas Creek unit in 1920. The long building at left is the cook house. The major buildings at center are three bunk houses, the office, and blacksmith shop. The long building at right is the barn. The camp was built to house the average complement of 75-90 men employed on this timber unit. (National Archives, Denver Region, collection)

However, there was little timber cutting on the reservation until the first decade of the 1900s, when the Indian Affairs Office made several small timber sales. With the opening of the Flathead Reservation to non-Indian settlement in 1910, coupled with better access to the region via the Northern Pacific, Milwaukee, and Great Northern railroads, the timber industry advanced rapidly in western Montana. From early 1912 to mid 1917, the Indian Affairs Office authorized 108 timber sales on the reservation, predominantly small tribal tracts or individual allotments, with most sales ranging from 20,000–500,000 board feet. By 1917, the lumber market exhibited increased strength and the Flathead Reservation had large stands of mature and insect-damaged timber in need of harvesting. Also, with the entrance of the United States into World War I in April that

year, the Bureau of Indian Affairs (formerly Indian Affairs Office) endeavored to market timber important to the war effort. Taking into account these factors, a decision was made to offer for sale a few large timber tracts, instead of dozens of small units. By combining tribal and allotment tracts into large units, future sales would be easier to log and administrate. This initiated a period of logging on the Flathead Reservation when timber harvesting occurred on a grand scale not to be equaled again until the mid 1960s. During the 1917-1930 boom in logging, Heron Lumber Company played a significant role as the largest contract logger on the Flathead Reservation. Over 13 years, Heron Lumber Company cut nearly 303 million board feet from 32,270 acres.



Early Years

Prior to operating on the Flathead Reservation, Heron Lumber Company had existed for only four years. On May 6, 1913, a concern in Sanders County, Montana, operating under the name of Donlan & Moderie, was incorporated as Heron Lumber Company. Co-owners of the company, Joe Moderie and Ed Donlan, had been partners in logging and lumbering around Heron, Montana since mid 1907. Both men had extensive experience in the timber industry in western Montana dating back to the early 1890s. Joe Moderie managed the day-to-day business and also served as president of the company following incorporation. Ed Donlan negotiated contracts, solved business relations problems encountered by the company, and sought future ventures, tasks facilitated by his powerful business associates and the fact that

he was an influential state senator. From 1907-1913 most of the lumber, timbers and railroad ties produced by Donlan & Moderie were supplied to the Big Blackfoot Milling Company (shortly thereafter reorganized as the Anaconda Copper Mining Company, Lumber Department) at Bonner, Montana. In 1913, Donlan sought and acquired a contract to provide several million feet of lumber and timbers for construction of the Thompson Falls dam. Most of the companies involved in the dam project were corporations and Donlan & Moderie decided it was best that they also operate under corporate status. Such was the genesis of Heron Lumber Company. During the years the dam was built, the company operated a sawmill on Dry Creek across the Clark Fork River from Thompson Falls, Montana.

In 1917, Heron Lumber Company made significant business changes. The company ceased saw milling and ended its 10-year rela-



To access timber on the Camas Creek unit, Heron Lumber Company built this trestle to bridge Finley Creek. Requiring 180,000 board feet of timber, the trestle was over 900 feet long, 30 feet high, and cost about \$7,500. Because Heron Lumber Company did not yet have its own motive power, and due to the fact that the logging railroad spur was no longer than four miles, Northern Pacific mainline locomotives were used for switching. In this 1920 photo, a Northern Pacific locomotive and train rests on the Finley Creek trestle, having just left the Camas Creek unit. (National Archives, Denver Region, collection)

tionship of supplying lumber to the Anaconda Copper Mining Company (ACM) Lumber Department. Thereafter, Heron Lumber Company focused on contract logging, becoming the primary log supplier for Western Lumber Company at Milltown, Montana.

Evaro Unit

The year 1917 marked the beginning of intensive logging on the Flathead Indian Reservation. On July 5, 1917, Ed Donlan secured the 6,000 acre Evaro unit on the reservation, paying stumpage of \$4.00 per thousand board feet for yellow pine and \$2.50 per thousand for all other species, mostly fir and larch. Following purchase of the timber, Heron Lumber Company camps at Heron and Thompson Falls were dismantled and the equipment shipped to Evaro. At this time Donlan negotiated the contract to sell the Evaro unit logs to Western Lumber Company. Western Lumber Company no longer conducted its own logging and relied entirely upon contractors. From 1917, through the sale of the Western Lumber Company in 1928, Heron Lumber Company provided the Milltown plant with over 90 percent of its logs.

