



# Wallace Edward Stevenson

1918 -

Drawing on family experience in the lumber industry, Wallace Edward "Wally" Stevenson co-founded and operated the highly successful SDS Lumber Company of Bingen, Washington. Wally was joined in this venture by his brother Bruce M. Stevenson and their partner Frank Daubenspeck. But Wally's wide-ranging personal and professional achievements make SDS Lumber only one part of his life story.

Wally was born on August 26, 1918, in Klamath Falls, Oregon, the fifth of Angeline Williams Stevenson and Donald McCormack Stevenson's six children. Wally's parents were both Oregon-born, and both held degrees from the University of Oregon. For a time, Angeline Stevenson taught English and Donald Stevenson was a successful general contractor.

The family moved to Portland when Wally was two years old, settling in the Overlook neighborhood. In 1923, Donald Stevenson joined Harold Broughton as a partner in the Broughton Lumber Company in Willard, Washington. Wally's father spent the week in Willard, returning to Portland on weekends.

Though Wally and his siblings grew up in Portland, Willard and the woods were like a second home. The Stevenson family spent summer vacations and other holidays near the Broughton Lumber Company, which was especially notable for its nine-mile long flume that carried rough sawn lumber (called "cants") from an upper rough mill to a finishing mill along the Columbia River.

"By the time Bruce and I were six or seven," Wally recalls, "we were hanging around the flume, mill, and millpond constantly. When we were ten or eleven, we started making shakes out of cedar blocks." The two brothers—Bruce was about 17 months older—took on jobs of increasing responsibility. By the time Wally graduated from high school, he could handle virtually any task in the woods, and Bruce was working as a mechanic in the mill.

Wally graduated from Jefferson High School in Portland in 1936. He and Bruce entered the University of Washington together in the fall of that year, both pledging the Beta Theta Pi fraternity. Wally served as president of the fraternity in his senior year.

When Wally entered UW, he joined the U.S. Navy. In addition to fulfilling requirements for his B.S. in Civil Engineering, Wally also had course work for the navy. To add to his busy life, he rowed freshman and junior varsity crew, which he eventually stopped to focus on his studies. During summers, Wally continued to work in the woods for his father's company.

During his junior year, Wally took up another interest: he began courting Priscilla Brown of Everett, Washington, who was also a student at UW. Like Wally, Priscilla had a strong family connection to the lumber industry. Her father, Richard "Dick" Brown, was a timber broker who had moved from Wisconsin, where his father, Webster E. Brown, ran Brown Brothers Lumber Company. In addition to running successful lumber and paper companies, Webster Brown served three terms in the U.S. House of Representatives (1901-07). Dick Brown supervised the sale of timber from Brown Brothers' holdings in the Northwest.

Priscilla and Wally became engaged in their senior year and planned to marry after they graduated and Wally found employment. The navy, however, had immediate plans for Wally. Upon graduation, he received his commission as an ensign and was assigned to temporary active duty aboard a destroyer in 1940. Wally returned to work for Broughton Lumber, but was called back to active duty in June 1941. At last, Wally and Priscilla wed on August 30, 1941.

In his early navy days, Wally served as executive officer and, after the attack on Pearl Harbor, as captain of a patrol boat off the coast of Alaska and the Aleutian Islands. In early 1943, Wally received orders to report for submarine chaser training. He subsequently took command of *PC-1232*, a submarine chaser with a crew of 65. *PC-1232* served as a convoy escort between New York and Cuba, and later protected tugs bringing derelict ships across the Atlantic to sink as breakwaters along the beaches of France.

Wally was among a group of a few hundred officers who were briefed in London by General Eisenhower just days before the Allied invasion of Normandy on June 6, 1944, better known as D-Day. *PC-1232* participated in the invasion, rescuing personnel from the waters off Utah Beach and patrolling the area for several weeks. Wally received the Bronze Star; his citation in part reads, "For meritorious service in active sustained operations against the enemy off the coast of France."

Two of Wally and Priscilla's five children were born during wartime, Bruce on April 10, 1944, and Wesley on June 17, 1945. In August 1945, just before the conclusion of the war, Wally was released from active duty and returned to Oregon from Miami, where he had been stationed.

Priscilla and Wally lived for a time with his parents in Portland, though they also spent time at the mill in Willard. Wally soon began to look for a sawmill or timber to buy so that he could launch a business in partnership with his brother and Frank Daubenspeck, who went by "Dauby." The longtime foreman of Broughton Lumber and 17 years older than Wally, Dauby wanted to own and operate his own business; he became the ideal partner for Wally and Bruce.

In December 1945, the three partners—calling their business "SDS Lumber Company" for their surname initials—purchased the bankrupt Nordby Lumber and Box Company, located in Bingen, Washington. The business was located just a few miles from Broughton Lumber. After the three men made changes and upgrades to the mill, SDS Lumber began operations in March 1946 with a crew of 26. In the early days, the three partners often worked right on the mill floor with their employees. SDS had no timberland or logging operations of its own.

