

Regional Oral History Office
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University of California
Berkeley, California

THE DeDOMENICO FAMILY: GROWTH OF THE
GOLDEN GRAIN COMPANY THROUGH INNOVATION AND ENTREPRENEURSHIP

Interviews with:
Vincent M. DeDomenico
Thomas D. DeDomenico
Anthony Victor DeDomenico
Donato Ferrigno
Lois M. DeDomenico
Dennis T. DeDomenico

With an Introduction by
Benton Coit

Interviews Conducted by
Ruth Teiser and Lisa Jacobson
1987-1989

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Copy no. _____

Thomas DeDomenico

Thomas DeDomenico, whose sales and marketing expertise built the Golden Grain Macaroni Co. into a major pasta and rice-mix firm, died Tuesday of a heart attack. He was 72.

A resident of Piedmont, he was in Crescent City for a long fishing trip at the time of his death.

Mr. DeDomenico, a San Francisco native born into the family that founded Golden Grain, worked with his father and three brothers during his early years making and selling pasta products. During World War II, the Army took him to France and Germany, and upon his return he rejoined the family business on Bryant Street and married Lois Bruce of Canada.

By 1950, the steadily growing company moved to San Leandro and in 1957 introduced Rice-a-Roni, a now-famous mix of rice and vermicelli that was based on a recipe of Lois DeDomenico's.

Under Mr. DeDomenico, who served as executive vice president and national sales manager, the company came to dominate the western pasta market and the national rice-mix market for 30 years. Golden Grain was sold to Quaker Oats Co. in 1986, and Mr DeDomenico retired in 1989.

He was a member of the Sales Managers' Club of Northern California and the Sequoia Country Club and was also an avid fan of golf, fly fishing and bird hunting.

In addition to his wife, of Piedmont, Mr. DeDomenico is survived by a son, Dennis DeDomenico of Oakland; three daughters, Donna Holpainen of Seattle, Deborah DeDomenico of Oakland and Claudia DeDomenico of San Francisco; three grandchildren; two brothers, Vincent DeDomenico of Napa and Victor DeDomenico of Oakland; and two sisters, Jean McCombs of Sonoma and Katherine Reichert of Danville.

A private funeral will be held. A memorial service is scheduled at 2 p.m. March 2 at the First Presbyterian Church of Oakland, 27th and Broadway. Donations may be made to the Tom and Lois DeDomenico Fund at the East Bay Community Foundation in Oakland.

Cataloging information

THE DeDOMENICO FAMILY: GROWTH OF THE GOLDEN GRAIN COMPANY THROUGH INNOVATION AND ENTREPRENEURSHIP, 1994, v, 380 pp.

Second and third generation family members and a key employee trace the growth of a family-owned company from its beginnings as Gragnano Products in 1912. Life history of founders Domenico "Charlie" De Domenico and Antonio Ferrigno; development of packaged pasta products under the Golden Grain Company; expansion to Seattle under Paskey DeDomenico and to San Leandro under brothers Thomas and Vincent DeDomenico; sales and marketing techniques; the Rice-a-Roni story and changes in pasta industry; community service; acquisition of Ghirardelli Chocolate Company; sale of company to Quaker Oats.

Interviews with Vincent M. DeDomenico (b. 1915), Thomas D. DeDomenico (1919-1992), Anthony Victor DeDomenico (b. 1912), Donato Ferrigno (1899-1996), Lois M. DeDomenico (b. 1927), and Dennis T. DeDomenico (b. 1946).

Introduction by Benton Coit.

Interviewed 1987-1989 by Ruth Teiser and Lisa Jacobson. Regional Oral History Office, The Bancroft Library, University of California, Berkeley.

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INTRODUCTION--by Benton Coit

Golden Grain Macaroni Company--a success story in American business in the life span of the three DeDomenico brothers, Paskey, Vincent, and Thomas. There were other members of this family, a sister who was instrumental in writing a book about pasta recipes, and Anthony, an employee of the company.

The company, I understand, was started by the brothers' father in San Francisco, manufacturing and selling pasta products. They moved from San Francisco to San Leandro after building a new, enlarged manufacturing plant and headquarters building in the early fifties.

It was there that I became acquainted with the three brothers. Our firm, Haskins & Sells, Certified Public Accountants, received a telephone call from Golden Grain stating that it was interested in having its financial statements examined by an outside CPA and also to obtain assistance in the preparation of Federal and State of California tax returns. At that time the company had already established a plant in Seattle with Paskey in charge, and Vincent and Thomas were the operators of the much larger San Leandro facilities.

It was a happy arrangement, and Haskins & Sells remained as the company's accountants up until the sale of the company in 1986. During the lifetimes of the three brothers with Golden Grain, the company revenues, profits, and products continued to increase. During this time the sales or revenues reached approximately \$275 million.

It must be understood that for individuals to take a small enterprise with one or two products to a company that would be classified with the Fortune 1,000 line of companies is quite an accomplishment. It takes a very special type of individual to move out of the tribal way of thinking and start to "think big." The three did. They were an Italian family with the senior member of the family as the largest stockholder operating the Seattle branch, and the two in San Leandro--Vincent the cool, level-headed, forward-thinking person assuming responsibility for the company and Thomas the responsibility for sales. It should be remembered that it is not an easy task to run a company where the three main stockholders had about equal rights, but I must say that Vincent, with his ability to think long-term and develop new ideas, kept the whole group pushing in the right direction. Yes, they did argue at times, as you would expect, but after certain dialogue and "sleep-on-it," the decision would be forthcoming.

The core business was pasta products, but it was also a good-sized chocolate manufacturer and distributor, and a hard candy manufacturer (Vernell). It made microwave ovens for industry and had an in-house

advertising agency. It also did most of its long-range acquisitions and expansion of facilities "in-house."

Thinking big is a requirement of business today, and Golden Grain did just that. The company kept abreast of all business practices, computerized its operations, dealt with labor matters, established health and welfare plans, established pension plans, etc. About the only current practice not used by the company was stock options, because it was a closely held company.

In business today a company usually has to establish a name for itself where it has a fairly successful market share. It was determined early, I believe, that pasta products by themselves were not a niche. With the development of the Rice-A-Roni products, the company managers improvised a catchy name for the product that was distinctive. With this Rice-A-Roni, many specialized products were introduced, and also manufacturing facilities were constructed in Chicago to handle the eastern sales. The first of the absentee offices, this takes hard thinking by a closely held company, but they did it, and successfully.

The three brothers were all instrumental in the development of the company, but in my opinion the leader was Vincent. He kept a lot of things to himself, but in his own way he ran the company. The company also hired and trained the offspring of the brothers and placed them in important positions: Mark, head of Seattle when Paskey stepped aside; Paul, for a time in San Leandro; Dennis, San Leandro chocolate division; and the daughters in various phases of the business.

The business was sold before they could take over the reins, but I'm sure from the education of the three brothers that they would have continued on as their fathers had done.

Benton Coit

San Rafael, California
June 14, 1992

INTERVIEW HISTORY--by Ruth Teiser and Lisa Jacobson

In 1986, when it became clear that the seventy-four-year-old Golden Grain Macaroni Company was to go out of DeDomenico family hands, Dennis DeDomenico conceived the idea of recording its history. The organization established by his grandfather had become immensely successful under the leadership of its founder and three of his sons--Dennis's father and two of his brothers. These second generation men had entered the company as employees in 1933 and remained with it. Dennis himself had given up a law practice to take over management of the company's Ghirardelli chocolate division in 1977. With the perspective of both insider and outsider, he tries to analyze in retrospect how the closely held and closely managed family firm had progressed and apparently run its course. Of particular interest is how the three brothers had worked together and made the decisions upon which the company had grown from a business started with a few thousand dollars to one that in 1986 sold for \$275 million.

The Ghirardelli division with which Dennis was identified had been established in the mid-nineteenth century by a man who, like Dennis's grandfather, had been an Italian immigrant and, like Dennis's grandfather, the creator of a notably successful business that was carried forward by second and third generation members of his family. In 1986 the Regional Oral History Office of The Bancroft Library had just completed oral history interviews with Ghirardelli family members that perhaps suggested to Dennis a way of recording his family's progress.¹ He was well aware of the Ghirardelli history, for he gave a lively party at Ghirardelli Square to celebrate its completion and its presentation to the Ghirardelli family members.

The idea of recording the DeDomenico family's path to leadership of the West Coast pasta industry appealed to The Bancroft Library and its advisors, and after several conferences with Dennis and Sandra Brod, who had come to know the family through her public relations work with the company, the project was developed. Domenico DeDomenico, the founder, had died, but the second generation of DeDomenico leaders was to be interviewed.

All had been accustomed to keeping their own counsel, and as Dennis's mother, Lois (Mrs. Thomas) DeDomenico, noted, they were reluctant to discuss their affairs. In the end the senior member, Paskey DeDomenico, declined (he died on April 29, 1989), but at Dennis's urging

¹Polly Ghirardelli Lawrence, "The Ghirardelli Family and Chocolate Company of San Francisco," Regional Oral History Office, University of California, 1985.

his father, Thomas, and his uncle Vincent agreed. So did their less active brother, Anthony Victor, who worked for the company but was not part of the management troika. To these accounts were added that of an early employee, Don Ferrigno, who had worked for Domenico DeDomenico and was related to him by marriage, and Thomas's wife, Lois, through whom had come the recipe for Rice-A-Roni, the pasta company's most successful product. She, a Canadian, commented illuminatingly upon the Italian family's structure.

As would be expected, the interviewees' recollections sometimes differ slightly but coincide on important matters. Not all agreed upon accounts of the change in the company's name from Gragnano Macaroni Products to Golden Grain Macaroni Company. In fact, Golden Grain was first used as a brand name on some packages in 1935, but the corporation name was not formally changed until 1942.

Each of the accounts deals particularly with each individual's area of activity, and their different points of view give depth to the whole. All three management brothers were responsible for decisions affecting the company. However, while Vincent took particular interest in plant equipment and technology and product development, and Tom focused on sales, promotion, and marketing, it was Paskey who had been in the end the major stockholder and probably the strongest member of the trio. There was, however, a remarkable (but not entirely explained) accommodation among them that resulted in equanimity.

Since Paskey's account was lacking, others were asked to recall him. Dennis's long interview, which includes received information, was the last to be recorded. It adds to and brings into focus much of the material in the others. Of particular interest are his comments upon the change in managerial structure after the sale to Quaker Oats--when the company was no longer governed by a few family members with a relatively small number of employees and became an entity managed by a large, modern, international corporation.

Golden Grain was sold to Quaker Oats in 1986. All of the interviews were conducted after the sale but while Vincent, Tom, and Dennis were working for Quaker under three-year contracts.

In advance of his interview, Vincent had prepared the written account which begins this company history. Similarly, Tom had prepared in his mind, in advance of his interview, the review with which his interview started. Both of their interviews, like that of Dennis, were conducted in their offices at the Golden Grain Macaroni Company headquarters in San Leandro.

Lois DeDomenico and Don Ferrigno were interviewed in their homes at Piedmont and Millbrae respectively. Anthony Victor DeDomenico was interviewed by telephone from his home in Oakland.

The Regional Oral History Office was established in 1954 to augment through tape-recorded memoirs the Library's materials on the history of California and the West. The office is under the direction of Willa K. Baum, and is an administrative division of The Bancroft Library of the University of California, Berkeley.

Ruth Teiser
Lisa Jacobson

January 5, 1992
Regional Oral History Office
The Bancroft Library
University of California, Berkeley

VINCENT M. DeDOMENICO

Vincent M. DeDomenico was born September 29, 1915, in San Francisco. He grew up in San Francisco in his family home, graduated from Mission High School in 1933, and immediately went to work for the family company. Later he attended night classes at Golden Gate College for two years. After the 1941 fire that destroyed the San Francisco macaroni company plant, he headed transitional activities that kept the company alive there.

Always forward-looking, his specialties were company finances, plant operation, and the development of new products and packaging. It was he who provided the major impetus in the development of Rice-A-Roni, the firm's greatest success. He led also in equipment improvement, particularly at the time of the construction of the San Leandro plant and the original and expanded plant established in Bridgeview, Illinois.

When his oldest brother, Paskey, decided to stay in Washington State to take charge of operations there, Vincent took major responsibility for those in California, becoming general manager and expanding into a national marketer in 1960. In 1978, when Paskey became chairman of the board, Vincent succeeded him as president.

Vincent's cogent written account of the family and company, which precedes his interview, was prepared shortly in advance of his oral history interview. It is included in its original form, unedited. Two oral history interview sessions were then conducted. The first was to add to material in the written account. The second was to discuss the photographs and files in his office that he was going through preparatory to retiring; its apparent lack of continuity reflects the miscellaneous nature of the material being examined.

One of the matters investigated in this series of interviews was how the three brothers who led the company were able to work together successfully. Others interviewed have explained some factors, but Vincent's was succinct: "Same blood."

Interested in many things within and beyond the pasta industry, Vincent DeDomenico has operated a large ranch near Sacramento and was instrumental in purchasing and reviving the Ghirardelli Chocolate Company in 1964, and in purchasing Micro-Dry Company and developing a new method of drying pasta and other food products with microwaves. Two years before his retirement in 1989, he invested in and took a leadership role in the Napa Valley Wine Train which, in the face of opposition in the Valley, has been since September 16, 1989, running regularly through the

vineyard area. In 1987 he became its chairman of the board and in 1991 took over the additional duties of president and chief executive officer.

Ruth Teiser

January 15, 1992
Regional Oral History Office
The Bancroft Library
University of California, Berkeley

BIOGRAPHICAL INFORMATION

(Please write clearly. Use black ink.)

Your full name Vincent Michael DeDomenico

Date of birth Sept 29, 1915 Birthplace San Francisco

Father's full name Domenico DeDomenico

Occupation Merchant Birthplace Messina, Italy

Mother's full name Maria Ferrigno DeDomenico

Occupation Housewife Birthplace Salerno, Italy

Your spouse Mildred Grace Kerr DeDomenico

Your children Michael, Vicki, Marla, Vincent, Jr.

Where did you grow up? San Francisco, Calif
Hillsborough, Calif

Present community Hillsborough, Calif.

Education Graduated Mission High School
7 yrs Golden Gate College at night.

Occupation(s) Salesman, Salesmanager, Gen. Manager,
President. (Golden Grain Macaroni Co).

Areas of expertise Merchandising, marketing, creating
new products or ideas.

Other interests or activities Alpineer Ski Club, travel,
hunting, ranch operation.

Organizations in which you are active National Pasta Assoc.
World Trade Club, Commonwealth Club, Scouting.

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University of California
Berkeley, California

Vincent M DeDomenico

GOLDEN GRAIN: THE STORY OF A FAMILY-OWNED COMPANY

Interviews Conducted by
Ruth Teiser
in 1989

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GOLDEN GRAIN

THE STORY OF A FAMILY OWNED COMPANY

By

VINCENT DEDOMENICO

JULY 1989

GOLDEN GRAIN

THE STORY OF A FAMILY-OWNED COMPANY

- 1871 My father, Domenico de Domenico, born in Santa Lucia (near Messina), Sicily.
- 1890 Domenico, at age 19, immigrates to America. Travelling steerage, he lands at Ellis Island, can't speak a word of English. A immigration customs inspector can't understand a name like Domenico de Domenico and writes "Charlie" on the immigration slip. My father was called Charlie all his adult life in the United States.
- 1891- 1894 Migrates from New York to Boston where there are people in the Italian community from his home town. Learns barbering, works at this trade for about three years until he can speak and write English.
- 1895 Heads for California because he heard the streets were paved with gold. Lands in San Francisco, goes to work in the produce market. Meets many prominent Italians in the produce business including A.P. Gianinini and John Sbarbaro. Also one of the leading retail confectioners in the Mission District, Cristofor Varellas, who becomes a close friend.
- 1899 "Charlie" saved his money and opened his first retail produce store. He also got married about a year later, but this marriage only lasted three or four years and they were divorced. There were no children from this marriage.