Most timber on the Evaro unit was conveniently located within about two miles of the Northern Pacific Railway. A couple of spur tracks, each no more than a mile in length, were all that

was required on this timber tract. Heron Lumber Company used skidding teams, wagons, and chutes to

All totaled, the company produced nearly 303 million board feet of logs

bring the logs to the landings, where a horse-powered log loader was used to load Northern Pacific flatcars for the journey to Milltown. The Northern Pacific's mainline locomotives were used to switch the log trains between the spurs and main track. In the two and a half years of logging the Evaro unit, 61,928,091 board feet of logs were harvested.

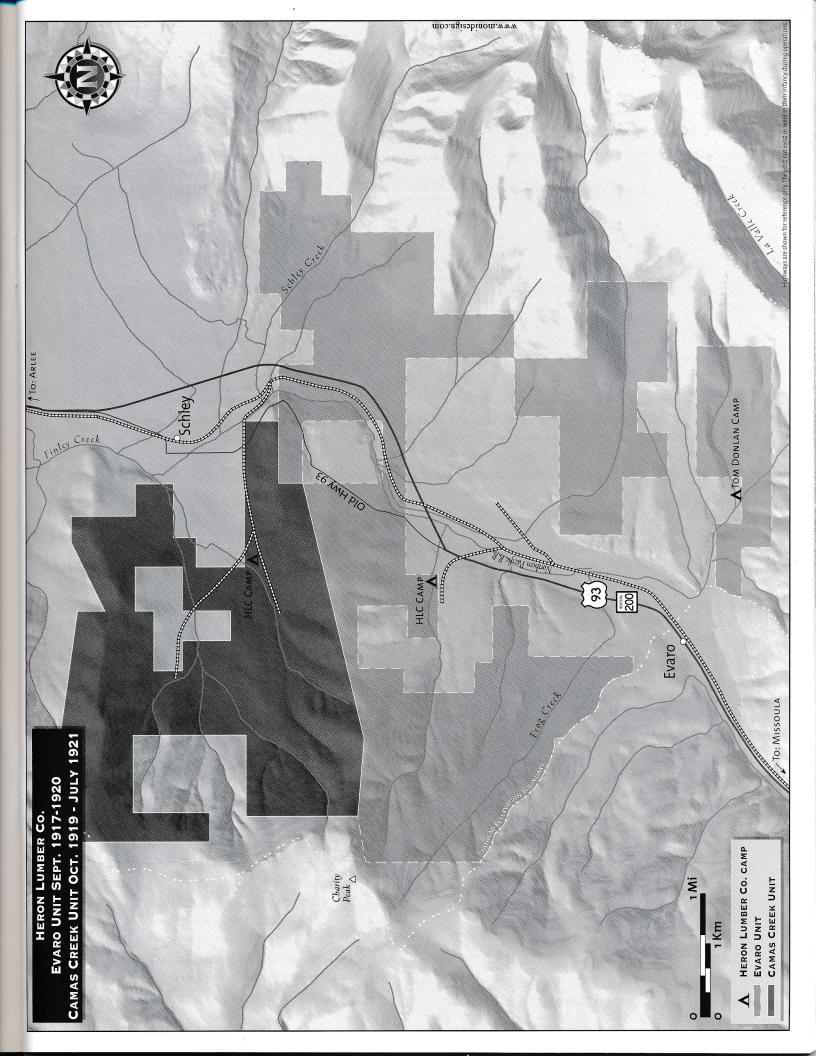
Camas Creek Unit

By spring of 1919, much of the timber on the Evaro unit had been cut, so in May Ed Donlan approached Flathead Reservation Forest Supervisor C. D. Faunce about securing additional timber in the area. Plans were already under way to offer for sale the 3,000-acre Camas Creek unit, situated directly north of the Evaro unit. With a winning bid of \$6.10 per thousand board feet for pine and \$5.70 per thousand for other species, Heron Lumber Company signed a contract on July 17, 1919 to log the unit. To access the timber, the company built a railroad spur originating about a half a mile south of the Schley Depot. It meandered to the west and north, crossing the county road, and ultimately extended about three to four miles into the timber. The first half mile of the spur was expensive because Finley Creek had to be bridged with a trestle over 900 feet long, and 30 feet high, which cost in excess of \$7,500. The track was well built with heavy steel because Heron Lumber Company did not yet operate its own logging locomotives; the Northern Pacific continued to use its mainline locomotives to switch loaded log trains with strings of empty flat cars.

