

# News



## ITEM: ALUMINUM COMPANY OF AMERICA WENATCHEE, WASHINGTON

ITEM: MARK-TEN+++++++  
BACKGROUND INFORMATION  
ON WENATCHEE WORKS++++

June - 1962

ITEM: First inkling of the possibility of building the \$50-million Alcoa plant came on January 15, 1951, when Rep. Henry M. Jackson made an announcement from his Washington, D.C., office that Alcoa was contemplating a plant site near Wenatchee. A site at New Orleans, Louisiana, was running a close second for the Wenatchee plant.

ITEM: On the same day, Howard Elmore, then Bonneville Power Administration District Manager, said that the BPA would spend \$3-million in power lines and substation facilities to serve Alcoa.

ITEM: On April 26, 1951, Kirby Billingsley, then secretary of the PUD, said that fifteen contracts had already been let for the completion of Rock Island Dam and totaled over \$10-million.

ITEM: Alcoa has had a long history of being a leader in spearheading development of industrial power. The company's Vancouver, Washington, Operations was the first aluminum producing plant to be located in this region -- the first located west of the Mississippi River. This occurred in 1939 when Alcoa announced its plans to build there and use Columbia River-BPA power, its first industrial



customer. Earlier, in 1896, Alcoa was the first user of industrial power at Niagara Falls, New York State.

ITEM: Also on April 26, 1951, Alcoa said in Seattle that Wenatchee would be its choice for a plant site, ending a long period of breathless waiting for residents of Wenatchee.

ITEM: Newspapers began to take note of the event. "Welcome Alcoa" headlines began to appear in every paper of the region. Wenatchee Daily World Editor and Publisher Wilfred Woods wrote on April 27: "How far reaching will be the benefits of this area from the big new plant is difficult to measure precisely, but certainly the benefits will be great."

He concluded his column that day: "Sons and daughters of farm families of the region will find employment near their homes. Agriculture and industry growing together -- THIS IS THE PERFECT COMBINATION; IT MEANS A STABLE ECONOMY."

ITEM: In addition to \$50-million spent (much of it here) to build the new smelter, in the ten years since operation began, the company has spent over \$120-million in this area: over \$40-million paid in wages to local people; nearly \$35-million spent for transportation; nearly \$14-million for Northwest materials and services; over \$26-million to buy local power; almost \$5½-million in state and local taxes.

ITEM: With the construction of Alcoa and the power facilities of the PUD to supply the new industry, nearly 1900 construction employees moved to Wenatchee with their families. About 800 more families would come to Wenatchee to run the new plant and serve the new Wenatcheeites.



ITEM: The change was felt -- in real estate values, larger inventories in local stores, more people at the movies. Even sports events were affected, with more material for high school teams and activities, and larger crowds at baseball games, and so on and so on.

ITEM: Wenatchee's J. Edward Ferguson summed it up for everyone: "This is the most welcome news that I have heard since the announcement that the Highline Canal was to be built to irrigate this desert valley."

ITEM: Three hundred homes were begun to house the new citizen population.

ITEM: On May 25, 1951, giant fleets of earthmovers began to level and clear away Francis La Follette's and Murrel Morgan's Malaga ranches for the new industry.

ITEM: The next day Kane Brothers Concrete Company of Wenatchee poured the first concrete roadways, and another local company, Hunt-Willett, poured the concrete for the first building. Local contractors pooled their resources and talent, and as much of the work was done by them as local firms could do.

ITEM: By November 7, 1952, over 700 job applications had been received at Alcoa's employment office in the Exchange Building.

ITEM: By March 12, progress on Modern Homes and Cherry Street Manor was in full swing.

ITEM: May 7. The Great Northern's Number-209, dubbed the Alumina Special, chugged out of its yard at Malaga on the last leg of its long junket from Alabama with a 30-car train of the white powdery bauxite ore to supply the first producing line.



ITEM: WEDNESDAY, JUNE 18, 1952. Another red-letter day for Wenatchee and its two newest industries, aluminum reduction and power production. At precisely 10:29 that morning, L. J. Richardson, Chairman of the PUD Commissioners, switched on the first power to Alcoa's potline number one. He was joined on the historic occasion by Archie Rolfs, Wenatchee Chamber of Commerce president; Howard Elmore, BPA Area Manager; Neil Farquhar, Alcoa's Works Manager; Mayor Arthur Pohlman; and Leo Schaeffler, construction superintendent.