1909 Over this ten year period, Charlie became very successful and moderately wealthy; he now had four profitable produce stores, all south of Market and in the Mission District.

Charlie had received a portrait of Maria Ferrigno from his closest friend, Mr. Pietro Danna, a successful cherry, prune, and apricot grower in San Jose who was also a friend of the Ferrigno family living near Salerno, Italy (Vietre sul Mare). My father sent for Maria and after a brief courtship, they were married and had six children: Pasqual, Anthony, Genevieve, Vincent, Tom, and Katherine in that order. Maria was lonesome for her family and Charlie arranged passage for her whole family, which was no small undertaking. Maria brought over her father and four sisters and two brothers. Her mother had died in childbirth. Charlie also brought over his own father, who lived to be 107 years old. Charlie's sister stayed in Italy with her husband.

1912 In the meantime, Maria was nagging Charlie because he had to get up at 2:00 a.m., hitch up the horse and wagon and go to the produce market to buy produce for delivery to the four stores on his return trip. This happened every day except Sunday. Maria's father, Antonio Ferrigno, had been a prominent pottery maker and pasta maker in Salerno and he had closed the factories to come to the United States. Maria kept telling Charlie he should go into the pasta business.

Charlie finally gave in and agreed to sell his stores and open a pasta factory. He later told me, "It was the biggest mistake I ever made." In the produce business he bought and sold for cash and customers flocked to his stores because of the high quality. As he told me, "I brought home sacks of gold and silver every night." When they started the pasta business, they had to buy machinery, manufacture the pasta, carry an inventory, go out and call on

customers to sell the product and then deliver the product. Some customers paid cash but many did not pay promptly so there would be a lot of delinquent accounts - quite a change from the produce business!

1912 Gragnano Products, Inc. was born.

President - Domenico DeDomenico - 40% of the stock

Vice. Pres. - Antonio Ferrigno - 40% of the stock

Secretary/Treas. - Tom Ferrigno (son of Antonio) 20%

This distribution of stock gave the DeDomenico family a lot of problems upon the death of Antonio. My father had put up all the money (\$10,000), the other stockholders had put up the know-how. The death of Antonio finally resulted in deep enmity between the brothers and sisters. When Antonio died, his 40% of the stock was split among his children and my mother received six shares or 6% of the corporation. This made Domenico's total shareholding 46% with the Ferrigno holdings at 54%. One of the sisters was very loyal to my mother and father and finally sold him the 6% he needed to control Gragnano Products, Inc.

1912-1928 Prior to the death of Antonio, the two families were operating Gragnano Products profitably and building a good business in spite of the competition from about twenty other pasta plants in Northern California.

1922 In 1922, Gragnano Products moved from the original 18th and Valencia Street factory to a three story wood frame building at 8th and Bryant Streets in San Francisco. Capacity was increased, we now had a total of 30,000 square feet on three floors.

1928 My oldest brother Paskey, went to work for the Company in office management and part-time sales. My other brothers, my cousins and I also worked for the Company after school

and on Saturdays nailing together wooden boxes in which the pasta products were packed in those years. We sold only in bulk 25# and 50# boxes to Italian stores and to some restaurants and institutions. During these years, we also sold olive oil packed by A. Giurlani Bros. (now Star Olive Oil) to these same customers. Later on, Paskey introduced an "Air Trails" brand pasta and olive oil because he was learning to fly a plane. The brand never got off the ground, but Paskey got his license.

In these years, the brothers learned pasta manufacturing from the ground up. Mixing dough, pressing it out of screw presses and hydraulic powered presses, spreading spaghetti on sticks, twisting coiled spaghetti and capellini by hand, rolling egg noodles and short cut pasta and even learning from the prima donna of the pasta factory, the "dry man." He was all important because if you did not dry the pasta properly, it would cook to mush and ruin your reputation. Angelo was very excitable and he always had an excuse when he had a failure, "The North wind was blowing" or "Somebody left a door or window open." The Italian consumer was very finicky about his pasta, your product had to be perfect.

October - 1929

The stock market crashed! People were out of work. People were hungry. Business was hard to get - competition was fierce. Bulk pasta always was competitive, prices in 1931-33 got as low as 4 1/2 cents per pound. Farmers were also in dire straights, we were buying Semolina for 3 cents per pound, but we could not survive with 1 1/2 cents per pound gross conversion. Historically, your prices had to be double (today - triple) your ingredient cost to break even. In 1931, we told our union we could no longer pay \$5.00* per day and would reduce it to \$4.00* per day. They struck and we had a bitter battle for 4 or 5 years. We ran an advertisement in the paper, men were hungry for work, we trained new people at \$2.25* per day during the big Depression.

* To relate these wage amounts to 1987-88 values you have to do the following mental gymnastics:

1930's - multiply by 25

1940's - multiply by 20

1950's - multiply by 15

1960's - multiply by 10

1970's - multiply by 5

1980's - multiply by 0

1933 Franklin Delano Roosevelt was elected President in November 1932 and took office in March 1933. He immediately closed all the banks for several days to stop runs on the banks. Congress passed the National Recovery Act (NRA). The Depression bottomed out and confidence was again restored.

During these years, my grandfather, Antonio Ferrigno, died and the battle began for control of Gragnano Products. As I mentioned earlier, my father finally bought the critical 6% needed to give him control. Over a period of years, the minority stock was purchased by my brothers and myself. My Uncle Tom started a new pasta plant called Sorrento Macaroni in the outer Mission District and operated there successfully for many years. Being a small plant, they never achieved any great distribution.

1932 Also during this time, Dupont had invented a packaging material called "cellophane" and in 1932, Paskey started to bag a few noodles in this material. The following year he packaged a few bags of short cut pasta, but sales were small.

In June 1933, I graduated from Mission High School and immediately went to work for the Company. I did warehouse work, hauled flour from the team track or helped in the

manufacturing process. My salary was \$13.25 per week, for a six day week (equal to \$397.50/week in 1986).

1934 One night Paskey brought over a full page newspaper ad for "Golden Grain" smoking tobacco manufactured by Brown and Williamson Tobacco. He said this would be a good name for macaroni and we all agreed. He designed a small blue and gold paper label which was stapled to the top of a plain cellophane bag which gave the brand name, the variety, and the weight. Long macaroni and spaghetti was rolled up with the paper label stuck to the cellophane and sealed with scotch tape. Next problem, where do we put it? We first purloined some potato chip racks. These seemed to work pretty good so we designed a special wire rack that was 36" wide 12" deep and 4 shelves high. This rack held 10 dozen pasta products. We later designed a rack that was 48" wide and held 15 dozen. The rack had two clips on top to hold a cardboard sign. We didn't realize it, but our first P.O.S. display piece was created.

SALES FORCE At this time the Gagnano Products sales force consisted of my father, who covered a 50-100 mile radius outside of San Francisco, Paskey who covered the San Francisco customers, Paul Mighetto, who covered the East Bay, and a part-time commission salesman in Modesto and Visalia. In 1932 Paskey had also hired the Wm. J. Hoelsken Company to represent us with the chain stores that were beginning to operate in the East Bay. Bill Hoelsken was selling jams and jellies for our neighbor down the street, Puritan Preserve Company. It turned out to be a stroke of luck for us because Bill was the finest salesman I've ever known. Bill believed in selling your brand, your service and your quality and would never cut a price. More than once he dissuaded us from dropping our prices to meet cut-throat competition.

In 1934, I took my father's place in the sales force. In a few months I gained the confidence of my customers because I gave them good service. I dusted off the rack display, hauled cases out of the back room to fill the display, patched up the broken cellophane bags with scotch tape, wrote credits for any bad merchandise and wrote a new order for him to OK. At this time I was concerned with our lack of brand identification so I convinced Paskey to spend some extra money to print our Golden Grain sheaf of wheat on the package with "Golden Grain" prominently displayed. We now had an unbeatable product to sell and display. Bill Hoelsken convinced Safeway to buy branded pasta in cellophane bags and we were off and running. If we had had the know-how and the manufacturing capacity at that time, we could have dominated the whole Western market. On the East Coast, a similar situation had been developing with the two major companies, La Rosa and Mueller, who packaged their respective brands in one pound printed cartons.

1936 At last we were practically out of the bulk pasta business and in the more profitable branded package business, but then we got involved in an even more competitive business, dried beans, peas, and rice. The Miller Bean Company was buying bulk pasta from our competitors and selling it with his dried beans to our customers. Paskey told him if he continued to sell pasta, we would start packing beans. So now we are in the bean business.

1935-40 In the late 20's, Fontana Macaroni was started by a major stockholder of Del Monte Packing Company. Mark Fontana manufactured the Fontana brand pasta packed in 8 oz. carton packages. In the late 30's he introduced his Cel-Mac brand to compete with our Golden Grain brand. All other pasta plants now had their cellophane packs. Italian - American Paste Company introduced Vegeroni which was three colors of vegetable colored pasta: green, red-orange, and white. Green was spinach, red was beet and carrots, and white was Semolina pasta. We countered with Vegeroodles, but Vegeroni had the market. It always pays to be first.

Other competitive innovations were developing - new shapes, triangoli, gnocchi, farfalle (bowtie) rooster-crest, spaghetti-bucati (spaghetti with a hole in it), Bridge-Trix, etc. Bridge-Trix was a salad type pasta made in four different shapes: hearts, clubs, diamonds, and spades. We created it because Bridge was very popular in those days. Our first package had a big question mark (?) on it with "U-Name-It" in large type. The "U-Name-It" contest was supported by newspaper advertising and in six months "Bridge-Trix" was selected as the winning name. The product was moderately successful for those years.

Another marketing innovation was our Chinese Mein Dinner. A very simple approach, we printed a quick and easy recipe on the face of the package calling for thin strips of pork, green onions and soy sauce.

Kraft Macaroni and Cheese was introduced during this period, also a Del Rey Spaghetti Dinner consisting of coiled spaghetti (which we supplied), a can of spaghetti sauce and a packet of cheese.

1938 I attended and joined the National Pasta Association at the Chicago Convention. Elected to Board of Directors in 1950, I was Vice-President for 6 years and served as President in 1972-74. I headed the Pasta Promotion Committee for 12 years and was instrumental in changing the conception of Pasta from a fattening food to a complex carbohydrate with the introduction of athletes into our publicity campaigns.

Our first athlete was Bob Mathias of Fresno, California, winner of the Olympic Decathlon tournament. Also, at the 1938 Pasta Convention, I met the representative of Buhler Bros. of Switzerland. They had designed an automatic macaroni press. I

convinced him to come to San Francisco and explain it to my father and Paskey. They wouldn't buy it saying, "The quality would not be as good as the old method." The price was \$8,500 for 800 pound per hour production. The press was a pasta maker's dream - it took all the hard work out of making pasta.

1941 World War II started in Europe in September 1939. Supplies of all types were starting to go to Europe. Business was very good for everybody, including Golden Grain. In August 1941, our San Francisco plant burned to the ground. As usual, there was not enough insurance and getting a settlement was slow. On December 7, 1941, Pearl Harbor was attacked and the United States declared war on the Axis powers: Germany, Italy and Japan.

Luckily, there was an empty two story warehouse alongside our macaroni plant which belonged to A.J. Glesener Hardware. Tony Glesener promptly gave us the use of the warehouse at a reasonable cost. To fill our orders, we purchased pasta from several of our competitors including Superior and Anthony Macaroni in Los Angeles; Perfection Macaroni in Fresno and Oakland; and Roma, Golden Gate, and California Vulcan Macaroni Companies in San Francisco. United States entered the war December 7, 1941 and our supplies dried up.

In the meantime, we heard of the Ghiglione Macaroni plant in Seattle which had been repossessed by the Reconstruction Finance Corporation, a U.S. Agency. Paskey and I flew up in November to look at it. It was in A-1 condition, even the former plant manager was there as caretaker. All we had to do was bring in the Semolina. We purchased the plant from the R.F.C. for \$25,000 but we had to give the former partners in Ghiglione Macaroni Co. 1 share each, or a total of 3 shares of stock in Golden Grain Macaroni Co. We could have bought them off with cash, but we didn't have any to spare.

Paskey volunteered to move to Seattle and manage the Northwest operation. Tom moved there immediately after, but in a year he was drafted into the U.S. Army. Paskey and Anthony had children so they were not eligible for the draft, I had a leg injury that kept me out of the Army. By the end of December 1941 Paskey and Tommy were already producing pasta at Seattle and shipping it to our Bryant Street warehouse so we could take care of our customers' needs. For the first few weeks they were sleeping in the office until Paskey's wife Merrial, found a place to live.

On my return to San Leandro I immediately started to reorganize the Company, my brother Anthony took charge of shipping and warehousing, we closed our Oakland branch and brought Don Ferrigno from Oakland to be Office Manager and Purchasing Agent. For the past 3 years I had been acting as Sales Manager and covering the local territory because I was attending Golden Gate College 3 nights per week for a C.P.A. course. I hired a former Pillsbury salesman, Forest Marcks, to handle the North Coast from Sausalito to Eureka. My brother Tom had been taking care of the Sacramento territory and I was fortunate to hire my old competitor Joe Ravezzano, who had been kicked out as a partner in his old company, Italian-American Pasta Company, to handle the Sacramento area. Fred McComber and Paul Mighetto handled the East Bay independents and restaurant trade, and Bill Hoelsken and his men handled all the major chains and supermarkets. In San Francisco, Golden Gate Macaroni Co. decided to close up shop and I hired Elmo Briasco, son of the owner, to handle San Francisco down to San Jose.

Our sales force did a great job during this trying period. They would be selling during the day and come in 3 nights a week to help pack the product shipped down from Seattle. Labor was getting scarce but I was finally able to get enough women working 2 shifts to handle the packing.

1942 It was rumored the government was to freeze wages and prices. I installed a bonus program for corporate officers that was effective for many years.

Halfway into 1942, the Seattle shipments started slowing down so I had to purchase locally and in Southern California again. Paskey informed me he had contracted to supply Golden Grain pasta line to Nalleys, Inc. for the Pacific Northwest. Nalley's was a powerful potato chip, mayonnaise and pickle packer in that area. I knew what was inevitable so I approached my landlord, Tony Glesener, with a proposition. I told him I would clean out the burned building site to a clean lot, trade him even on the lots, pay him \$100,000 for his warehouse building plus the cost of making it suitable for a pasta plant, if he would pay the cost of the improvements up front. I had been keeping him supplied with hard-to-get meat, butter, candy, etc., for the past 6 months so he couldn't turn me down. One stipulation was I had to hire the contractor who did his maintenance and building work, which proved to be an excellent request. Without benefit of any plans, we proceeded to lay out chalk marks on the floors and walls of the building and he proceeded to build the plant and dryers as I specified. It was my first opportunity to build an efficient pasta plant. The long goods dryers were fairly standard size holding 15 truck racks of spaghetti, 3 tiers high on each truck. The main improvement was they were wired so the fans reversed rotation every 2 hours and the air inlets were set up so that when the fans sucked in 1 direction, the air inlet closed and when the fans reversed, the air inlet opened to a pre-set adjustable opening size which gave me very reliable drying cycles of 48 hours per dryer. I used the same system in the short cut and noodle dryers with one big labor saving improvement, I made the screen bottom trays only 2" deep and piled them one a top the other instead of 5" deep and pushing the drawer into a drawer-like cabinet. Advantages: the 2" X 24" X 60" tray could be handled by one man, the 5" deep tray had to be handled by 2 men and the pasta had to be loosened up manually on

the second day so it would not be all stuck together. The tray handled all products, short cut, noodles, and coiled goods.