As it had on the Evaro unit, Heron Lumber Company bucked its logs to 16 feet lengths at the felling areas and relied primarily on skidding teams and a series of chutes to bring the

> logs to railroad landings. At this point, Heron Lumber Company's operations were

still modest in size. With a complement averaging 75 to 90 men, the company's daily output was about 62,000 feet. However, this soon changed as the company expanded operations on a new, larger timber unit. All totaled, the company produced 27,662,110 board feet of logs during the period of cutting on the Camas Creek unit, from October 1919 to July 1921.





The track crew is seen here laying steel for the logging railroad spur on Heron Lumber Company's Camas Creek unit in 1920. The long roof of the horse barn at the logging camp is visible in the background. (National Archives, Denver Region, collection)

Jocko Unit

When first advertised in June 1918, the Flathead Reservation Superintendent received no bids on the Jocko unit. However, a serious fire in the Jocko during the summer of 1919 prompted Superintendent Sharp to urge the Commissioner of Indian Affairs to again solicit bids. Otherwise, the fire damaged timber would be a loss within a couple of years. Commissioner Sells advertised the unit again in March 1920. With no competition, Ed Donlan secured the timber that August at the minimum stumpage prices of \$3.50 per thousand board feet for pine and \$2.50 per thousand for other species.

Located east of Arlee, Montana and encompassing the Jocko River valley and surrounding mountains, the 8,360 acre Jocko unit was considerably larger than the previous timber tracts logged by Heron Lumber Company. Consequently, the company doubled the workforce and built a much longer logging railroad, extending 10 miles into the timber from Arthur Spur on the Northern Pacific mainline near Arlee. As with all Heron Lumber Company

logging railroads, the track was standard gauge because logs had to be transported via the Northern Pacific to the Western Lumber Company mill.

To provide motive power, on September 13, 1920, the Western Lumber Company ordered a 60-ton 3-truck Shay locomotive (C/N 3149) from Lima Locomotive Works. This was then leased to Heron Lumber Company, along with 10 miles of 56-pound steel rails, plus fittings, and a V.T. Jammer log loader made by the American Hoist & Derrick Company. The cost of leasing the equipment from the Western Lumber Company was eight percent annual interest on the value of the equipment; later this dropped to six percent. Payments were made on a semi-annual basis, and the charges were suspended by the Western Lumber Company during periods when the sawmill was closed for maintenance and no logs were being shipped to Milltown. The new Shay locomotive arrived for work on the Jocko unit in early December 1920, the month cutting began on the unit. By the end of 1922, the logging railroad