ITEM: THURSDAY, JUNE 26, 1952. Headlines and newscasters across the state beamed: "First Aluminum Is Poured At Wenatchee." The industry had its birth in Wenatchee at exactly 10:14 a.m. as the first of 35 ingots of the light, bright metal were poured from a huge crucible into Alcoa forms by Wenatcheeites Jerry Ramaker and Virgil McHugh.

ITEM: Alcoa's potline number two was productive by August 20. On August 20, BPA Area Manager Elmore stunned the Northwest with an announcement that power would be curtailed at Alcoa because of continued low streamflows in the Pacific Northwest power network. The cutback closed down one of Wenatchee's potlines. The PUD went into overtime to bring on the first of its new generators at Rock Island.

ITEM: Months ahead of schedule, on September 13, 1952, at about 3 p.m., the first Rock Island generator began spinning out power for Alcoa.



ITEM: There ensued a series of BPA interruptible power cutbacks, and Alcoa's second line remained closed. Gradually, but far ahead of schedule, the Rock Island generators began their work of making power for the PUD and its new customer -- Alcoa. There was next to be faced a struggle for the Rock Island product by interests outside Chelan County. It was hard-fought and intense.

Support for Wenatchee, the PUD, and Alcoa began to come from all parts of the country. A program was worked out between Alcoa and the PUD to share some of the new Rock Island power with other power-short neighbors, in the face of local shortages and Alcoa layoffs. The Central Labor Council, the Wenatchee Daily World, and countless others came out in full support of the program.

Right was might, and on December 6, 1952, headlines screamed that potline number two was restarted at Alcoa, with 600 men on the payroll to date.

ITEM: World City Editor Bob Woods summed up 1952 in his closing column of the year: "1952 was a power-ful year," and it was.

ITEM: Exit 1952; enter 1953. On January 22, the fourth Rock Island generator went on the line, and Alcoa said its third potline would open on February 1. On the 23rd, the company began baking out its fourth and final potline. But, in between, there were more power cutbacks. The company had to go to outside sources for steam-generated power.

ITEM: The news of real importance to Chelan County residents was made in Portland, Oregon, on February 3, 1954, when C. S. Thayer, Alcoa's Northwest Operations Manager, said that the company



was ready and willing to consider investing its own money in Northwest hydroelectric development. Alcoa was faced with a problem of protecting huge capital investments and that there was concern at inability to get long-term arrangements for firm power for Alcoa's Vancouver and Wenatchee plants.

The Alcoa manager said that initially a contact with Alcoa had made expansion at Rock Island Dam feasible, and he added that whether by that method or whether by direct cash investment, Alcoa was ready to work toward generation expansion.

ITEM: On May 28, 1954, Chelan County PUD announced that, with an eye to the future, the district had filed for construction permits at the Rocky Reach site and another site near Lake Wenatchee.

ITEM: Once again it could be seen how Aluminum Company of America, pioneer of the Northwest's newest and brightest industry, was pioneering local power expansion as it had done fifteen years before in becoming the first commercial customer for BPA power at its Vancouver, Washington, Operations, and so many years before, in 1896, at Niagara Falls.

ITEM: During the first six months of 1955, business in Wenatchee continued at an unprecedented rate. A \$175,000 expansion of granulated ingot facilities had been completed, and production beyond the primary stage commenced.

ITEM: Alcoa's Northwest plants began to receive power from Pend Orielle County PUD to supplant BPA interruptible power, and Alcoa and PUD officials began to realize that the region could stand to lose leadership in the light metals industry to other areas where there was abundant power.



ITEM: Another \$2-million expansion planned for Alcoa reaffirmed faith in Chelan County's power potential. Another 48 aluminum smelting pots would be added, resulting in a 10% increase in local capacity. Snitily Brothers and John B. Knowles Company would handle the local contracts. Lost in this news was another 24,000-dollar lunchroom to be built for Alcoa by Lowry Construction and Weythman Electric of Wenatchee. Cusick, Morrill and Hugh Thompson companies would handle other expansion work.

ITEM: July 13, 1956, was the day Wenatchee and Alcoa will remember, for the Federal Power Commission granted licenses for building of Rocky Reach.

ITEM: The balance of 1956 was full of power-shortage threats and cliff-hanger suspense for Wenatchee and Alcoa. On January 28, 1957, the BPA cut came, costing Wenatchee and Alcoa one potline and 88 workers their jobs, until March 28.