While this was going on, I contacted Bianchi Machine Shop who did maintenance work for my father for many years. I told him I wanted him to pull out of the wreckage my old mixer and kneader, the 2 screw presses for long goods, the big hydraulic press for short cuts. I told him to find me a used noodle cutter and a roll machine because our old machines were on the 3rd floor of our burnt building and were destroyed when they fell to the ground. At the same time I told him we were under-insured for the fire, I didn't have the money to pay him, but I would pay as fast as I could after the machines were operating. Bianchi told me not to worry about the money, he would have them running like new in 6 months. This was a God-send because in war time you could not buy new equipment, you could not get steel except for military purposes, but he could get steel for repair work. We were able to get old fans repaired, old motors rewired and even old conduit and wire re-used so that on Jan 1, 1943 I was ready to produce pasta - the only problem was I didn't have any manpower. I was able to hire our old mixer man, a giant named Faustino, who lived near by. A few days later, one of my old long spaghetti spreaders John Borelli asked to come back to work. This was my nucleus of experienced help outside myself. I advertised for more help, and got a couple Post Office workers who would moonlight and a couple Army and Navy men on R&R (Rest & Relaxation). This gave me an idea. I contacted Alameda Naval Station Personnel and told them to send me any men who would be willing to work night or day shifts for 1 week or more at a time. From then on, I had all the manpower I needed. The only problem was that I had to train each one of them to do a certain job and supervise them 16 hours per day so they wouldn't hurt themselves, because pasta machines in those days were quite dangerous. I worked with many fine men and they appreciated the extra money. Packaging was not a problem, I had enough experienced girls to run day shift. Bill Hoelsken got Frank Viola,

the Packing Department Manager at Safeway, to moonlight and handle the night shift. We were now in good shape and looking for business.

My father had been ailing but in the Spring of '43. I brought him down to see the new plant in operation. He was very pleased with the layout and the products being made. He died in his sleep a short time later and I'm sure the trauma of the fire that almost destroyed his business contributed to his death. He was 72 years old. Paskey was elected President of the Company, Maria was Vice President, and I was Secretary-Treasurer. Tom was still in the Army.

When my father died, I decided it was time to complete my transaction with Tony Glesener, because the old building and land was owned by Paskey and my father. Paskey wanted the new plant to be owned by himself and my mother, not by the Corporation. I had promised Tony Glesener we would trade lots, which Paskey did and he and my mother paid the balance due on the building out of their insurance recovery and leased the plant to Golden Grain.

1942 MARSHMALLOWS In the late 30's, we were distributing marshmallows from a small local plant who was manufacturing around the corner from our Bryant Street plant. When the war started he closed up because he didn't want to process the paperwork to get sugar and other ingredients. The only other marshmallow manufacturer was Wonderfood in Los Angeles. I took the owner out to dinner and he finally agreed to ship me 500 cases per month. I also found out he was a heavy drinker, and only drank the best Scotch. Bill Hoelsken had many good friends among the chain store buyers and he could get me anything I wanted, even if rationed out to these buyers. He could get hard to find items like meat, butter, liquor, candies, even nylons. For some of these items you even had to use ration coupons. I told Bill to get me 2 cases of the finest Scotch every six

months and I would drive to Los Angeles twice a year to buy dinner and present him with the Scotch. After the first couple trips, the shipments of marshmallows increased to 5,000 cases per month. I only mention this because it helped make our Company more important as a supplier to our customers and our marshmallow sales were quite profitable for many years. In the 60's, Kraft began to distribute an extruded marshmallow manufactured by Doumak in Chicago, and over a period of years they took over the marshmallow sales business, eventually going into their own manufacturing.

1943 WARTIME Tin was in short supply, the U.S. Government declared that mushroom and spaghetti sauce could not be packed in tin cans. I convinced California Vegetable Concentrates of Modesto to dry tomatoes for us and we marketed a dry spaghetti sauce mix and a spaghetti dinner with dry sauce. These products sold well during wartime. When the war ended and tin cans came back, the dry sauces died. In 1950, Lawry's marketed a dry spaghetti sauce mix to which you added a can of tomatoes. This product catapulted them into a national marketer. I watched it, incredulous, waiting for the product to die. It didn't, showing the value of timing. The right time for the right product. Lawry was later purchased by the Lipton Tea Company.

ADVERTISING I had made up my mind that I would spend 3% of gross sales annually for consumer advertising. The trouble was - no money. We invested a small but consistent sum of money in trade advertising, I printed self liquidating offers on the back of every package for recipe books, silverware, spaghetti bibs, etc. Our most successful premiums, which ran for years, was our cotton flour bags - plain white or colorful prints. Our Semolina was shipped to us in these 100 pound bags which we laundered and mailed to consumers for 1 dollar and proof of purchase (2 Golden Grain labels). Later, we were able to afford print and billboard advertising. The print always featured "quick and easy" recipe copy. The billboards were "Twistee Egg Noodles - the Noodle with the Screw

Shape," or "The Brand that Won at Rome," plus others. We were building a truck fleet during these years and they became travelling billboards with colorful vignettes of our packages on both sides, and on the back doors, "Don't hit me, I'm full of Golden Grain Egg Noodles." No one hit us, it made people remember the brand. By the time we sold the Company, we had over 140 trucks and trailers covering the 11 Western states and into the Eastern seaboard.

In the early 50's, I tried a fast cooking elbow macaroni called 1-Minute Macaroni. Kelso Norman Advertising developed the campaign. It succeeded in California and by the time it was tested and ready for the Pacific Northwest, Mission Macaroni Company had copied the idea and sold their product at a low price. Mission was a tough competitor. We later used this product in our Instant Macaroni and Cheese and Stir'N Serve Macaroni and Cheese.

SPRING 1944 I developed a Chicken Noodle Soup Mix for the Army which consisted of a dry chicken soup mix in a No. 10 can which we filled with 1 inch long egg noodles and vacuum packed. This item was a copy of Continental Chicken Noodle Soup in a 3 1/2 oz. foil packet which was the forerunner of the Lipton Soup line. Our No. 10 can became standard ration in the U.S. Army commissaries and we produced this product until the early 50's. By this time we had developed a line of eight flavors of Golden Grain Soup Mixes, which did fairly well against Lipton.

My long spaghetti man, John Borrelli, got into a heated argument with Faustino, my mixer man and quit. I talked with Fred Bacigalupi of California Vulcan Macaroni Co. and convinced him to give me a mixer man to work with John Borrelli and we would rent the now defunct Pompei Macaroni Co. in San Francisco and manufacture long spaghetti

for the U.S. Army. Long spaghetti was in short supply and the government bid prices showed a pretty good profit. I called the new joint venture Golden Crest Macaroni Co., it ran for 3 years and returned a neat little profit to our 2 companies with no investment in plant or equipment.

1946 WORLD WAR II ENDS The Marshall Plan was started to rebuild Europe. Our plant ran 24 hours per day, 7 days per week to supply pasta to the Italian Government besides taking care of our regular business. To dry the pasta for the Italians, I turned up the heat in our dryers to 150 degrees to speed the process. When we delivered it to the dock, the product was so hot you couldn't handle the cases.

1948 I had heard rumbles since 1946 that the State of California wanted to buy 8th and Bryant for another approach to the Bay Bridge. I negotiated a settlement with the State for about \$214,000 which was split \$142,000 to the landlord for the building and land and \$72,000 to Golden Grain to pay our moving costs and for equipment fastened to the building. I asked Paskey and my mother to loan their share to the company so we could build a new plant. My mother agreed, Paskey would not. Said he'd rather invest his money in the Seattle area. Tom had returned from his stint in the Army and I put him in charge of the San Leandro Sales Department which was beginning to grow.

I contacted Myron Gould Engineering who had just finished the new General Mills cereal plant in Lodi. He had engineered the first bulk storage flour handling plant in the U.S. He gave me a rough estimate of cost of the flour equipment and a square foot estimate for the building. I went to see Mike Micheletti at Bank of America Main Office. My father and Golden Grain had dealt with Bank of America for 40 years. I told Mike I had to build a new macaroni plant and needed to borrow \$250,000 and my mother would also loan \$100,000 to the Company. Mike's answer was that I was biting off more than I could

chew. This made me angry so I went to Central Bank in Oakland and met with Helmer Johnson, then a Vice President. I gave him the same information as BofA and he said he would call me in a few days. In three days he called and said the bank would loan the money. I reported our progress faithfully to Helmer every couple of weeks and he became one of my best friends. I immediately purchased 3 acres of land in San Leandro from Western Pacific Railroad for \$5,000 per acre. Myron Gould designed a 140,000 sq. ft. plant with a 60 ft. bulk flour storage tower. I warned him in advance that I could only spend \$200,000 for the plant. The bids came in at \$300,000. We frantically changed the specs to concrete block walls instead of poured concrete and cut the floor area to 100,000 sq. ft. instead of 140,000 sq. ft. The bids came in close to \$200,000. I will say that Myron did all the re-work gratis. Four years later I added on the other 40,000 sq. ft.

In the meantime, I used the approximately \$100,000 in the company treasury to buy new modern equipment valued at about \$200,000. This included: 1 Consolidated cut line for fancy shapes and coiled goods; 1 Buhler automatic short press and Consolidated automatic dryer; 1 Consolidated long goods press with Clermont automatic long goods dryer and 1 Consolidated short cut line for egg noodles with automatic dryer.

I knew if I could get the equipment installed and running with the \$100,000, the equipment people would wait for the rest. A few weeks before the new plant was ready I met with the Credit Manager for General Mills. We had a good, long standing record with General Mills, they were our biggest supplier. I told Mr. Robinson about our huge investment in this new plant, we had copied their Lodi plant, it would be the most efficient in the U.S., etc. I was asking for 120 days credit line. He agreed to give me 120 days credit for the first year, and knock off 30 days in each of the subsequent years until I was current. I almost fell off the chair, this was unheard of in the flour business.

Bulk shipments of flour were so new there weren't enough air-slide railroad cars available to carry our requirements. I leased 10 cars from General American Transportation Company for 10 years because the railroad wouldn't make the investment. Several years later I convinced Western Pacific Railroad to take over our leases.

1948 Tom and Lois were married after World War II ended and they were living in an apartment next to an Armenian woman. This woman gave Lois her recipe for Armenian style rice pilaf which was: a can of Swanson's Chicken Broth, a cup of long grain rice and a cup of broken vermicelli. You sauted the rice and vermicelli in butter until a light tan, poured over the can of chicken broth, covered and simmered until the moisture was absorbed. I liked the product, I had had it before at Omar Khayyam's Restaurant in San Francisco, but I didn't know it was so simple to prepare. My wife also liked the product and prepared it from scratch until I finally worked out a way to make it more convenient.

1951 Spring 1951 the plant was finished and running. I told my wife, "Now I know how it feels to be a millionaire; I owe over a million dollars." We had open house and invited all our suppliers and supporters to see the plant. We had one of the first continuous long goods presses and dryers, 1 short goods automatic press and dryer, 1 noodle press and dryer, and 1 press for fancy shapes and coil goods which we spread on trays and dried in rooms. One of our lines of equipment was purchased at auction from Hunt Foods. Fontana Macaroni suffered a fire in the 40's. Hunt Foods bought the company and moved the machinery to their plant in Hayward. They suffered another fire in 1950 and sold the remainder of their equipment at auction. The Fontana brand had been discontinued in favor of Hunt brand in a bright red and white package. The Hunt package was much brighter and more colorful than our blue and yellow Golden Grain package. As soon as

Hunt closed, I changed our basic package colors to red and yellow, a much brighter package. At the same time, I used various catchy phrases to influence our customers, i.e.

"Cooks tender in ____ minutes"

"The brand that won at Rome"

"103 calories per 4 oz. cooked portion"

I failed to copyright the last phrase and it was copied by our competitors - it was very effective in those years because pasta had a "fattening" image.

"100% Golden Grains of Durum Wheat"

"100% Semolina"

"Cooks Best - Tastes Best"

Etc.

At this time, we took our first step into computerized accounting with IBM. We were probably the first to use the IBM card in an open file for accounts receivable. We could run these cards each month for commissions, statements, and sales analyses. We also kept inventory control and billing on the computer. At a later date, we added payables and general ledger.

The new plant gave us a lot of prestige. People like Campbell Soup, and American Home Foods deluged us with orders. Even Borden set up a cheese packing machine in our plant so we could supply them with Macaroni & Cheese. Chef Boyardee gave us a carton packing line so we could supply them with 8 oz. spaghetti for their dinners. Borden finally quit the macaroni and cheese business. We took over and marketed Golden Grain Macaroni & Cheese. Later we mixed our own cheese formula and changed the name to Macaroni & Cheddar.

1953 I laid out the 40,000 square feet addition and purchased two more long goods lines so we could keep up with the demand. The building and equipment were ready for operation in 1954. Now I had plenty of long goods capacity so I could breathe easier. I thought, now I can promote lasagna which has got to be the greatest dish for the holidays or for all-around entertaining. I started with an 8 oz. package of medium width lasagna which had a large face area so we could show a vignette of this very appetizing product. We advertised lasagna around the holidays in Women's Day, Family Circle, and black and white newspaper. Pot luck parties were very popular in these days, and whenever Mildred and I attended one, there were always five or six women who brought Golden Grain Lasagna, and they all bragged about their recipe, (which they got off the back of our box). The product became very popular, and we added the Extra Wide Lasagna in a 16 oz. package with new recipes.

1954 In the early 50's, we started to market Golden Grain Marinara Sauce, which was a take-off on a simple recipe my mother used to make. Being a meatless sauce, we did not have to retort it at high temperature like all other sauces. As a result, the sauce had the full flavor of fresh tomatoes and spices. We still have this formula packed for us today. We advertised the sauce on the back of all our pasta packages and especially on lasagna packages. To promote our sauce and pasta I asked my sister Kay to present some cooking school classes and teach people the right way to cook pasta. Kay came up with the idea of a portable kitchen to prepare the food and called the cooking classes "Pasta with a Flair." Charitable groups and clubs could schedule this presentation at no cost to them and whatever admission they charged could be used for their own charitable purposes. It proved a very popular program which Kay presented three to five times per week for over 20 years. At the class, the ladies were able to taste the dishes, and take home recipes and a 1 pound can of our Marinara Sauce. The sauce became one of the leading sellers in the sauce section.

Another benefit from this personal contact with the women's clubs was when Purity Stores (a 100 store chain) brought in two new buyers from Los Angeles and they were going to throw out Golden Grain in favor of a Los Angeles manufacturer. Kay called the leaders of these Women's Clubs in the towns where Purity Stores operated. These women put up such a fuss that Purity Stores put Golden Grain back on the shelves and discontinued the other brand.

During the 50's we developed and marketed a line of dry soups similar to Lipton and Knorr. We were moderately successful in our home areas and got good distribution and sales on our 8 flavors: chicken noodle, minestrone, onion, green pea, alfabet, mushroom and tomato vegetable.

MEANWHILE.....

1950 SEATTLE Paskey's arrangements with Nalley's Inc. to market Golden Grain pasta wasn't working out. With the end of World War II, Nalley's was able to make more of their own products to sell and they were less interested in our products. Mission Macaroni Co. had expanded their production and were fighting to dislodge Golden Grain from our beachhead. Paskey organized his own sales force but it was tough selling against the market leader, Mission.

1953 BLACKNESS BEFORE THE DAWN See Paskey's letter on the next page regarding his losses. I didn't want to close the Seattle plant because: 1) having two bosses at San Leandro wasn't going to work, 2) if Mission Macaroni chased us out of Seattle, he would then attack us in California.

MEMORANDUM

To VincentDate 7-22- 1953

From: GOLDEN GRAIN MACARONI CO., INC.

SUBJECT: June Trial balance

This Seattle plant operation looks pretty black. And believe me, we have all worked like hell up here. Of the \$200,000⁰⁰ in sales \$104,000⁰⁰ is miscellaneous products (beans, candy, dried fruit, etc.) The returns and breakage on these items are terrific. The freight charges are high and the competition is fierce.

MEMORANDUM

To VincentDate 7-24- 1953

From: GOLDEN GRAIN MACARONI CO., INC.