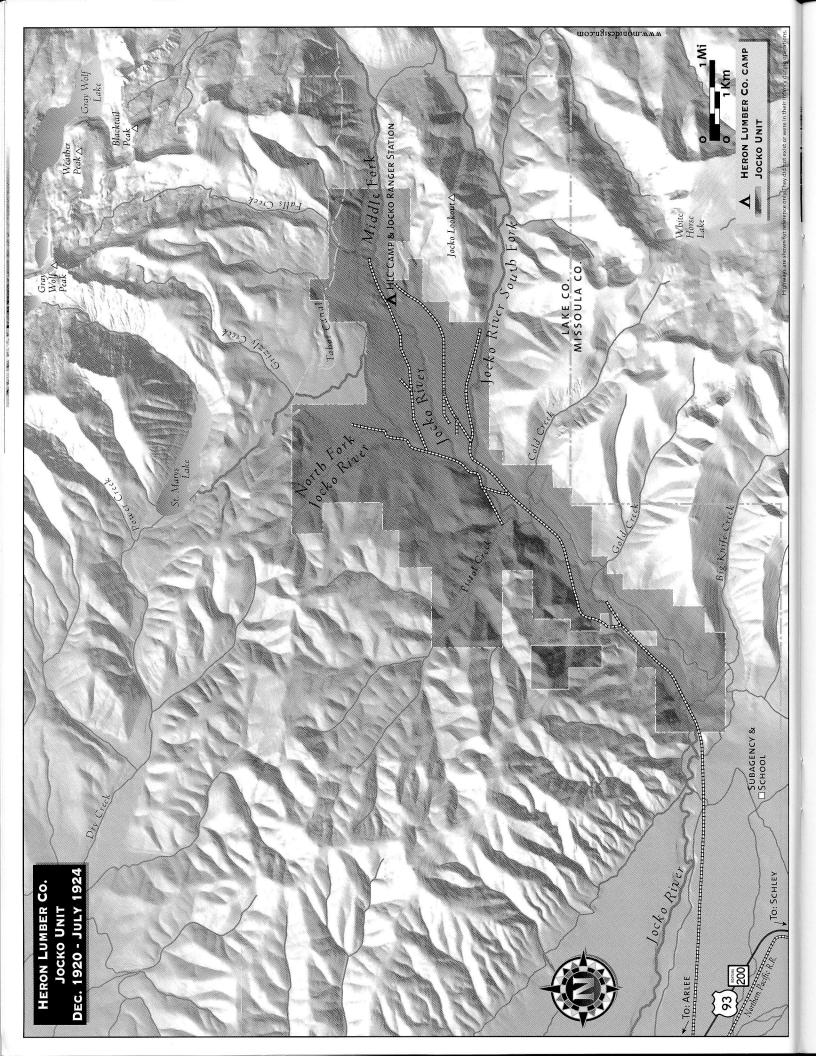
extended so far that it was difficult for one locomotive to handle both switching flat cars at landings in the timber, and making the daily haul of rail cars loaded with logs down to the Northern Pacific track, then returning with a string of empties. Heron Lumber Company needed a second locomotive. So the Western Lumber Company placed an order with the Willamette Iron & Steel Works on January 9, 1923, for a 70-ton, 3-truck Willamette locomotive (C/N 7). It arrived at Arthur Spur on June 20, 1923 and began the work of making the daily run of flat cars back and forth to the Northern Pacific track, while the 60-ton Shay did switching at landings.

Heron Lumber Company also made a couple of other operational changes on this unit. The company introduced crawler tractors for some skidding and trailing logs down chutes. Also, more logging was contracted to gypo outfits. Heron Lumber Company had success with the gypo loggers and also used them on the subsequent Valley Creek unit. The gypos were very productive, because they were paid on the basis of per thousand feet of logs cut. The more they cut, the more money they made.

Although Heron Lumber Company's operations on the Jocko unit proceeded smoothly overall, company profits were significantly impacted during this time by prevailing economic conditions. As logging began on the Jocko, Montana's economy was in a slump. The years following World War I were tough times for many people in the state, particularly for those in Montana's three big industries; agriculture, forest products and mining. Severe drought throughout the Northern Plains and a decline in farm prices internationally resulted in disaster for many Montana farmers. The forest products and mining industries likewise suffered as the demand for raw materials declined after the war. A lull in the lumber industry during 1921 caused the Western Lumber Company to shut down for a time during the summer, and then operate on a reduced basis for the remainder of the year. The depressed lumber market of 1921 also resulted in the Western Lumber Company modifying its contract with Heron Lumber Company. A clause in the contract allowed for



In this 1920 photo of Heron Lumber Company's Camas Creek unit operation, a four-horse team is being used to trail logs on a chute to the railroad landing. (National Archives, Denver Region, collection)



price changes according to prevailing conditions in the lumber industry. As of January 1, 1922, Western Lumber Company dropped the price paid to Heron Lumber Company for pine logs from \$18.50 per thousand board feet to \$16.00, and on fir and larch the price went from \$17.50 to \$15.00 per thousand. This greatly cut into Heron Lumber Company's profits, because the cost of stumpage remained the same and logging costs increased by having to operate a larger logging railroad system. There was some savings for Heron Lumber Company in labor costs, however. Major lumber and logging operators from western Montana met in Missoula and agreed to cut wages by 15 percent to 17 percent for all labor, effective January 1, 1921, as a result of the tough market conditions.

Nevertheless, Heron Lumber Company survived the rough times as it had before, and would do again. During the December 1920 through July 1924 cutting period on the Jocko

unit, the company produced 66,069,496 board feet of logs.

Valley Creek Unit

The 1920s was a period when very large timber sales occurred on many reservations around the United States. The Flathead Reservation was no exception. On September 22, 1922, Commissioner of Indian Affairs Burke advertised the 15,360-acre Valley Creek unit, located west of Arlee, Montana. Heron Lumber Company secured the unit on February 20, 1923 for stumpage of \$5.12 per thousand board feet for pine and \$3.01 per thousand for other species.