ITEM: On May 1, it was announced that Alcoa would contract to purchase 23% of all Rocky Reach power for the first 50 years of generation. That meant that Alcoa would agree to pay 23% of all costs of building and operating the new dam, in return for 23% of the power generated. Firm power was assured, eventually, at last.

ITEM: Arranging for future dependable power at Alcoa plants was the highlight of 1957, but it had come too late; for, after only 29 days of new 1958 had passed, the 1957 recession caught up with Wenatchee economy. Alcoa reluctantly announced plans to cut back production facilities on February 1. It resulted in two potlines being out of production here, as one and a fraction potlines had been down because of a BPA power cut in August 1957.



ITEM: In an effort to assist the economy in its growth, Alcoa cut prices of aluminum to 24¢ per pound on March 28, 1958. Toward the end of June the community was rocked with Keokuk's announcement that it would close its plant for up to 60 days. It was the first time Keokuk had shut down completely since it began local operations back in 1949. Alcoa laid off another 13 clerical employees when it coordinated accounting procedures at the Vancouver site.

ITEM: 1959 came and went, and with it saw the business decline deepen into a recession. Still, with two of its Wenatchee lines idle and other facilities down throughout the company, Alcoa began plunging millions of dollars into research and development in an effort to spark aluminum consumption. And it did begin to pay off in inventory consumption. Auto consumption jumped 25%. Tin cans began to tumble to the lighter, more economical aluminum containers. Business declined a little more, and Alcoa's stockpile with it, although not so's you'd notice it.

ITEM: To keep pace with technology, Alcoa announced a \$250,000 expansion for furnacing facilities on September 10. Customers were demanding highest quality, and getting it. It was a buyer's market in those days.

ITEM: A flurry of activity accompanied closing months of 1959, and Alcoa noted an upward trend in its order book. Also, the power situation had done a complete turn-about, and now headlines read: "BPA Has Power To Burn -- Huge Surpluses Seen."

ITEM: To begin 1960 on the right foot, Alcoa opened a line which had been down since February 1958. But, during the closing hours of 1960, although Alcoa was faring locally somewhat better than the rest of the industry which was staggering under a lagging



economy, it became more and more apparent that the Wenatchee inventory build-up was cause for serious concern. Reluctantly, on January 12, 1961, Alcoa was forced to shut down the line it had started only a year earlier. Two lines were down now.

ITEM: As Alcoa marked the 75th anniversary of its process, Wenatchee took note that over 500 men were still employed. As it was to develop, other producers in the Northwest found it necessary to drastically curtail production as the recession year 1961 trudged on. Rather than shut down further, Alcoa thought of every excuse to keep men on their jobs. Many were recalled to clean up down potlines, and to do other odds and ends that could be developed. By midyear, all were called back even though the potline on which they had worked was still out of commission.

ITEM: Summer months of June, July, and August were full of good news for Chelan County. On June 14, Rocky Reach Dam went into power production. On July 6, Alcoa said that all its Northwest foundry ingot would be housed under one roof in Wenatchee, increasing the number of products to be turned out here and adding to the stability of Wenatchee Works and local economy.

August 1. Alcoa began receiving 100,000 KW of Rocky Reach power. Works Manager W. Neil Farquhar indicated that the new power would probably replace some of the BPA power.

ITEM: Another \$400,000 expansion was announced at Alcoa. Intentions to install extrusion ingot facilities were announced two days after Christmas. It would mean that for the first time in the young plant's 10-year history, a product would be produced locally that did not have to be remelted before use by a customer.



ITEM: Economists began to speak about the recession in terms of "bottoming out." About that time, Wenatchee Works' order books began to get some play. Some of the old, bewhiskered inventory began to drain out. Alcoa officials were predicting a 10% increase in shipments in 1962.

And so it is turning out, as Alcoa reflects on its first decade in the Wenatchee Valley.

ITEM: ALCOA HAS A VERSATILE PRODUCT, A FLEXIBLE ORGANIZATION, AND IMAGINATIVE PEOPLE WHO ARE AGGRESSIVE. WE BELIEVE THESE FACTORS JUSTIFY OUR FAITH IN THE BRIGHT FUTURE OF ALUMINUM AND ALCOA. . . . W. NEIL FARQUHAR, WORKS MANAGER.