SUBJECT: _____

Suggest we close this place up and sell the building

Packey

1956 In early 1956 Paskey convinced the two Favro brothers to sell out to Golden Grain for \$50,000 plus inventory and a 10 year labor contract. Favro was the exclusive supplier to Safeway Stores with their Dinner Hour brand. Combining the two plants produced efficiencies but still not enough to off-set the losses. Psychologically, I believe this purchase had an effect on the four partners at Mission Macaroni. They thought they would drive us out of business, and now we had purchased Favro.

1956 Paskey heard the four partners at Mission Macaroni were fighting with each other. The leader at Mission was likeable guy named Guido Merlino. Paskey met with Guido and he said he would sell his 25% for \$225,000 and that we could probably buy the other three partners for a like sum. Paskey called me with the information. I knew it was a great opportunity so I went to see my friend Helmer Johnson. Helmer was now President of Central Bank. He immediately approved the loan for \$900,000 and we purchased the Mission Macaroni Co. (Mission also owned 49% of Porter-Scarpelli in an unfriendly takeover situation). Guido Merlino stayed with Golden Grain for 14 more years before retiring. He was a valuable employee. Golden Grain, Dinner Hour, and Mission brands now had 80% share of the market and we had a profitable business. Two years later (1959), one of the partners from Mission Macaroni, Joe Merlino, and his sons got back into the pasta business with Majorette brand. The honeymoon was over. They cut prices and struggled to get business for a couple of years. Finally, they hit on a "hot" item for those years, a 4# bag of pasta and a 1 1/2# bag of egg noodles which the grocery trade would feature at special prices. We decided to pack similar items and priced it the same as his opening prices, but we didn't push the items. Majorette sold most of the 4# pasta for several years and finally went under in 1963. Guido Merlino reported that they couldn't pay their bills. Like a couple of dummies (I'll take the blame), we took over the bankrupt company, paid them \$20,000 for 51% of the stock, and gave the Merlino's 49% of the stock to run the operation; we put them back in business. A few years later, Paskey bought the

Oregon Macaroni Co. for \$66,000. This turned out to be a bad move, and Porter-Scarpelli Macaroni Company of Portland complained to the Federal Trade Commission. The F.T.C. investigated and held hearings in Seattle in 1969-70. The result was we had to divest ourselves of Major-Italian Foods in 1973 because we had a monopoly in the state of Washington. The Merlino's bought our 51% stake for a paltry sum and later sold the company to Rank Hovis McDougal in the 70's, who later sold to Bordon's in the 80's. Porter Scarpelli also bought our 49% share of their stock as required by the F.T.C.

1957 MONTANA FLOUR MILLS I heard they were for sale and asking for bids. Montana Flour Mills had a flour mill in Butte, Montana and about 20 elevators scattered throughout the wheat areas. They made top quality flour for the Western bakery trade. I wanted to install a Semolina mill using the excellent Montana Durum. We were buying 17 cars per week at that time (12 at San Leandro and 5 at Seattle). Paskey, Tom and I went to see Helmer Johnson who was now President of First Western Bank. I told Helmer that I'd like to bid \$5.5 million and he said, "Go ahead and bid, I'll back you up." ConAgra bought Montana Flour Mills for \$6 million. If our bid had been accepted, we probably wouldn't have had time or the money for Rice-A-Roni.

PROFIT SHARING PLAN In 1957 we started the Golden Grain Profit Sharing Plan which was one of the best things we ever did. The Plan was designed by Coates, Herfurth and England and approved by the I.R.S. Started January 1, 1957, the first contribution was 12/31/57, \$33,701 for 46 salaried employees. All administrative costs of plan were paid by Golden Grain. The plan was non-contributory and non-discriminatory for salaried employees. Unionized employees had their own pension plan. Golden Grain paid from zero to 15% of covered salaries per year for each employee which was non-taxable until the employee collected their share on retirement. Vesting percentages started at 3 years and up to 100% vested at 15 years of service. The Profit Sharing Committee for about 10 years

was Paskey, Vince, Tom, Rollo Roux, Frank Viola, and Guido Merlino and continued thereafter with a few minor changes.

On advice of Haskins and Sells, we appointed Scudder, Stevens, and Clark as investment managers (1958-1971). They were pretty conservative so we took the 1961 contribution and let Standard and Poor invest the money in 1962-1963. This was a disaster so we gave it all back to Scudder. Claude Rosenberg was hired for the period 1971-1976 and did a fair job. A friend of mine had hired Martin Sosnoff as investment manager for several years with excellent results. Martin Sosnoff (Atlanta) managed our portfolio from 1977-1986 with an average return on capital of 16.2% per year. On August 15, 1986 when Golden Grain was sold to Quaker Oats the balance in the fund was \$24,000,000 and many millions had been paid to retirees over the 30 year period it existed.

1956 In Southern California a 20 year old company called Budget Pack had built a following for their products which were beans, rice, peas, dried fruit, candy, popcorn, Jells Best gelatin, more recently pasta products and eventually by 1960 they had fair distribution in Northern California and trucked all their products from Los Angeles, to Arizona, Texas, Denver, Salt Lake, and all intervening territory to Northern California. They were tough competition but due to our quality, service, and advertising, we were able to hold our own. In 1956 they filed bankruptcy and I attempted to buy the whole company at 10 cents on the dollar but the creditors objected. Instead, I bought some of the inventory and equipment, the Jells Best gelatin formulas and inventory, some trailer trucks, and a sales force of 12 men who would work for Golden Grain in the Southern California market. Our new sales force proceeded to do a fair amount of business and sold some chains, like Stater Brothers, Hughes Markets, and Lucky stores. When we started to sell Rice-A-Roni dinners in 1959 and Ghirardelli chocolate, this sales force was a tremendous help.

During the years we competed with Budget Pack, we added a line of cello bagged candies which we purchased in bulk (about 30 varieties) and marketed under the Golden Treat label. We furnished the grocers a four shelf nicely finished wooden rack to display the candy. We also marketed a limited line of dried fruits and nuts during this period.

1958 RICE-A-RONI In the intervening years, the original rice pilaf recipe was printed on the back of our Fideo (cappellini) cello bag. Mildred would prepare the rice pilaf at home and I toyed with using the dry chicken soup mix in place of Swanson Chicken Broth. We soon had the proportions worked out. We now had a very easy to prepare and tasty side dish that was a favorite food in the Middle East for over a thousand years. Because the product was half rice and half pasta, I decided to call it RICE-A-RONI.

Rossotti Lithograph came up with some designs which I rejected. I wound up designing the first Rice-A-Roni box with a pair of scissors. I cut the red & white tablecloth background off a Lipton Soup box and placed it on the lower half of a Rice-A-Roni size box, cut off the dark blue

Rice-A-Roni logo on white background, pasted it on the top of the box, and sent it back to Rossotti. They came back with a pretty good looking presentation. I then asked Paul DeDomenico who came to work at San Leandro in 1957, to interview the major advertising agencies in San Francisco and hire one of them to test the product and to present an advertising test campaign for a maximum \$50,000 cost. None of the big agencies would take the assignment except McCann Erickson. (The reason I needed a big, well-known agency was because Golden Grain and Rice-A-Roni would be a complete unknown in most of the country, so at least the advertising agency would be recognized).

McCann tasted the product, liked it, and said it should be called Rice-A-Role and prepared as a casserole dish. I rejected the idea. They improved the descriptive line to read "Rice, Vermicelli, Chicken Stock with Herbs". They suggested a radio and newspaper test campaign in Oregon and a television and newspaper campaign in Sacramento. I approved

campaign must have a jingle. The rest is history. The campaign in Oregon flopped and the Sacramento campaign was a resounding success. So the Rice-A-Roni jingle, the Cable Car, and the TV and newspaper campaign recommended by McCann was used with minor variations for the next 25 years. Rice-A-Roni was portrayed as a convenient tasty side dish with some variation as a main dish, and positioned as "a change from potatoes." We could never bring ourselves to say, "a change from pasta." We test marketed in 1958, 1959, and in 1960 we expanded over the West and into the major Eastern markets. Paul and Tom put together a good broker organization that blanketed the country and we appointed several of our men as Regional Sales Managers.

1959-1960 We used a novel approach to get the attention of the buyers. In most major markets, we would hire a bus and equip it as a traveling kitchen with a home economist to prepare Rice-A-Roni and serve it. Our brokers set up appointments at every chain and wholesaler. The buyers and half of the office staff would come out to the bus and sample our products, and everyone bought the product. In New York, we made one change. We chartered the Circle Line Boat which goes around Manhattan. Over 300 people attended, including most of the chain and independent buyers. They sampled, drank, and had a good time. Our New York offering was a success.

1960 ADVERTISING EXPENDITURES Our next problem was to get the product moving which we did with in-store sampling and stack displays with grocers' ads. Paul came up with a Square Footer wire rack which we could move around the store and use in medium size markets. The header card said, "Take a break from potatoes, serve Rice-A-Roni." In the big supers we would sell a 25 or 50 case stack display and buy back 10 cases at the retail price. Our salesman would stand in front of the checkout aisles and every time he saw a full basket of groceries coming through, he would give the lady a free sample. The 240

samples gave us the turns we needed at store level. The word of mouth advertising at this time was exceptional, Rice-A-Roni was new and flavorful and the women talked about it. Rice-A-Roni was retailed for 19 cents per package in those days.

1962 We started to get imitations and decided to buy national advertising on ABC TV. American Beauty was starting to sell Rice-A-Bongo and we Bongo'ed their marketing areas very hard. It was expensive and at year end I couldn't pay the advertising bill. I had purchased 2600 rating points over a 40 week period on ABC-TV. On top of that, I had the cost of wire racks, promotions, and samples. Paskey, Paul, Tom and I had a quick conference and decided we were selling the product too cheap to support national advertising. The next day we raised the price 90 cents per dozen which made Rice-A-Roni retail for 29 cents per package, still a good value. Within a few months our national advertising started working and our financial problems were solved. The jingle and the cable car bell was ringing in every home in the U.S. Our national advertising overlapped into Canada, so we immediately set up a Canadian broker and ultimately a contract packager.

1958-62 ADVERTISING EXPENDITURES When our 1958 advertising test on RAR was successful, we dropped our old agency, Merchandising Factors (Kelso Norman) and turned our total account over to McCann Erickson. Our total budgets in the early years were:

	<u>Total</u>	<u>Rice-A-Roni</u>
1958	198,000	60,000
1959	300,000	200,000
1960	550,000	460,000
1961	750,000	700,000
1962	1,500,000	1,400,000

We tackled the U.S. market by market until 1962 when we went on national TV. We had 66 brokers and 19 public warehouses east of the Rockies at this time.

The advertising formula was 13 weeks of TV at 100 RP and 3 B&W ads of 600 lines in newspaper. Our sustaining program was on 7 weeks, off 7 weeks. Shortly after going national, we added women's magazines to the program (skinnies).

COMPETITION

1962-1986 Minute Rice brought out several kinds of flavored rice, including wild, besides their successful white rice product. Over the years they faded out as a contender in flavored rice. Uncle Ben, who was strong with their converted rice, packaged a wild rice and did a great job with the product. We countered with a "me too" product but never developed any big volume. It always pays to be first. Uncle Ben struggled for years to market flavored rice with several different ideas and finally succeeded with Country Inn in 1984.

Lipton attacked the noodle and the rice mix business about the same time and achieved a very respectable share in both segments.

Near East and M.J.B. did a fair job with flavored rice in their respective markets.

Hamburger Helper dominated the noodle dinner segment for many years.

Kraft has been the leader in Macaroni & Cheese since the product was developed in the 30's. In recent years they have extended the line into Velveeta and Shells and also into other pasta, rice, and potatoes.

1961 We introduced Beef and Spanish Rice-A-Roni to the national market. All were successful introductions.

- 1962 Many other flavors of Rice-A-Roni were marketed in 1962, Chinese Style Fried, Long Grain & Wild, Cheese, Pilaf, Rissotto, Turkey, Herb & Butter, and even Rice Custard Pudding. Quaker Oats has added many additional flavors of Rice-A-Roni since their acquisition of Golden Grain. including Savory Classics.
- 1964 On a trip to Italy, Mildred and I enjoyed a noodle dish at Alfredo's Restaurant in Rome. He called it Noodles Alfredo - mainly cheese, butter, cream and thin noodles. I copied the recipe and the noodle and called it Noodle Roni Parmesano. We introduced three new items with a double spread F.S.I. nationally. The items were Noodle Roni, Scallop-A-Roni, and Twist-A-Roni. The first two had cheese flavor sauce mixes and Twist-A-Roni had a chicken flavor sauce mix. Scallop-A-Roni had a shell shaped pasta in it. The campaign failed because we did not put enough money behind these three products for a long enough period. We were still working hard to promote Rice-A-Roni. The products were excellent and Noodle Roni survives as a volume item today.
- 1965 GENERAL MILLS I'm sorry I helped the Big Hamburger get into the noodle dinner business. The manager of General Mills at Vallejo called me and said one of the Vice Presidents from Minneapolis wanted to visit our plant and talk to me. I had a soft spot for General Mills because they helped me in 1950, so I said OK. I showed him the San Leandro plant, and took him to lunch. He asked a lot of questions about Rice-A-Roni and Noodle-roni, which I answered truthfully. If I had known what they really had in mind, I would have done an "Oliver North"(lied).
I was even naive enough to tell him that in 20 years all pasta would be sold as convenience dinners and bulk pasta would be sold to restaurants only. After he left, I never heard from him again, and one year later we had Betty Crocker Noodles Romanoff and Noodles Stroganoff as competition in addition to Betty Crocker Rice Valenciana. The rice items died, but they did well with the noodle items and later on upgraded the line to Hamburger

Helper, Chicken Helper and Tuna Helper. There wasn't enough margin for them in noodle dinners because they had to stay competitive with Noodle Roni. In retrospect, they actually helped to build the market for noodle dinners.

1962 **BRIDGEVIEW** Measuring the success of Rice-A-Roni sales in terms of freight costs meant we needed another plant located in the most economical spot. Rice was cheaper in Arkansas, Durum and Semolina were cheaper in Minneapolis and Chicago. Our market of 150 million people lay along the Eastern seaboard. I chose Chicago as the hub of all rail and truck transportation in the U.S. The railroad was happy to have us and sold us a ten acre site in Bridgeview, Illinois for \$50,000. A new, modern plant, designed specifically for short cut pastas and noodles and packaging machinery for hi-speed dinner assembly was laid out. Machines which were time-tested and running at 120/minute in San Leandro were ordered and installed at Bridgeview with a line speed of 240 per minute. Presses to manufacture pasta at 4000 pounds per hour were ordered compared to 2000 pounds per hour presses in San Leandro.

The Bridgeview plant size grew from 100,000 square feet in 1962 to 400,000 square feet in 1982. We had a roof collapse in 1972 and one long strike in 1965 but the plant and location have been a tremendous asset to Golden Grain.

1964 **GHIRARDELLI** I heard that Ghirardelli Chocolate Company was up for bid. The Roth family who owned Matson S.S. Lines had purchased the whole block that housed the Ghirardelli Chocolate Company. Ghirardelli made excellent chocolate and at one time was the largest selling brand west of the Rockies. They stopped advertising, more competition in the form of Nestle, Hershey and Mars came, and their sales had dropped to \$2,000,000 per year. The plant covered a whole block, the equipment looked like it belonged in a museum. (Ghirardelli was started in 1852.)

Harvey Ghirardelli had a bid from Guittard which he did not like - they would buy the label and shut the plant down. I told Harvey I would give him \$100,000 for the brand, equipment and formulas plus the inventory at cost, subject to getting a reasonable lease from the Roth family and an O.K. from my two brothers. He liked the idea that the plant would be operated and his people kept employed. We shook hands on the deal. Paskey, Tom, and Benton Coit of Haskins & Sells walked thru the plant and the deal was closed.

The Roth family rented us half the block while they built the first half of Ghirardelli Square. When this was completed, Paul DeDomenico and I decided we should have a Ghirardelli Chocolate Shop in Ghirardelli Square. We presented the idea to Tom and Paskey and they did not want the Company involved in a retail operation. Paul and I said, "In that case, we will open a shop ourselves." This stopped the argument, Ghirardelli opened the store and it has been a tremendous success from that day on.