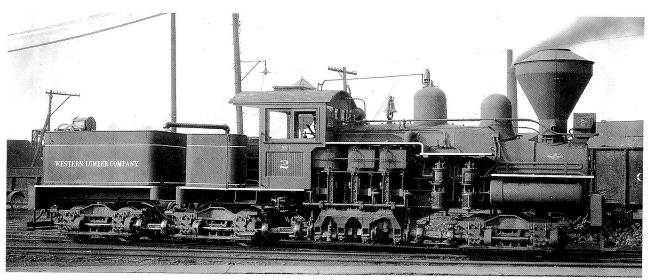
On November 1, 1923, Heron Lumber Company entered into a contract to sell the logs from the Valley Creek unit to the Western Lumber Company, as it had with its other reservation timber units. The contract called for Heron Lumber Company to provide a minimum of 17 rail cars of logs daily, each loaded with not



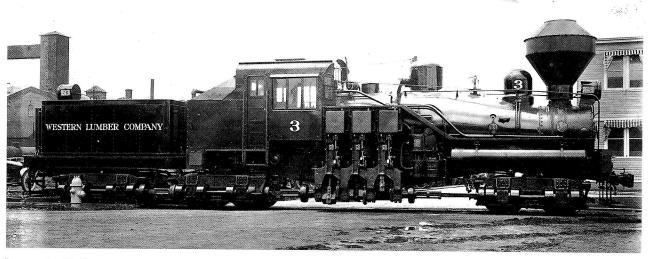
Using a horse-powered log loader, Heron Lumber Company's crew loads logs onto Northern Pacific flat cars on the Camas Creek unit in this 1920 photo. Typically 6 to 10 rail cars were loaded daily, averaging 9,000 to 10,000 feet per car. (National Archives, Denver Region, collection)

less than 7,200 feet log-scale. In return, the Western Lumber Company provided, at its expense, standard flat cars of at least 42 feet in length outfitted with Eau Claire bunks, stakes and chains to Heron Lumber Company. The remainder of the railway equipment, including

12 miles of 56-pound rail, switches, switch stands and frogs, and the 60-ton Shay and 70ton Willamette locomotives, was leased to Heron Lumber Company at a six percent annual charge of its value. Heron Lumber Company delivered the loaded rail cars to Flathead



Pictured in this builder's photograph is locomotive #2, the 60-ton, 3-truck Shay (C/N 3149) used by Heron Lumber Company on the Jocko unit and Valley Creek unit. Heron Lumber Company retained the original Western Lumber Company road numbers on both of its locomotives. The Western Lumber Company lettering was kept as well, at least during the early use of the locomotives. When the locomotives were turned over to ACM Lumber Department in 1930, they were renumbered and relettered. (Allen County Historical Society collection)



Locomotive #3, the 70-ton, 3-truck Willamette (C/N 7) used by Heron Lumber Company on the Jocko unit and Valley Creek unit, is ready for delivery in this builder's photograph. This was the only coal-fired Willamette ever produced. It was built to burn coal because the Shay locomotive used by Heron Lumber Company was coal-fired and the company wanted the same fuel type for both locomotives. (Oregon Historical Society collection)

siding on the Northern Pacific mainline north of Arlee. The Northern Pacific then transported the cars the 30 miles to the Western Lumber Company mill at Milltown. Upon delivery the Western Lumber Company paid Heron Lumber Company \$16.62 per thousand feet log scale for pine and \$14.51 per thousand feet for other species.

Heron Lumber Company proposed logging the northern part of the timber unit first. After choosing a headquarters campsite, a survey was made in early summer 1923 to locate the logging railroad from Flathead siding to the camp. Right-of-way was immediately negotiated with allotment holders and a grading crew began work that fall. A contract was let by Heron Lumber Company for \$9,000 per mile for the seven miles of mainline to the headquarters camp. As winter approached, work was suspended, but grading was completed the next spring and steel laid as it was freed from use on the Jocko unit.