While SDS relied on the brawn of its men, the company also needed to run its office and keep its books. As luck would have it, the Nordby Lumber and Box Company had hired Dorothy Winebarger (later, Henkle) in October 1945, and she became office manager and an important part of the SDS team. In the first year, Wally also contracted with a young Portland accountant, Tim Maginnis. Dorothy learned bookkeeping operations from Tim, who handled SDS's taxes and other financial matters for decades. Dorothy continues to work at SDS to this day, and Tim's son Bill is now the company's accountant. Tim and Wally also became good friends, traveling and boating together with their families.

Though SDS made progress its first year, a fire destroyed the mill during the company's second year in business. Wally and his partners acted quickly, bulldozing the destroyed facility and installing a portable speed mill. Operations resumed, and SDS was buoyed by post-war growth. Profits were reinvested in the business, and SDS began to acquire timberlands.

While brother Bruce focused on engineering and mechanics and Dauby served as mill superintendent, Wally oversaw the company's business operations. He acquired timberland, negotiated sales, and oversaw timber operations. SDS made a strategic decision to acquire logs and timberland from the local vicinity, a strategy that paid off over many decades and helped the company survive during the industry's downturn in the late 20th century when public lands became less available for logging. By 2006, SDS owned approximately 70,000 acres of timberland, with most of the acreage within a 35-mile radius of the mill.

At its peak of operations in the 1970s, SDS employed nearly 500 people at two mills. While many Northwest mills shut down, including several linked to SDS such as Broughton Lumber and the Mt. Adams Timber Company, SDS survived into the 21st century through its ongoing modernization of facilities and focus on producing high-quality studs.

A natural "people person," Wally also represented the company to the community, the industry, and government. As a member of the board of directors of the Industrial Forestry Association, Wally traveled several times to Washington, DC, to help negotiate a new Forest Service contract on behalf of the industry. "Wally was the kind of guy who could make things work out so that each side could finally agree," recalled Bill Hagenstein, the operational head of the IFA. "Right off the bat, people like him, which is a great attribute, of course."

Wally also pursued other business opportunities, both for SDS and for his family. For many years, SDS relied on contractors to haul wood chips to paper mills along the Columbia River. In 1984, SDS launched a marine division to haul its own materials as well as to provide tug services to other companies. This line of business made perfect sense for two brothers who had both been naval officers.

When Wally's sons Bruce and Wesley took on greater roles at SDS, Wally was freed up to pursue other opportunities outside the original business. He invested in timber operations beyond SDS and diversified into real estate in Oregon and Washington.

A Harvard College graduate, with an M.B.A. from Dartmouth, Wally's son Bruce began his career with Boeing, but returned to the wood products industry with a position at the Brooks-Scanlon Lumber Company in Bend, Oregon. Wally then enlisted Bruce to work for SDS. Bruce eventually became president of SDS and spearheaded a complete overhaul of SDS's operations, which included incorporating new technology and techniques to enable the most efficient use of logs. The firm's first computerized studmill became operational in 1990. Sadly, Wally had to resume a greater role at SDS when his son Bruce died unexpectedly of a heart attack on December 12, 1997.

As part of his unanticipated duties, Wally became a mentor to Jason S. Spadaro, who had worked alongside son Bruce for several years. A graduate of the University of Washington's College of Forest Resources, Jason had led the effort to build an inventory and strategic plan for SDS's complete timberlands. Jason earned his M.B.A. from the University of Oregon's Executive M.B.A. program, and became president of SDS in 1998 at the age of 31. As president of SDS, Jason continues to keep the company among the leaders in the industry by investing in top-tier technology and practices.

Though Wally is passionate about his business, he is also a devoted family man. In addition to sons Bruce and Wesley, Priscilla and Wally had three other children: Mark (b. November 9, 1948), Peggy (b. March 4, 1953), and Bernice (b. April 1, 1954). Throughout the 1950s and into the early 1960s, Wally and his brother Bruce took their families on summer trips along the Alaska coast in a 104-foot converted cabin cruiser, the *Black Prince*, which had been purchased by their father. Their naval experience came in handy in operating this vessel, which had originally been an air-sea rescue boat. Wally and his family were also avid skiers, and Wally served for many years on the board of the Mt. Bachelor ski resort.

Wally considers his wife Priscilla to be the essential partner in his success and happiness in life. She provided inspiration during time of war and tremendous support as he launched and grew his business. For those who know Wally well, it is of course no surprise that the couple enjoys a happy marriage, now in its seventh decade. Wally lives by the Golden Rule of treating others as he would want to be treated. Wally's personal and professional commitment to loyalty and fair treatment certainly helped him achieve success in business, but more importantly, it enabled him, in his own words, "to enjoy life."

June 2006