The concept of operating the old museum piece equipment to make chocolate has made Ghirardelli Square a "must see" for visitors to San Francisco.

I spent two years going to Ghirardelli plant in San Francisco three times per week to learn the chocolate business. By this time Ghirardelli Square was a resounding success and the Roth family said they would like to have us out in two years. Paskey, my wife, and I headed for Portugal, Spain, Italy, Switzerland, Germany, and Denmark to visit chocolate manufacturers and equipment manufacturers. We agreed on what appeared to be the best equipment and when I got back, I laid out a floor plan of the equipment and plant facilities and hired Douglas Judd Engineering to complete the engineering of the building and get it out for bid. We moved into our new Ghirardelli Chocolate plant with modern equipment in 1966. It was built in San Leandro next to our pasta plant so we could use common

shipping and receiving and office equipment and supervision, although we kept separate sales and cost records for financial purposes.

1966 Two gentlemen from R.J. Reynolds came in to see me, I don't recall their names but one of them went on to become President of Warner-Lambert Pharmaceutical. I entertained them and took them pheasant hunting on Fred Holme's ranch. Paskey and Tom came along and we all got well acquainted. R.J. Reynolds was diversifying out of the tobacco business. They had purchased Hawaiian Punch and Chungking Chinese Foods a year earlier. They arranged for the President of R.J. Reynolds, Mr. Grey, to come to San Leandro to meet us. He made us a handsome offer, 1 million shares of RJR stock worth \$37.00 per share. Paskey countered with 1.2 million shares and the deal never was consummated. We were earning about \$1,000,000 a year at that time, the offer was 37 times earnings!

1972 VANTAGE ADVERTISING McCann Erickson resigned our account because their biggest client, Del Monte, was going to package pasta dinners to compete with Hunt's Skillet Dinners. Charles Foll was our account executive so I hired him to start our in-house agency which he named Vantage Advertising - a play on words - Ad Vantage. The previous agency charged 15% commission and Charlie operated our agency for 6% of total advertising expenditures, so we saved 9% of our advertising budget - saving us over a million dollars per year at that time.

1973 VERNELL In 1973 Paskey called me up to Seattle to look at the Vernell Candy plant which was for sale. We were still bagging candies under our Golden Treat label so I said, "Why not?" They had one good item called Vernell's Mints but we found we could buy candy in the Bay Area cheaper than our cost at Vernell. We struggled with this until 1978 when Paskey had backed our competition Societe Candy Company into a corner with a proposal

saying, "The market isn't big enough for the two of us to operate profitably, either you buy us out or we'll buy you out." They elected to sell and we combined the Vernell plant into the Societe Candy plant which was located in Belleview, Washington. It was a good-looking, well-equipped plant, made a little money, and was sold by Quaker Oats in 1987 for about \$13,000,000.

1976 FOREMOST MCKESSON Neil Harlan sent the President, out to look us over. I gave him all the information he needed and he made an offer which I knew wouldn't sell after the RJR experience. An interesting thing happened, a Victor Posner from Florida was trying to buy control of Foremost at that time, and for about a week Neil Harlan was trying to put together a deal. We probably could have been a sizeable shareholder in Foremost McKesson.

1975 MICRODRY I had always been interested in a better way to dry pasta products and when I heard Microdry was for sale, I offered them \$300,000 for land, building and patents and they took it. For centuries, pasta had been dried with heat and air from the outside in. Meaning, the warm air dries the outside of the pasta while the moisture in the wet pasta is slowly migrating from the center of the pasta to the outside surface. When you dry pasta with microwaves, the microwaves agitate and heat the water molecules inside the pasta so they fight their way to the surface of the pasta where the hot air can readily pick it up. The inside temperature of the pasta will be about 200 degrees while you are drying the surface with 150 degree air. We designed a dryer that would dry 2000 lbs. per hour of short cut pasta or noodles in one hour compared to standard drying time of eight hours for the same shapes. We built about twenty of these dryers and about half of them are operating in our own plants. The big advantage of our microwave dryers is sanitation, size and drying time. It is built of stainless steel and the high temperature kills any infestation. They are 1/4th

the size of standard dryers and they dry pasta in one hour, which also make changing varieties of pasta more efficient; there is less downtime when you change dies.

1968 GHIRARDELLI Since acquiring Ghirardelli in 1964 and moving the plant to San Leandro in 1966, we hadn't be able to come up with any breakthroughs. Ground chocolate and bars were the best selling items and a compound chocolate chip they sold under the name of Flickettes. Flicks in a round tube also sold well. Gross sales of \$2,005,000 in 1963 gave us a loss of \$152,000. I improved the packaging on all items, appointed new brokers for bulk and candy distributors, and turned the grocery product items over to our own sales force. By 1966 I had developed a Dispenser-Rak to hold five varieties of chocolate bars and one slot for the Flick tubes. I also had a Dispenser Pak for easy restocking of the rack. These racks were positioned close to the checkout lanes and sold Ghirardelli Chocolate like gangbusters. However, it was hard to keep this key position in the markets and over a period of 2-3 years, we lost the spots to the gum racks.

By 1968, our sales had doubled to \$4.5 million and we were still losing money. After that period, I converted our Golden Treat Candy to the Ghirardelli label and both this line and Jells-Best gelatin was considered Ghirardelli revenue and were packed in the Ghirardelli plant. Some of the new products I tried were Flicks Instant Chocolate Drink, Flick's Chocolate Syrup in an aerosol can, Ghirardelli Chocolate Chip Cookie Mixes and Ghirardelli Chocolate with Marshmallows. All of these bombed out, but in recent years Swiss Miss has successfully marketed a chocolate drink with marshmallow bits. We introduced the Non-Pareil Chocolate Wafer and this has been a good steady item.

I finally hit a winner when I took Ghirardelli Milk Block, which was a 10 oz. bar with 10 squares molded into the top design, filled the mold half full of chocolate, chilled it and then discharged 10 chocolate squares. I wrapped the Ghirardelli mint squares in foil, packed

them 120 to a 4" X 7" display carton and test marketed them as a pure mint chocolate changemaker at 15 cents each, 2 for 25 cents. The sales were fantastic so we ordered equipment to manufacture and wrap them. About this time (1977), Dennis came to work for the Company and he took over the packaging and line extensions on this item and the rest of the line. Debbie came to work for Ghirardelli in late '77 after a two year stint working in the Sales Department at Seattle. Debbie did a good job as salesmanager at Ghirardelli, but it was tough going. Claudia also went to work at Ghirardelli in 1981 after a brief stint at Vantage Advertising. Ghirardelli lost money until 1970, after that it became profitable and in the 80's earned up to \$2MM per year. Our big money maker for Ghirardelli Chocolate was still the Chocolate Shops in Ghirardelli Square. Sales and profits increased each year and in 1985, Chocolate Shop sales were over \$3.6 million with profits of \$800,000. The Gelato Shop, started by Dennis and Claudia, was also moderately profitable. Tom became heavily involved at Ghirardelli because his family was all working there and I stayed out of all but major decisions after 1977. A couple of new ideas they wanted to try which I reluctantly approved was Choc-O-Bread, which was tested in Phoenix, Arizona and dropped, and a chocolate liqueur which never moved in any volume. It had good flavor but Bailey's Irish Cream had just taken over the liqueur market. Debbie developed a mail-order book for Ghirardelli products but after two years of testing it didn't look like it would pay off. Her idea of selling Ghirardelli products to other mail order companies was the best approach. We were doing \$20MM sales in 1980 and \$32MM in 1985, with about \$1MM profit per year which I thought was very good progress in a tough commodity.

Speaking of failures, I have a folder full of them: Never Stik Pasta, Cook-in Broth Pasta, Tiny Roni, Spaghetti Loops and many others. But don't laugh at them, sometimes it's only a matter of timing. Remember, the right product at the right time.

POPCORN One failure that is missing and I'm still proud of it was popcorn. A small national marketer of popcorn was for sale in Kansas City. Carlo and I looked at the plant and tried to interest the Board of Directors in buying it. After all, we had been selling cello bagged popcorn for over 30 years and sold about 10 carloads per year. Orville Redenbacher, owned by Hunt Foods, was successfully marketing a premium popcorn in a glass jar and making good money at it and using a corny character like Orville Redenbacher to promote it. I decided we could sell flavored popcorn, just as we had sold flavored rice - a pouch of flavoring plus popcorn in a box called Pop'n Flavor. It would be in four flavors: nacho, parmesano, butter flavor, and sour cream and onions. We prepared the product and the advertising and launched our test just as Orville Redenbacher launched his Microwave Popcorn which was plain popcorn in the expandable bag. Our test failed and Orville popped his way to success. I tried to buy the same packaging material as Orville but he had the suppliers tied up for 2 years. Today, Orville markets 9 flavors of microwave popcorn. Another good idea gone up in smoke.

1983 GOLDEN GRAIN PASTA Over the years, most of our competition in the pasta business had disappeared. The survivors were Merlino Macaroni in Seattle, owned by Rank, Hovis, McDougal and Fresno Macaroni Company (Perfection, American Beauty), now owned by Hershey Foods. It was a good time to tackle the Southern California market with two major competitors, Western-Globe and Anthony Macaroni plus a few smaller companies.

I went to Phoenix, Arizona to study the Semolina quality and purchasing. Westbred 881 was excellent quality, good color and protein, and the Company that owned the seed told me they would plant all I wanted and work on a commission of 15 cents per cwt. over the farm price. I selected Yuma as the plant site because cheap Mexican labor was available a few miles away, skilled American labor was available at the Yuma Air Base and on the farms, and Yuma would be central to the Arizona Durum growing area and to the Durum

area in California's Imperial Valley. Desert Durum was cheap compared to North Dakota Durum and most of it was being shipped to Barilla in Italy. We needed a combination Semolina mill and pasta plant with its own distribution warehouse to make the plan work. I commissioned Fred Nance Engineering (who did the Bridgeview plant) to lay it out and give cost estimates. I presented the idea to the Board of Directors and Mark requested a study be made (a delaying action). I commissioned Stanford Research Institute to make a study and they said the Yuma or Salt Lake location would be the most economical plant site. I later learned that a supplier in Salt Lake had given erroneous prices on shipping cases which would take that location out of consideration. I pressed the Board for a decision and I was outvoted by Tom, Paskey, and Mark. During this time, I had been negotiating with Anthony Macaroni and Western Globe hoping to buy one of them as a nucleus for our Southern California market position. We were already doing an excellent business with all the chains and independents with our Rice-A-Roni and Noodle Roni dinners. We didn't do much pasta business because we refused to pay \$1,000 to \$2,500 per store to gain distribution for our pasta products. The Yuma plan died. Mark had his own reasons for killing the idea. He told me if I would give him control of Eastern Sales (Tom's bailiwick) and let him run the Seattle operation his way, he would vote for the project. I told him to stuff it.

1984-86 - After two years of negotiating and a trip to Japan, Nisshin Flour Milling and Golden Grain had signed an agreement to test their P.S.P. (pre-cooked spaghetti) in the U.S. and if it was successful we would form a joint venture and produce the P.S.P. at our Manteca plant and Golden Grain would have exclusive distribution rights. We tested in Portland, Phoenix and Northern California. The products sold off the shelves but the turnover was not fast enough to stay in the stores. We positioned it as a "Heat and Serve Spaghetti Dinner." It should have been positioned as a light lunch or a microwave dinner (the dry sauce mix was in the packet). During the 70's and 80's, we tried to market Stir & Serve

Pasta Dinners (add 1 pound of hamburger) and Rice-A-Roni Stuffing Mix. These were "copy cat" products and didn't develop much volume.

1985 - Time was going by, Creamettes (Borden) had built a new plant in Phoenix next to a new ConAgra Flour and Semolina mill. Within the next two years, John Westerberg (Borden) bought the Western Globe and Anthony Macaroni plants and moved them into his Phoenix plant! He must have been reading my mail.

We were running out of pasta production at our San Leandro and Seattle plants, so I ordered one long good line and one short cut line (Microdry) for San Leandro, and one long goods line for Bridgeview. We made an excellent buy, but the Company was sold before the equipment arrived. The plan was to market Golden Grain pasta in the Midwest and the Southwest.

MICROWAVE/MICRODRY We needed a low cost, fast cooking rice product like Riviana's P-100 for a new Microwave Rice-A-Roni and for a product I could use to compete with General Food's Minute Rice. We rented some equipment to test the process I had in mind. Cathy Dunlap reported that the finished product was better than Minute or Uncle Ben's. Microdry designed and built the rice cooker which was destined to be mounted over a spare macaroni dryer in Bridgeview. However, Quaker Oats scuttled the project and it was never installed. We started to market Microwave Rice-A-Roni in early 1986 using P-100 rice when Quaker bought the Company. I think it could have succeeded.

1985-1986 - I see the handwriting on the wall. Disagreements between family members regarding the direction the company should take become more common. We are becoming leaderless because no one group has voting control of the stock. I remember the lesson of La Rosa Macaroni Company. From 1932 to 1962 under the leadership of three brothers, Steven, Vincent, and Peter, the company grew to be the largest pasta manufacturers in the United States. LaRosa was well advertised and sold more branded pasta than Mueller and Ronzoni combined. When the last of the three brothers died in 1962, the business was run by a committee composed of the male heirs of Steve, Vincent, and Peter who all held positions in the Company. No one had majority control, so they spent their time arguing about everything. In twenty years, this fine company went down the drain. Their last plant at Hatboro was bought at auction by Gooch in 1982.

I first tried to merge with Mars, Inc. March 1985. At a meeting with Forest Mars, Sr., at his Las Vegas candy plant, he flatly told me he did not like partners. (Mars is also a family-run organization.) Instead, they offered me \$180 million (a chunk of this would be in royalties so they would not have to capitalize it) for Rice-A-Roni and our Bridgeview plant. It was a good offer but I did not want to sell our crown jewels and be stuck with the rest of the business.

Later on, I talked with General Foods, H.J. Heinz, and Andre Baladi representing Sandoz, Inc. In 1986 I met several times with O'Reilly and Sculley of Heinz; Bruno Stalder and Dr. Max Link of Sandoz; Charles McGill of Pillsbury; Verinder Syal and Terry Westbrook of Quaker Oats; Cal Hatch and Chick Weaver of Clorox; Mickey Skinner, Fred Zimmerman and Ken Wolfe of Hershey Foods; and Ro Ventres and Gene Sullivan of Borden Foods, all of whom visited our San Leandro and Bridgeview plants. In June 1986 I asked for bids for

all the capital stock of Golden Grain Macaroni Company. Quaker Oats was the top bidder at 275 million dollars and our shareholders accepted the offer. Total sales for all divisions of the company was \$250,000,000 in 1985.

1985 PERSONAL I am now 72 years old but don't feel it. I have worked hard and played hard all my life. I have a happy married life with Mildred Kerr and we have four children, Michael, Vicki, Marla and Vincent, Jr., in that order. I also have a son Steven by my first wife, Helen Harrison, now deceased. Mildred and I have lovely homes in Hillsborough, in Hawaii, at Lake Tahoe, and a cattle ranch 25 miles North and East of Stockton, where I love to relax and raise horses, cattle, grapes, almonds, walnuts, and alfalfa hay.

I was honored as Pasta Man of the Year in 1986, the first in the history of the National Pasta Association. I was awarded the Gold Medal for Meritorious Service in Paris in 1988 for La Chaine des Rotisseurs, the world's largest gourmet society. I have been Vice President of the U.S.A. chapters for 14 years. From August 1986 to August 1989 I have acted as Chairman of Golden Grain Company (an honorary title) and as a consultant.

In 1987 I purchased the controlling shares of Napa Valley Wine Train and this should keep me busy for a while.

FAMILY MEMBERS

1985

PASKEY'S SONS:

Paul started with the Company in 1956 and handled Eastern sales until he left to buy the Hawaiian Holiday Macadamia Nut company in 1976. Paul was also President of Ghirardelli Chocolate.