During the six years of logging Valley Creek, Heron Lumber Company had three major camps on the north half of the timber unit and four camps in the south. There were also a number of temporary, or "rag camps." From mid 1924 through early 1927, on the northern half of the unit, most logging was based around Camp 1 (Warden Mountain) and Camp 2 (Warden Mountain). The sites for these camps were chosen before planning the logging railroad in 1923. The company built its 120-man headquarters camp, Camp 1 (Warden Mountain), about two miles northeast of Warden Mountain's peak, just south and across a small ravine from the Frank Worden place. Camp 2 (Warden Mountain) was located on the North Fork of Valley Creek, above the Frey dairy farm and Camp 3 (Warden Mountain) was situated about a mile northwest of Camp 2 (Warden Mountain)., These camps accommodated 50 men each. A note about camp numbering on this logging unit: when the company moved its operations to the southern half of the unit in 1927, the new camps were numbered starting with "1" again. To avoid confusion and to distinguish the camps in the north from those in the south, the north-

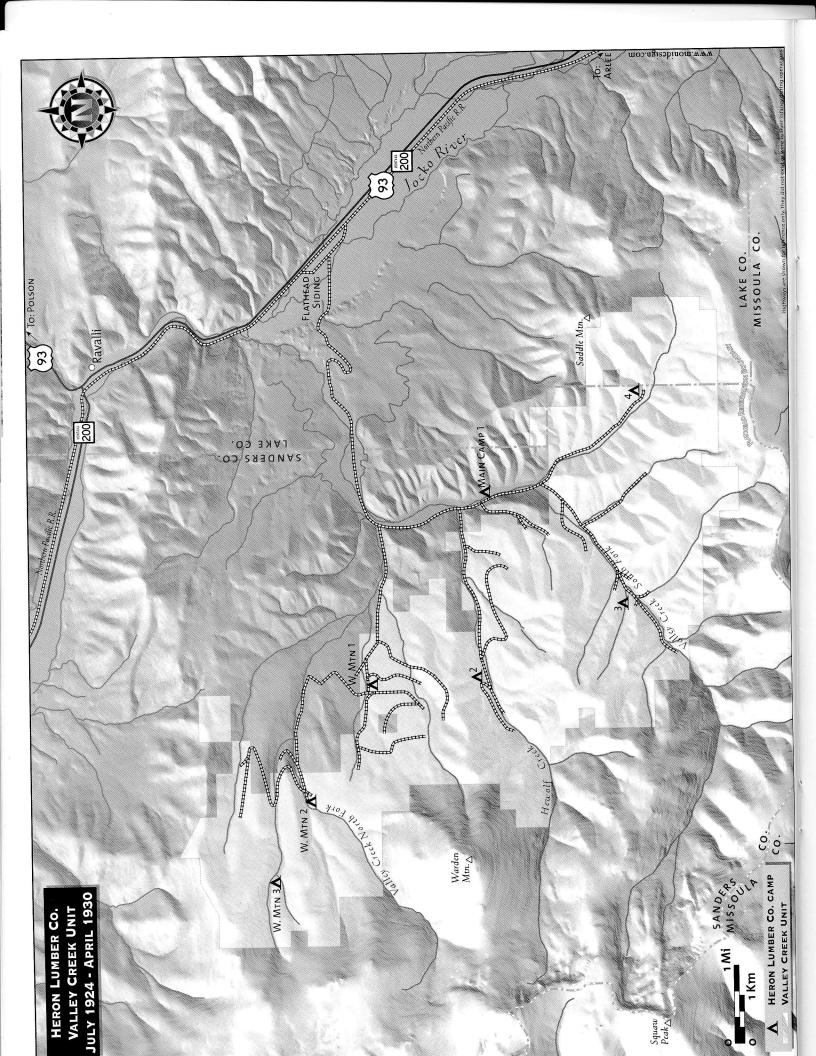
ern camps are given the suffix (Warden Mountain), referring to the nearby mountain of that name. (For those individuals looking at current maps of the area, the name of the mountain has since been changed from "Warden" to "Hewolf.")

By the spring of 1927, the timber supply on the northern half of the unit was exhausted and operations were moved to the south. The company built its new 150-man headquarters camp (Camp 1) along Valley Creek, south of its confluence with Hewolf Creek. Camp 1 was also commonly referred to as "Main Camp" and, after the company ceased logging in 1930, this became the company's ranch headquarters as discussed later in this article. Camp 2 was located up Hewolf Creek, Camp 3 along the South Fork of Valley Creek, and Camp 4 on the East Fork of Valley Creek, with each of these camps built for 50 men.