Mark started in 1971 at Seattle and by 1980, when we acquired Societe, her was taking charge of the Northwest operations and was a Vice President of Golden Grain Macaroni Company.

VINCENT'S CHILDREN:

Vicki and her husband, Greg McManus, started in 1977 and worked in Quality Control and Engineering at San Leandro for three years. They then moved to Chicago to help with the Bridgeview plant expansion for three more years, then to Seattle for two years to help with candy and pasta expansion there. They returned to San Leandro to engineer the Yum plan.

Vince, Jr. started in 1978 and worked in the chocolate plant for two years. He left because of a management conflict.

VINCENT'S SISTER:

Kay Reichert started in 1965 with "Pasta With a Flair" and did a find job with it for 20 years.

TOM'S CHILDREN:

Dennis started with the company in 1977 as President and Manager of Ghirardelli Chocolate. Later he became Secretary-Treasurer of Golden Grain Macaroni Company.

Donna started in 1976 in Seattle as Purchasing Director.

Debbie started in 1975 in Seattle Sales Department. (She had previous experience with General Foods). She moved to Ghirardelli Chocolate in 1977 as Sales Manager.

Claudia worked at Vantage in 1981 as a receptionist and then went to Ghirardelli Chocolate.

FOUR BROTHERS:

Paskey - Chairman of the Board
Vincent - President
Tom - Vice President
Anthony - Purchasing Department

I believe all family members did a good job in their respective areas of responsibility. However, the five officers were already disagreeing about what was best for the Company and I could picture ten cousins trying to run the Company.

DEDICATED EMPLOYEES

In addition to our family members, we had many employees who were dedicated and responsible for our success. I have listed some of them, but there are many more.

Jack Ziegler - R&D and Purchasing

Cathy Dunlap - R&D

Charlie Foll - Vantage Advertising

Guido Merlino - Former President - Mission Macaroni

Al Favro - Seattle Plant Manager

Frank Viola - San Leandro Plant Manager

Carlo Varesco - Bridgeview Plant Manager

Dominic Forte - National Sales Manager

Wm. Hoelsken Company and son, Bill Jr.,
Food Broker for 54 years with Golden Grain

Cliff Mustain Company - Represented Golden Grain
from San Mateo to Santa Barbara since 1946.

Susan Ten Eyck - R&D

Greg McManus - Vice President, Engineering

Frank Smith - President, Microdry

Plus many other employees in the Sales Department and office personnel.

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GOLDEN GRAIN MACARONI COMPANY

(000) OMITTED

YEAR	TOTAL CORPORATE		SAN LEANDRO PLANT*		GHIRARDELLI PLANT		GHIRARDELLI CHOCOLATE SHOP		SEATTLE		VERNELL	
	TOTAL SALES	TOTAL PROFITS	TOTAL SALES	TOTAL PROFIT	TOTAL SALES	TOTAL PROFIT	TOTAL SALES	TOTAL PROFIT	TOTAL SALES	TOTAL PROFIT	TOTAL SALES	TOTAL PROFIT
1938	240	(2.4)										
1939	222	0.0										
1940	225	2.9										
1941	300	11.6										
1942	374	(0.3)	328	3.2	FIRE LATE AUGUST BRYANT ST. PLANT				46	(3.5)		
1943	728	15.6	455	18.2	SEATTLE PLANT SHIPPING TO S.F. WHSE				273	(2.6)		
1944	756	12.0	514		SAN FRANCISCO PLANT OPENS				242			
1945	1,294	29.0	791						503			
1946	1,675	41.0	1,023						652			
1947	2,034	11.0	1,488	17.9					546	(6.9)		
1948	2,234	86.0	1,696	88					538	(2.0)		
1949	1,882	25.0	1,554	52					328	(27.0)		
1950	2,032	49.0	1,761	70.6	SAN LEANDRO PLANT OPENS-1951				271	(21.6)		
1951	2,664	46.0	2,331	61.3	HIRED HASKIN & SELLS, C.P.A.				333	(15.3)		
1952	3,256	59.0	2,846	83.1					410	(24.1)		
1953	3,870	44.0	3,456	103.3					414	(59.3)		
1954	4,282	32.0	3,824	124					458	(92.0)		
1955	4,725	32.0	4,266	25					459	7.0		
1956	5,711	141.0	5,039	244	BOUGHT FAVRO MAC-SEATTLE				672	(103.0)		
1957	9,094	345.0	6,541	290	BOUGHT MISSION MACARONI-SEATTLE				2,553	55		
1958	9,877	423.0	7,448	403					2,429	20		
1959	9,944	310.0	7,647	310	STARTED RICE-A-RONI				2,297	0		
1960	11,201	511.0										MAJOR ITALIAN FOODS STARTS UP IN SEATTLE

YEAR	TOTAL CORPORATE		SAN LEANDRO PLANT*		GHIRARDELLI PLANT		GHIRARDELLI CHOCOLATE SHOP		SEATTLE		VERNELL	
	TOTAL SALES	TOTAL PROFITS	TOTAL SALES	TOTAL PROFIT	TOTAL SALES	TOTAL PROFIT	TOTAL SALES	TOTAL PROFIT	TOTAL SALES	TOTAL PROFIT	TOTAL SALES	TOTAL PROFIT
1961	12,279	342	9,478	305.4					2,801	36.6		
1962	16,848	741										
1963	22,727	371			2027	(153)	ACQUIRED GHIRARDELLI MARCH 1				ACQUIRED 51% OF MAJOR ITALIAN FOOD-SEATTLE	
1964	24,134	1,616			2775	(39)						
1965	25,629	1,988			2515	(129.6)			4,514	528.3		
1966	26,685	1,212	19,406	1026	2765	(342)	INCLUDES LIFO INVENTORY RESERVE		5,657	(403)		
1967	27,859	1,511	22,202	2383	2658	(485)	230	15.8				
1968	MISSING F.T.C. CHARGES MONOPOLY				4103	(350)						
1969	33,582	645	27,887.2	150					5,196.8	431.6		
1970	37,217	790										
1971	41,348	890			COURT OF APPEALS 1972-DIVEST PORTER SCARPELLI & MAJOR ITALIAN FOODS							
1972	44,494	2,308	35,340	2,049.8	DIVEST - F.T.C. ORDER APPEALED					288.0		
1973	57,444	2,000	43,498.7	1,062.6	5,965	131			7,980.3	806.4		
					BOUGHT VERNELLS FOR 1,245,000							
1974	74,250	2,039	52,919	295	9,638	727			11,693	1016.9	EXHAUSTED ALL APPEALS AND SOLD MAJORETTE & PORTER	
1975	82,218	7,858	60,035	5,313		1,293			13,100	1252.0		
1976	87,466	4,005			10,401	1,041	INCLUDED					
1977	96,471	3,835			10,323	424	INCLUDED					
1978	113,178	8,956	73,165		12,898	(406)	1,904	352	15,211			
					BRIDGEVIEW ROOF RECOVERY 975,000							
1979	141,624	9,555	87,224		16,339	2,233	2,143	444	22,251	1,045	13,668	
1980	165,188	13,621	101,728	9,123	17,761	1,339			27,627	2,098	17,658	1,061
1981	192,212	10,699	120,482	8,884	19,118	2,337			27,210	384	25,050	(906) INCLUDES SOCIETE CANDY
1982	198,370	16,655	119,017	11,682	21,385	3,062	2,719		27,340	911	27,909	1,000
1983	216,103	12,500	131,256	9,563	24,813	1,093	2,738	546	27,886	696	29,265	634
1984	246,029	12,339	152,603	11,359	27,011	46	2,807	519	29,347	359	35,261	58
*1985	249,168	21,159	153,163	17,427	28,669	(83)	3,602	807	29,299	1,903	34,429	1,105

* 20 MILLION RESERVED FOR NEW PLANT
 * INCLUDES MICRODRY

I GOLDEN GRAIN COMPANY AND THE PASTA INDUSTRY

Paskey DeDomenico

[Interview 1: 26 July 1989]###¹

V.M. DeDomenico: I don't know if I can tell you too much about his last days in business. Paskey was about five or six years older than myself, so naturally we traveled in a little different circles. You know how people are, they travel with people more their own age.

Teiser: As little boys were you together much?

V.M. DeDomenico: No, there was too big a spread in the ages.

Teiser: Was he the leader among you boys, being the eldest?

V.M. DeDomenico: Oh, yes. That's traditionally done in Italian families; the oldest son is usually the brilliant one.

Teiser: Did he boss you around?

V.M. DeDomenico: No, not much. But he was a very strong character and always made his points, or his statements, very positively.

Teiser: He started working in 1928, I think.

V.M. DeDomenico: I started in '33, right out of high school.

¹This symbol (###) indicates that a tape or segment of a tape has begun or ended. For a guide to the tapes, see page 351.

- Teiser: I suppose you remember him better from that time.
- V.M. DeDomenico: Yes.
- Teiser: What sort of position did he take with regard to you and your brothers?
- V.M. DeDomenico: At the time I came to work for the company, he was really more or less in charge. My father was the owner and my uncle was a large shareholder, and they were really the bosses; but he sort of took the initiative and ran the company at that time.
- Teiser: He was pretty young.
- V.M. DeDomenico: Yes. Let's see, I graduated when I was eighteen; he would have been about twenty-three years old when I came with the company.
- Teiser: Had he had any interests besides what boys generally do?
- V.M. DeDomenico: He was interested in aviation, for one thing. He was never afraid of work. He worked along with anybody and he always did his part; he didn't shirk anything.
- Jacobson: Was he out there nailing wooden boxes together like you and your brother Tom did when you started working?
- V.M. DeDomenico: No. I just don't remember how he started. I remember how I started and how Tom started, because we were closer together. But I don't know how he started. I know when we were all young my father used to take us all down to the factory every other week. In other words, one partner, or one shareholder, would go in one week, and my father would go in another week. It was just to do a simple chore, but it had to be done every week, which was to loosen the macaroni that was in the trays.

They would make macaroni, say, on Saturday. The trays they used in those days were almost six inches deep and the pasta was kind of on the damp side. During the night, with the air going through them, they would all get stuck together. We would loosen the pasta; we called it shuffling. If you didn't do that, it would get very, very hard and all stuck together, and it wouldn't dry properly. Every other week, that was one of our chores on Sunday, from about ten o'clock to twelve o'clock. Paskey was involved in that when I was young, and later on he "graduated" from that job.

- Teiser: Your father must have known how to organize his boys.
- V.M. DeDomenico: Well, he was a pretty strict disciplinarian.
- Teiser: What would you say was Paskey's strongest, most valuable quality?
- V.M. DeDomenico: He was always looking for something new, a new idea.
- Teiser: He was not in a business in which there was much innovation. It must have taken quite a bit of imagination.
- V.M. DeDomenico: Oh, there was innovation of sorts. There were new shapes, new products, new types of machinery to consider and work on.
- Teiser: Was he adventurous about spending money on new types of machinery, promotion of new products, and so forth?
- V.M. DeDomenico: No, I'd say he was rather conservative. He wouldn't throw money away.
- Teiser: Of the three of you who were later the main people in the company, which was the least conservative?
- V.M. DeDomenico: I guess none of us. None of us were born with a silver spoon in our mouth. We've always had to work for our living.
- Teiser: I gather from Dennis, however, that you were--and still are--imaginative about new techniques.
- V.M. DeDomenico: Yes, always looking for new ideas and new ways to do things.

The Move To Seattle. 1941

- Teiser: Paskey, then, just stayed here in San Francisco until the fire, when he went to Seattle?
- V.M. DeDomenico: That's right, 1941.
- Teiser: That left San Francisco without a general manager.

V.M. DeDomenico: Well, I took his place.

Teiser: Was that inevitable, as a second son?

V.M. DeDomenico: There was no one else left. Tom had to go into the army. Actually, Tommy went to Seattle to help Paskey start the pasta operation up there. But shortly after, he was drafted into the army. My other brother, Victor, was here in San Francisco with me. But from the business side, I usually took care of things. Victor had certain little idiosyncrasies. You've interviewed him?

Teiser: Yes, I have. Not very extensively, but as much as he would say.

How did it happen that you weren't reluctant to let Paskey stay in the Northwest? I assume that at first it was just considered temporary.

V.M. DeDomenico: No, it was never temporary.

Teiser: It wasn't? When he went he intended to stay?

V.M. DeDomenico: No. [laughs] I'll have to tell you this one. When we went up there we both looked at the plant, and I told Paskey, "You know, this is a nice plant, but I've been born and raised in San Francisco. All my friends are there and I don't want to leave San Francisco. If we buy this plant, I'm not going to come up here and run it." At that time he said, "Well, don't worry about it. I will run this plant up here, and you don't have to worry about having to leave San Francisco." That's the statement he made, and he stuck with it all those years.

Teiser: So when he went into it, it was agreed it would be permanent?

V.M. DeDomenico: It was agreed upon at that time.

Teiser: How did it happen that he didn't mind leaving San Francisco?

V.M. DeDomenico: I don't know. He liked the Northwest, from the hunting and fishing aspect, I guess. His wife and family all liked it up there; they enjoyed it. It wasn't a hardship for them. For me, I just think California's the greatest, you know. And weather-wise, I don't know how they stand it up there.

Teiser: At first he was simply supplying northern California?

V.M. DeDomenico: That's right.

Teiser: Then you decided to rebuild here?

V.M. DeDomenico: As I wrote in my pamphlet, the supply started to shrink. I couldn't get enough pasta from up there, so I had to make another move, which was to start a plant back in San Francisco.

Teiser: Was there a possibility that you might not have been supplied by the Northwest?

V.M. DeDomenico: I didn't think about that at the time. I guess the logical way to operate was the way it actually happened. In the long range, we should have developed a market up there. But my first concern was supplying our customers in northern California, because if we didn't we would lose them all.

Teiser: None of you, apparently, had any idea that you weren't just going to go on growing and getting stronger all the time. Was that your premise?

V.M. DeDomenico: It wasn't a planned operation, I'll say that. It happened.

Teiser: But I suppose that was your attitude, to make it happen. As the years went on, did the Northwest become somewhat independent, separate, from California?

V.M. DeDomenico: They were always independent. If you know Paskey, they were independent. They never took directions from this office. He ran it; he was the boss.

Teiser: But he was also partly a boss down here?

V.M. DeDomenico: True. He advised us, gave us his opinions.

Teiser: If he had opposed something, would you have done it?

V.M. DeDomenico: If he had opposed something? No, no. We usually agreed.

Teiser: What a remarkable combination you had, the three of you. Is there any way that you can account for it?

V.M. DeDomenico: Same blood.

Decision to Sell the Company

- Teiser: When the idea of the company being for sale came up, whose idea was it initially? Or did you all three just fall into it.
- V.M. DeDomenico: It was mine.
- Teiser: What did Paskey say?
- V.M. DeDomenico: He went along with it. He wasn't for it, but he went along with it.
- Teiser: Did the three of you ever consult the next generation about it?
- V.M. DeDomenico: Not consult. I heard opinions from several of them. Some were for it, and some were against it.
- Teiser: I gather that if any members of the next generation had been very strongly interested in running the company and had done well, you might not have sold it.
- V.M. DeDomenico: I think we had a couple of strong members in the next generation, and intelligent members. But the way the financial setup was, all of us had our major financial assets tied up in the company. I didn't think it was a good idea to let somebody else decide what to do with other people's money.
- Teiser: So you were given responsibility for contacting possible buyers?
- V.M. DeDomenico: Yes, I did that.
- Teiser: How did you start? How did you know who to contact?
- V.M. DeDomenico: Over the years we've had many people come in to see us. Every year there would be one or two or three people who would come in and indicate interest. I always listened to them and told them we were not for sale. But when things seemed to start to deteriorate and there was some friction in the family discussions about the direction of the company and all, I figured it was time to sell the company.