At the peak of operations on the Valley Creek unit, Heron Lumber Company employed 250-300 men. Daily production levels varied throughout the year but were significantly higher than on any of the previous timber units. For example, in late September 1924, the company had 23 gangs of sawyers cutting about 175,000 board feet of logs per day. All totaled, during the cutting period of the Valley Creek unit from July 1924 through April 1930, Heron Lumber Company harvested 146,046,840 board feet of logs.

Western Lumber Company sold

While logging the Valley Creek unit, Heron Lumber Company once again found itself doing business with the ACM Lumber Department. The Western Lumber Company was owned by mining magnate, and former United States Senator, William Andrews Clark. Following Clark's death in March 1925, nearly all of his vast estate went to the surviving children who wanted to divest of many of their father's holdings. Negotiations soon got underway with the intent of selling many of the businesses to Anaconda Copper Mining Company (ACM). Clark



himself had sold many of his principal enterprises to ACM in 1910. Finally, on August 28, 1928, ACM acquired a number of Clark's properties, including Western Lumber Company. The ACM Lumber Department, already the largest lumber manufacturer in Montana, now had an even greater capacity of about 340,000 board feet per eight hour shift; 210,000 board feet at the Bonner plant and 130,000 board feet at the Milltown facility. Annual lumber production for the ACM Lumber Department rose to around 130 million board feet. Following acquisition by ACM, few changes were made in operations at the Milltown sawmill. The plant continued to be managed in the same manner with the same personnel as when it was operated by Western Lumber Company and the contract with Heron Lumber Company was still in force. Also, be-

cause the Bonner and Milltown mills were only about a mile apart, located just a few miles east of Missoula, Montana, logs from ACM logging contractors, like Heron Lumber Company, sometimes went to both facilities.

End of a partnership

In addition to Heron Lumber Company being back in business with ACM, another major change occurred the following year. On November 12, 1929, Joe Moderie and Ed Donlan dissolved their partnership in the Company. Donlan was experiencing financial difficulty at the time, a situation exacerbated by the stock market crash a couple of weeks earlier. Donlan had pledged his half of the company's stock to secure debts he owed to third parties, and he



Partial view of Heron Lumber Company Camp 1 (Warden Mountain) on the Valley Creek unit, circa 1925. A row of portable eight-man bunk houses is visible on the left; the logging railroad runs directly behind them. The jammer was used to place the bunk houses on flat cars when moving them from camp to camp. The long building on the right is the cook house. This 120-man camp served as headquarters for operations on Valley Creek from mid 1924 through early 1927. (Moderie family collection)

was additionally indebted to Heron Lumber Company in the sum of \$83,241.31. Under an agreement between the two men, Joe Moderie paid \$14,000 to clear Donlan's debts with the bank holding the stock. Moderie then obtained Donlan's stock, giving him full control of Heron Lumber Company. In the agreement, Donlan had the privilege to repurchase the stock at any time on or before December 31, 1930, but he did not exercise the option, not being in a financial position to do so. Also, imminent changes to Heron Lumber Company operations would have made it senseless for him to repurchase the stock.

Depression hits the industry

Beginning in early fall 1929, the ACM Lumber Department experienced what its general manager W. C. Lubrecht characterized as a "miserable slump" in business. It was hoped that as the 1930 season advanced, business would again pick up. The year began with the ACM

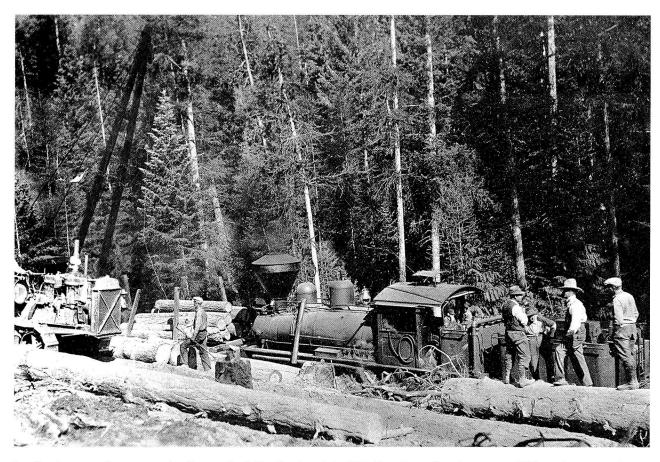
Lumber Department operations sharply reduced due to slow demand for lumber. ACM was operating just one logging camp of its own, rather than the usual two or three camps. Contractor operations were also affected. The ACM Lumber Department sales were down dramatically from the previous year. Lumber shipments to the Butte, Montana mines in February 1930 were just 50 percent of what they had been the year before, and shipments of lumber to outside trade were down 25 percent.