See, as long as the three brothers ran the company, we had a lot of fun. We wouldn't always agree on the same thing, but at least if two of us would agree on something, that's the way the company would go. But when you start getting another generation involved it becomes tougher to operate that way.

- Teiser: Was some of the friction due to plans for expansion into other geographical areas?
- V.M. DeDomenico: Some of it was, yes.
- Teiser: Were there any other points of conflict?
- V.M. DeDomenico: No, it was mainly about the direction the company should take.
- Teiser: Which would be expansion?
- V.M. DeDomenico: Expansion, sure.
- Teiser: When you started to contact the prospective buyers, did you go to those who had expressed an interest?
- V.M. DeDomenico: Yes, I contacted companies that in the past five years had dropped in and indicated an interest. I contacted them first.
- Teiser: About how many were there?
- V.M. DeDomenico: Oh, I contacted about ten different people.
- Teiser: When the decision had to be made--whose offer to accept--did all three of you get together on it?
- V.M. DeDomenico: Yes, the three major shareholders decided.
- Teiser: I gather from Dennis that prospective buyers came here.
- V.M. DeDomenico: Yes. Out of the ten it finally came down to either four or five bidders, and they actually came here and submitted their bids and waited for the board to give the decision. We had a board meeting at that time and evaluated the offers, and selected the one that we thought was best.
- Teiser: You did it that quickly.
- V.M. DeDomenico: That's right.

- Teiser: You had to have a lot of decisiveness.
- V.M. DeDomenico: Well, you know, when you operate a family-owned company you can do those things.
- Teiser: You must have been surprised at how this small company had grown by the time you sold it.
- V.M. DeDomenico: I wasn't surprised.
- Teiser: You'd seen it all the time?
- V.M. DeDomenico: Every part of it.

Northwest Market and Acquisitions

- Teiser: To go back to the Seattle and Northwest market: did that market differ very much from California's?
- V.M. DeDomenico: The pasta market would be the same, except I think the consumption of pasta was probably a little bit greater in California than in the Northwest area due to the population mix.
- Teiser: Did the Northwest accept new products as readily as California did?
- V.M. DeDomenico: Yes, I think so.
- Teiser: Was the competition similar?
- V.M. DeDomenico: The competition in the Northwest was tougher. There were two brands up there. One of them was the Favro family, and they had a very strong connection with Safeway Stores, who was a major account. And the Merlino family owned the Mission Macaroni Company. They were very strong marketers and they ran a pretty tight ship. They sold their products very cheap, but they still somehow came out. But after we bought them we found out that all they did was make a living. In other words, their financial statements showed that in order to keep us from expanding our operation up there, they were selling their products at a very, very low mark-up. They paid themselves a salary, and that was about it.

Teiser: When you bought them it was on the basis of having heard that the owners were disagreeing?

V.M. DeDomenico: Yes, they were already disagreeing.

Teiser: When you bought companies, did you simply take an opportunity that presented itself; or were you working according to some general plan or principle?

V.M. DeDomenico: I think Paskey was attempting to buy companies that would reinforce his market position. In one case, he actually talked the Favro brothers into selling to us. In the second case, he had probably been talking to Mr. Guido Merlino along that line. But they didn't want to sell, until they started to fight amongst each other. Then they decided to get out of the business.

Teiser: You had no premonition of any anti-trust problems, did you?

V.M. DeDomenico: No, not at that time.

National and Local Macaroni Manufacturers' Associations

Teiser: Back in the thirties, I think, there was an industry agreement here, wasn't there, on standards or something of the sort.

V.M. DeDomenico: That's a national macaroni standard. It's called the Standards of Identity for Pasta Products. That was promulgated by the federal government at the insistence of the National Macaroni Manufacturers Association. They were trying to establish quality standards for the pasta industry, which was a good move.

Teiser: Was there a local association here in the thirties?

V.M. DeDomenico: In San Francisco there was a pasta makers' association. I don't know too much about it, because that was before my time in the company.

Teiser: It didn't last?

V.M. DeDomenico: By the time I came into the company in 1933, there was no association. So somewhere during the Depression it disappeared. The funny part of it is that the president

of the association was also the president of the union, if you can believe that one. [laughter] It was Mr. Antonio Bertucci of the Pompeii Macaroni company. That's the kind of association they had.

Unions and the Great Depression

Teiser: Speaking of the unions, you mentioned that during one period you had trouble and advertised for employees for \$2.25 an hour.

V.M. DeDomenico: We had to advertise for help because our union went on strike. Actually, this was when Paskey was running the company. During the Depression prices got so low that he wanted to reduce wages, and when he did that the union went on strike. At that time we just replaced people.

Teiser: Was there public objection to such a low wage being offered?

V.M. DeDomenico: Actually, a low wage was not offered. It was a reduction from what they earned before. I mean, I think the offer to the union was \$4.00 an hour, compared to the \$5.00 an hour they used to make.

Teiser: I mean when you advertised for people to begin at \$2.25 an hour.

V.M. DeDomenico: That was the minimum wage at that time.

Teiser: And did you get employees?

V.M. DeDomenico: Yes, plenty of employees at that time because people were all out of work. In Depression days there was about 15 or 20 percent unemployment.

Efforts to Increase Market Share in the Northwest

Teiser: Back to the question of acquisitions: you've said that they were made in the Northwest to broaden operations. Were they ever made simply to overcome competition?

- V.M. DeDomenico: I think the first two acquisitions were to establish a market share and make Golden Grain in Seattle a profitable company. The one that Paskey made of the Oregon Macaroni Company didn't make much sense. It was a very small company.
- Jacobson: Were some of those acquisitions ones in which Paskey was looking for something new?
- V.M. DeDomenico: No, mainly to increase the market and make the operation profitable.
- Teiser: Did you ever have a choice of increasing your market share by lowering prices, or greater promotion, or working harder at it, rather than buying?
- V.M. DeDomenico: Well, that was just part of the normal, everyday business; you always do that. Not the lowering prices part; you try to raise prices. But you always try to promote your products, either with special pricing or special deals or advertising.
- Teiser: You praised one salesman who said, "Never lower prices," and who never believed in lowering prices.
- V.M. DeDomenico: That's right.
- Teiser: Did some companies give preferential price treatment to retailers?
- V.M. DeDomenico: Yes, that was very common in those days.
- Teiser: How did you combat that?
- V.M. DeDomenico: We didn't. Whatever we did for one customer, we did for everybody.

Entering the Candy and Bean Businesses

- Teiser: How did you happen to go into the candy business?
- V.M. DeDomenico: That, again, was a competitive answer. Budget Pak started to come in to northern California from Los Angeles. They were selling pasta--

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Dedomenico: Budget Pak also had an attractive line of candies, and so in order to be able to offer our customers the same products as our competition, we developed a new line that we called Golden Treat Candies. We were able to keep them from taking some of our customers, so it was a competitive answer.

Teiser: The acquisition of the bean company was not quite for that same reason?

V.M. DeDomenico: No, we didn't acquire any bean companies. We just started packaging beans because, again, another competitor in the bean business started packaging macaroni. It was the same type of competitive answer.

Teiser: Didn't you buy into Manteca Bean?

V.M. DeDomenico: No, I started up Manteca Bean. All it became was a cleaning and packaging source for Golden Grain. Instead of doing it here at the plant, I did it in Manteca.

Fires in the Pasta Industry

Teiser: This is not related to what we have been talking about, but we wondered how it happened that fires were so frequent. Were they frequent throughout the pasta business?

V.M. DeDomenico: Yes, at that time they were. Most pasta plants were in wooden buildings. But where do you get the frequency? How many fires are you referring to?

Teiser: Well, you had, I think, two.

Jacobson: Your competitors had some, too.

V.M. DeDomenico: Oh, yes. Yes, it was frequent in the pasta business because they had these wooden buildings, and the dry rooms were built of wood. I'm going back into the thirties, now, and up to the forties. They had these big motors at the end of every dry room, and they ran twenty-four hours a day. I mean, they never stopped. If somebody either didn't lubricate them or there was an electrical problem, that could start a fire. And even pasta will burn. It's a wheat product, but when the

wooden walls start burning, and the trucks that hold the pasta burn--everything will burn. It usually happened at night, with nobody around. If it happened in the daytime, you'd smell it and put it out. But at nighttime nobody is there, and it has burned down entire plants! It was common in the pasta industry, I'd say, up until these new type dryers came out in the late forties.

- Jacobson: Did you install sprinkler systems or anything?
- V.M. DeDomenico: No. We didn't have any sprinklers in our buildings. Today, if you build a new plant you have to have sprinklers.
- Teiser: Your present plant here is--
- V.M. DeDomenico: This is all sprinklered. But, again, we have modern dryers, too. Usually if you have a fire in the dryer, it's confined to that dryer. And even the dryers have sprinklers. [laughs]
- Jacobson: When you went up to Seattle to start that operation, did you think about safety features, after the fire here in San Francisco?
- V.M. DeDomenico: No, we just took the building as it was, and that building was not sprinklered either. I think it's probably only been since the forties or fifties that they started requiring sprinklers.
- Teiser: It seems like such a simple device to have waited so long for.
- V.M. DeDomenico: But it was costly. That's why people didn't install it. All that plumbing.
- Teiser: Since there's a low profit margin on pasta, I suppose there were a lot of under-financed companies.
- V.M. DeDomenico: A lot of them were just sort of family companies that were making pasta but actually were just making a living from it, not making a lot of money.
- Teiser: I believe you said there were twenty-two northern California pasta manufacturers.
- V.M. DeDomenico: There were.
- Teiser: How many are there now?

V.M. DeDomenico: Now in northern California there are three. There's one in Fresno, one here in Oakland, and Golden Grain. So there are three of any size. There are some of these little fresh pasta kitchens or fresh pasta makers, but they're a different breed.

Cellophane Packaging

Teiser: When you started packaging in cellophane, did consumers take to it immediately?

V.M. DeDomenico: Yes. But my brother started that during the Depression, and people were very price-conscious. So it was a little slow start, because naturally, to buy it in the cellophane package they paid a little bit more money than buying it out of a bulk case. We used to have these wooden cases that held twenty-five or fifty pounds, and in many stores they would be displayed all open. The consumer would go with a scoop and scoop up what they wanted, put it into a bag on a scale--you know, self-help in those days. And they could buy it for less money.

Teiser: Did you get an increased mark-up on the cellophane packaging?

V.M. DeDomenico: Yes, we did. And, actually, I think we developed a new market, what I call the American trade. The ones who were buying the bulk pasta were the Italians, the Latinos. But when we started packing in cellophane and displaying it where people could see it and pick up a package, I think we developed a bigger market, a wider market. In other words, everybody had a chance to try pasta. I think at that time we probably got 60 or 70 percent of the population to try it, whereas before we were perhaps only reaching 30 or 40 percent.

Teiser: Were you the first to come on this market with packaging?

V.M. DeDomenico: I think we were, but I wasn't traveling far from home in those days, so I don't know what happened in other markets.

Teiser: When you put special display racks in the stores, were there many others doing that?

V.M. DeDomenico: No, I think that was our innovation. I think we were the first.

Jacobson: Do you have a sense of when it was that the Italian and Latino families who had been buying in bulk started buying in cellophane packages?

V.M. DeDomenico: Oh, I think it took about six or seven years before we started to convert some of those, almost up to wartime-- '39.

Consumer Education

Jacobson: Were you doing much in this period in the thirties to educate new consumers about pasta?

V.M. DeDomenico: Oh, yes. We were starting to advertise a little bit--not heavily, but we started to advertise pasta. And we'd always put a little sign on top of our displays. And we were distributing recipes, I think, at the time. Again, we had limited finances at the time.

Teiser: You said that when you were an official, and also president, of the national association that you led their promotion of pasta as a healthy food. This was rather in advance of general public perception.

V.M. DeDomenico: Yes. There was a fellow in Fresno, Bob Mathias, who was the Olympic decathlon champion, and we used him as a spokesman promoting the fact that pasta was good for all athletes.

Teiser: Did your company itself make any further references to the health qualities as people became more aware of pasta?

V.M. DeDomenico: We did some of that, but I think the best publicity was put out by the government agencies and also by the National Pasta Association. They put out the best information as to the qualities of pasta that were good for you--the complex carbohydrate story and all that.

Teiser: I was amused by the fact that as pasta consumption was going up in the United States in the seventies, it was going down in Italy. I think it still is.

V.M. DeDomenico: I think that's a matter of their economy. As they got more comfortable financially, I think their diet changed a little bit. They got more into more proteins--meat, fish, chicken--and a little bit less pasta. Here we're going the opposite way. We only ate at that time probably, oh, six or seven pounds a year; now in 1988 we're up to seventeen pounds per capita a year. So we're eating less meat--a little more chicken, I guess--and more wheat products such as pasta.

Teiser: I suppose you were part of that revolution.

V.M. DeDomenico: We were part of it, in that we were in the business. And we promoted the health aspects of a Mediterranean diet.

National Pasta Association

Teiser: What were your duties as an official of the National Pasta Association?

V.M. DeDomenico: My strong suit was pasta promotion, and I probably headed that committee for about ten years. Even as president of the Association I took an active interest in product promotion. I've forgotten exactly what the problems of the industry were at the time, but whatever the problems, I was supposed to handle them. But, generally speaking, the secretary of the Association took care of the problems. I just took the glory. [laughter]

Teiser: The Association still exists, doesn't it?

V.M. DeDomenico: Yes, it does. The name has changed to National Pasta Association. It used to be National Macaroni and Manufacturers Association. Now they're getting a little bit more contemporary.

Teiser: Did it disseminate technical information, too?

V.M. DeDomenico: Oh, yes. Our advertising was paid for by the Association and by the contributions of the members--well, it was not actually advertising; it was publicity, which was the cheapest way that we could get the word out about pasta. Publicity announcements were given to radio and television stations and to food editors around the country. Remember, at that time it would be hard to open up a newspaper and not see photos of pasta dishes and

recipes. I think they've slipped the last few years in that regard. You don't see as many, at least as when I was active in it.

Teiser: Does the Association keep up with new technology and new equipment in the industry?

V.M. DeDomenico: They disseminate the information. Because even these machinery suppliers are members of this association.

Teiser: At their meetings do they have displays and that sort of thing?

V.M. DeDomenico: They have displays. The manufacturers also give lectures or talks about their equipment. And they organize trips to Europe probably once every five to seven years, so you can go back and visit other pasta plants in Europe.

Teiser: Has Europe been ahead of us in technology?

V.M. DeDomenico: I'd say, generally speaking, yes, in pasta making.

Teiser: Where is the equipment made?

V.M. DeDomenico: Some is made in Switzerland, and some is made in Milan, Italy. There are about three major manufacturers, located in Switzerland and Italy.

Teiser: Are there American manufacturers?

V.M. DeDomenico: Oh, we have one in the U. S., and he makes a good machine.

Teiser: You made several trips to Europe, didn't you?

V.M. DeDomenico: Yes.

Teiser: Did you learn different formulas or anything of the sort?

V.M. DeDomenico: Any time you travel around and visit other plants, or even go to various different restaurants, you learn something.

Government Contracts during World War II

Jacobson: During the Second World War, did you have many contracts to supply government orders?

V.M. DeDomenico: I couldn't fill government orders in my Golden Grain plant because I was just too busy. But the man I talked about who was president of the union and president of the Association--they had gone under, closed up, and that plant was available during the wartime. I was able to locate a couple of men to operate that plant, so that was the plant that supplied the military with spaghetti. And, as I say, the prices at that time, because there was a shortage of long spaghetti, were pretty fair, so I was able to make money on it.

Jacobson: What was happening to your competition who didn't have the advantages of those government contracts?

V.M. DeDomenico: I don't know if they had contracts or didn't have contracts. I don't know. I think almost everybody did some government business. In fact, if you didn't do some government business, it was more difficult to get certain supplies like copper and steel and things like that. It was almost a necessity to do some government business.

Jacobson: Did you have any sense of whether the government business was spread out pretty evenly among your competitors, or whether some had quite a bit more than others?