Heron Lumber Company ceases logging

Heron Lumber Company ended logging operations in late April 1930. Several factors played a role in this. Foremost was the aforementioned effect of the depression on business. ACM, in addition to running its own logging camps, had three large logging contractors; Heron Lumber Company, Montana Logging Company, and Harper Logging Company. Under the market conditions of 1930, ACM could only afford to



View of the log landing at Camp 3, Valley Creek unit in 1929. Logs arrived by the chute visible along the bottom of the photo. Also pictured is locomotive #2, the 60-ton Shay (C/N 3149) that was used for switching at landings. (Moderie family collection)



Loading logs onto flat cars at a landing on the Valley Creek unit in 1929. The 60-ton Shay locomotive (C/N 3149) is pictured here. Coming into view, on the left, is a Caterpillar Model 60 crawler tractor. Heron Lumber Company increasingly used crawler tractors in the late 1920s to haul whole trees to landings rather than bucking the trees into logs at the felling areas. (Helding collection)



View of Heron Lumber Company crew loading logs at Camp 3, Valley Creek unit in 1929. (Moderic family collection)

purchase logs from its contractors for a few months out of the year. The rest of the time the contractors had to shut down because there was no other market for the logs. Additionally, the timber on the Valley Creek unit was cut out and no other large timber stands were available immediately. Finally, Joe Moderie was about to turn 65 years of age, and had been in the lumbering and logging business for four decades. He was ready for a change.

After closing down operations, Heron Lumber Company took up the railroad track and released the steel to ACM for distribution to other of their operators. The Willamette and Shay locomotives were turned over to ACM and were used by their logging contractors for much of the 1930s before making their way to ACM logging operations.

While Heron Lumber Company no longer conducted any saw milling or logging operations, it did not go out of business. Rather, the

company underwent another metamorphosis. The company entered the field of cattle ranching. Joe Moderie, as sole owner and president of the corporation, owned the property where the main headquarters logging camp (Camp 1) was located on Valley Creek. He used Heron Lumber Company to purchase additional land, and for the remainder of the company's existence it raised beef instead of cutting timber. For many years the HLC brand of Heron Lumber Company was seen on cattle roaming the range up Valley Creek. But that too eventually came to an end. As outlined in its Articles of Incorporation, the corporate status of Heron Lumber Company expired at 40 years, on May 6, 1953, at which time the assets were transferred to the Moderie family.

A final note: expanded coverage of Heron Lumber Company's Flathead Indian Reservation operations will appear in an upcoming book, "Railroad Logging in Montana."

Locomotives

No.	Type	Builder	C/N	Date	Cyls.	Driver	Wrkg Wt.	B.P.	T.E.	Ref.
2	3T Shay	Lima	3149	1920	11×12	32"	131,200	200#	25,830	A
3	3T	Willamette	7	1923	12×15	36"	165,000	200#	30,510	В

Notes:

- A. Built for Western Lumber Co. #2, Milltown, MT (Delivered 11/29/1920)
 Leased to: Heron Lumber Co. #2, Arlee, MT (Delivered 11/29/1920)
 Anaconda Copper Mining Co. Lbr. Dept., Bonner, MT (8/28/1928)
 Leased to: Heron Lumber Co. #2, Arlee, MT (8/28/1928)
 Anaconda Copper Mining Co. Lbr. Dept. #6, Bonner, MT (4/1930)
 Scrapped at Bonner, MT (1947)
- B. Built for Western Lumber Co. #3, Milltown, MT (Delivered 6/30/1923)
 Leased to: Heron Lumber Co. #3, Arlee, MT (Delivered 6/30/1923)
 Anaconda Copper Mining Co. Lbr. Dept., Bonner, MT (8/28/1928)
 Leased to: Heron Lumber Co. #3, Arlee, MT (8/28/1928)
 Anaconda Copper Mining Co. Lbr. Dept. #7, Bonner, MT (4/1930)
 Currently on display at the Historical Museum at Fort Missoula, Missoula, MT