V.M. DeDomenico: I really don't know how it was spread out, but I'm sure that most companies took some government business.

Teiser: Was your basic material, wheat, difficult to get?

V.M. DeDomenico: No, the wheat was plentiful. No problem. The only problem was labor and the other materials.

Mechanization of the Plant

Teiser: As time went on you mechanized. Was that--

V.M. DeDomenico: That didn't come till in the forties sometime, after the war. Because during the war you couldn't buy anything new. All you could do was repair what you had.

Teiser: I think at one point you bought some new equipment that was much more productive, faster, and used higher temperatures. There was some questions about whether the quality would suffer. I gather you went ahead and got it, and the quality didn't suffer.

V.M. DeDomenico: That's true. When someone comes up with a new idea, there's always someone trying to shoot it down. In this case the major manufacturer--are you talking about when I went into microwave drying?

Teiser: No, but that applies to that.

V.M. DeDomenico: When I went into microwave drying, we would dry them at temperatures of, say, 150 to 180. The competitors and the machinery business spread the propaganda that the pasta was not as good because it was dried at high temperatures. But within about four years they had all started to merchandise high-temperature dryers because they had discovered that it actually makes the product better. And they published books on how the high temperature makes the pasta cook better. [laughter]

Teiser: There are books on the technology of pasta making. Is there also a good trade press? Good magazines?

V.M. DeDomenico: No, the only magazine is our own Pasta Journal.

Teiser: Is it a good one?

V.M. DeDomenico: It disseminates a fair amount of information, almost all about the pasta industry and the people in it. Have you ever seen one of them?

Teiser: I don't think so.

V.M. DeDomenico: Here is a recent one, and here is a '76 one. The concept has changed slightly.

Jacobson: It used to be called Macaroni Journal?

V.M. DeDomenico: Yes. You can take those, but I'd like to have them returned. I'm going to send them all to the Association for their files. They like to have a complete library.

Teiser: They're very fancy. There must be a fair amount of money in equipment manufacture.

- V.M. DeDomenico: Evidently, because that's all you see advertised-- equipment and semolina.
- Teiser: Are there many proprietary formulas or secrets in the industry?
- V.M. DeDomenico: I don't think so. I think, generally speaking, it's all pretty well known as to how to make macaroni. You can patent certain shapes, which we've done, but you can't patent the method of manufacturing.
- Teiser: The equipment looks for all the world like a large printing press.
- V.M. DeDomenico: Well, they're continuous dryer units, basically. But they don't have anything to do with printing. Here's some of the old equipment right here [showing pictures]. In fact, our plant in San Francisco had machines like this. That's when I started. We had two of those and one of these. That's what we call a screw press. Then we had one of these, which is called a hydraulic press. The pump generated oil pressure, which pressed out the dough. This one was mechanical; the motor turned the wheels and there was a screw that pressed out the dough. Then the step after that was the automatic press, like this one. It's all done on one machine. Semolina and water go in one end, and it comes out pasta at the other end.
- Teiser: This 1933 automatic press--
- V.M. DeDomenico: That's when it was invented.
- Teiser: Was that inexpensive enough for a small plant to buy?
- V.M. DeDomenico: In '33 I have no idea what the price would be. All I know is that in 1939 I tried to interest my father and my brother into buying one, and they didn't want to buy it because it was too expensive--\$8,500. [laughter]
- Teiser: I think that answers my question.
- V.M. DeDomenico: Well, \$8,500 didn't sound expensive to me, but I guess if you take 1939 dollars--you have to multiply them by twenty, and would be about \$170,000 for an automatic press in those days. I thought we should have it, but they didn't want to buy it.

Teiser: Have you always been the one who wanted to put in new equipment and new ideas?

V.M. DeDomenico: No, not the only one.

Joint Ventures and Industrial Business

Jacobson: Did Golden Grain ever enter joint ventures with rivals like Kraft?

V.M. DeDomenico: Not with Kraft. We've done some things cooperatively with Campbell's Soups, with their spaghetti sauce and things like that. And we were suppliers to Campbell's Soups--a pretty big supplier at one time--for their Franco-American Spaghetti. We did a lot of that. We also did a lot for Chef Boyardee--packaged spaghetti for them. In recent years we don't do too much of what I call industrial business, which is making products for someone like General Mills.

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V.M. DeDomenico: We spent more time building our own brands.

Teiser: You sold bulk to some extent--did you learn any lessons from the bulk trade that you carried over into the retail side?

V.M. DeDomenico: No. It's actually the same product. The change is just the packaging.

Broadening Pasta's Market Appeal

Jacobson: You wrote about introducing a Chinese main dish in the thirties.

V.M. DeDomenico: Yes, a dinner.

Jacobson: I wonder if that was in any way an attempt to reach out to the Chinese market, or to start an ethnic market?

V.M. DeDomenico: I didn't feel it was an attempt to reach the Chinese market. It was an attempt to reach Caucasians--the

average American who likes Chinese food. That's what it was.

Jacobson: How successful was it?

V.M. DeDomenico: It sold quite well.

Teiser: When did you decide to drop a product, for instance?

V.M. DeDomenico: We don't drop them unless the consumer drops them. When we see the sales go down to a certain point, then we drop them. We haven't had too many of these. Except in recent years we've tried many different things. We call those test items. We put them out to test, and maybe they fail.

Teiser: Did you ever make any products for the Hispanic market?

V.M. DeDomenico: One, called Fideo. In Italian we used to market it as Capellini, and then we added the name "fideo," which the Spanish trade is very familiar with and which they like. Today we call it Angel Hair. Same product.

Wine Train

Teiser: May I get on to the wine train?

V.M. DeDomenico: Is that a part of this story?

Teiser: It's part of your story. And it's of general interest. How did you happen to get interested in that?

V.M. DeDomenico: I read somewhere that they were trying to finance a wine train in Napa Valley, which I thought was a good idea. As time went on I inquired into it and kind of kept in touch with it. At a certain point in time their agreement with Southern Pacific required them to put up a certain amount of money. I made a proposal to shareholders at that time that I would invest a certain sum of money for a certain amount of stock. That's how I got into it.

Teiser: Do you expect to overcome all the obstacles?

V.M. DeDomenico: I thought they would all be solved by August 3, which is the next meeting of the Public Utilities Commission. As

of this moment, I don't know if the decision will be favorable or not.

Teiser: It would be tough if it weren't.

V.M. DeDomenico: That's right. I've been two years on this project, and all that's holding us up is bureaucrats.

Teiser: Has there ever been any discussion of running a commuter train or just a regular passenger train again?

V.M. DeDomenico: I think eventually that's going to happen up there. I just saw on television last night that they're talking about a rail link from Sacramento to San Jose via Vallejo.

Teiser: Over an old right of way?

V.M. DeDomenico: Yes. We connect with that line at Vallejo, so eventually it could be a part of the same system.

Teiser: People used to come to San Francisco by going to Vallejo and taking a boat.

V.M. DeDomenico: That's correct. To Vallejo or to Oakland. We connect with Vallejo and Oakland. Someday, maybe twenty years from now, they'll be using it for passenger transportation.

Teiser: I've heard people say that life's never been so easy again since they took off that passenger train. How far north does the right of way go?

V.M. DeDomenico: Right now it just goes to St. Helena. The portion from St. Helena to Calistoga was abandoned. I know the city of Calistoga would like to have it restored, but I'm not in a position to do anything about it until I get this first portion running.

Teiser: Were you interested at all in the wineries up there before?

V.M. DeDomenico: Oh, yes. I've always been interested in wine. I'm a member of Confrerie de la Chain des Rottiseurs, which is an international wine and food society. I'm the vice-president for the U.S.

Teiser: Thank you very much.

II GOLDEN GRAIN PRODUCTS AND PACKAGING

[Interview 2: 17 August 1989]##

V.M. DeDomenico: [showing pictures] That was the second completely automatic long-goods [spaghetti] dryer that was ever built.

Teiser: It was in 1951 that you opened this plant?

V.M. DeDomenico: Yes. It was a new development at that time.

Promotions: Cotton Bag Business during World War II

Teiser: The company offered cotton bags. They were colorful designs!

V.M. DeDomenico: They were printed cotton bags, which we used as premiums. We'd dump the flour out of them, have them laundered, and then use them as a premium.

Teiser: Who's idea was it?

V.M. DeDomenico: It was my idea at the time. I think somewhere you'll see on the back the package is printed, "Send in so many labels plus x number of dollars, and we'll send you some of these printed flour bags." We did this during the war and pre-war, when people made a lot of their dishtowels and dresses out of printed cotton bags.

Teiser: Did it cost much more to get printed cotton bags than white ones?

V.M. DeDomenico: Very little. I think in those days, for maybe five or six cents more, we had them printed. So it didn't cost much.

[tape off while looking through papers]

Company Labels on Packaging

Teiser: I see a package here with a DeDomenico label as opposed to a Golden Grain label. Was there any attempt to relate the two labels?

V.M. DeDomenico: No, we didn't try to relate them. Although on our Golden Grain packages we talk about Mama DeDomenico's recipe, if people read the recipes they'd probably connect the two brands as being from the same company. I always thought the Italian name might appeal to a certain group, you know.

Teiser: And you used the Italian flag colors on the DeDomenico label.

V.M. DeDomenico: Yes.

Teiser: Did it go well?

V.M. DeDomenico: It went pretty good.

Teiser: But you dropped it eventually?

V.M. DeDomenico: We dropped it eventually because we kept putting more effort on Golden Grain, and that was our biggest volume item.

Jacobson: When did you start using the DeDomenico label?

V.M. DeDomenico: I can't place the date.

Jacobson: Was it after the Second World War?

V.M. DeDomenico: Oh, yes. It was probably in the fifties.

Jacobson: The label says, "produced by Golden Grain Macaroni Company in San Leandro," so it would have had to have been in the fifties.

- Teiser: When did you go into printed, flexible packages?
- V.M. DeDomenico: That was 1934.
- Teiser: Was there printing on the actual--?
- V.M. DeDomenico: We started out with just a plain cellophane bag, with a little blue label on top that said, "Golden Grain Elbow Macaroni," for example. After six months of marketing that way, we decided to pay a little more money and have the information all printed right on the package, which was a good decision. At least every time you brought a package home, you had the brand identification.
- Teiser: I suppose the technology of the material available to you kept being improved.
- V.M. DeDomenico: It was developed by DuPont, I think about '29, and it came into small use at that time. As I say, my brother started bagging a few things in these plain bags about 1932. When I got into the sales department, which was about 1934, I told them that I thought we should print "Golden Grain" right on the bag. By that time the technology was there to do printing. A company by the name of Milprint I think was one of the first to print on cellophane bags. In those days it was cellophane, and today it's kind of shifted to polyethylene because it's cheaper and doesn't break as easy. Now it's going to polypropylene because it has more clarity.
- Teiser: So you followed right along. And the printing on it became better, didn't it?
- V.M. DeDomenico: Yes.
- Teiser: I remember the first cellophane bags would split; they were brittle.
- V.M. DeDomenico: That's right. We had a lot of problems with cellophane. In cold weather it gets brittle.

Brand Promotion

- Jacobson: I'm looking at this package from the Mission Division and wondering if in Seattle they used the Mission label rather than the Golden Grain.

- V.M. DeDomenico: That's right. Because we purchased the Mission Macaroni Company, and they were the dominant brand on the market. So we didn't feel it would be smart to change the brand.
- Teiser: Did you continue using it right up to the end?
- V.M. DeDomenico: We used it right up to the end. And it's still in use up there.
- Jacobson: Now that Quaker has bought it--
- V.M. DeDomenico: It's still continuing as Mission, yes.
- Teiser: Did you use Golden Grain in the Northwest?
- V.M. DeDomenico: We did, but we only had a small share of the market.
- Jacobson: Did you then discontinue the Golden Grain label?
- V.M. DeDomenico: No, we had some customers that preferred the Golden Grain and they would continue to carry it. But I'd say that over half of the business was in the Mission brand.
- Jacobson: Did that make it confusing at all in terms of promoting both brands simultaneously, or favoring promotion--
- V.M. DeDomenico: No, the promotion was done on Mission in that territory. We promoted the brand that sold the best. In this territory here we promoted Golden Grain.

Creation of Packaging

- Teiser: We should ask what the process was of creating a package. Did it start with your advertising agency, or did it start with you? How did it go as a rule?
- V.M. DeDomenico: First you start with what the item is. If you're talking about creating a package on our standard items, the packages just developed back in the thirties and we just improved as we went along. When we came out with new items, they were either Golden Grain or Mission items. When we started getting into these packaged dinners, it wasn't just a pasta item; it was either a pasta with a sauce, or a pasta with rice. In both of those cases we

came up with a name for the product, and of course the recipes, and then we had to develop the package.

On the Rice-A-Roni package, I put that together myself. But for most of the packages we had some design companies. The people who sell us the cartons normally have an art department, and they would submit designs and we would select from those.

Teiser: The original Rice-A-Roni package that you developed--did you modify it from time to time?

V.M. DeDomenico: Oh, yes. It has changed several times, but no great changes. I'm a great believer--like Campbell's Soup--if you've got something that's selling, don't change it too much. A can of Campbell's Soup has been the same for fifty years.

Teiser: Why was it ever changed?

V.M. DeDomenico: Improvements. No major change.

Teiser: [looking at package samples] Such products as this Stir-N-Serv Macaroni and Cheese--did that last long?

V.M. DeDomenico: It's still on the market. The balance of the Stir-N-Serv line, though, has disappeared off the shelves, although we may have a rice product with that name on the shelf yet. But generally speaking, most of those items are now off the shelves.

Test Marketing and Market Surveys

Teiser: Here's one--Macaroni and Savory Sauce Mix, "for one pan hot dog and macaroni." [laughter] How did that go?

V.M. DeDomenico: That was a dog. [laughter] If you go through my folder, you'll see the ones I've marked successes and the ones I've marked failures. My failure file is bigger than the success file. It's not easy to come up with something that gets real popular, you know.

A lot of these big companies, they do a lot of testing before they put a product on the market. We didn't do that much testing, but we'd put it on the

market on a small scale in a certain market and wait to see if people came back and bought it again.

Jacobson: Did you have certain markets that you regularly turned to for introducing new products on a small scale?

V.M. DeDomenico: Yes. We'd use Sacramento. Sacramento would be one good market. And even right here in San Francisco we'd test certain products.

Teiser: I would think that overall that would be a less expensive way of test marketing. Was it?

V.M. DeDomenico: I thought it was.

Teiser: Because market surveys are expensive.

V.M. DeDomenico: And when you're all through, maybe they don't tell you the right story, either. The real test is to put it on the shelf and see if people buy it.

Teiser: Did you ever use market surveys?

V.M. DeDomenico: Yes, we've used them. Our agency would conduct them.

Teiser: Did they prove accurate?

V.M. DeDomenico: About as good as my method. Some sold and some didn't.

Jacobson: Was Sacramento a good marker city for the rest of the nation?

V.M. DeDomenico: It's a pretty good test market. The other one was Denver, a pretty good test market.

Teiser: Were new products developed in the Chicago plant that weren't developed here?

V.M. DeDomenico: No, they were all developed here, and Chicago would manufacture for the Eastern markets.

More on Packaging

Teiser: These were all board boxes. Did you ever try mixes in the plastic?

- V.M. DeDomenico: No, we haven't.
- Teiser: The board boxes were really little posters, weren't they?
- V.M. DeDomenico: The advantage is that they will stand up on the shelf; it's like a little billboard. Whereas with the plastic bag it's a little hard to stack them up on the shelf.
- Teiser: This package of macaroni and cheddar looks like somebody else--Kraft, I guess. Did you adopt these colors for it first, or did they?
- V.M. DeDomenico: Kraft did use a blue box, but I don't think ours looks like it. Because we had a large, white area on top, whereas Kraft's whole box used to be blue. They've lightened up quite a bit now, but it used to be all blue.
- Teiser: I wondered if the blue box was identified with the industry.
- V.M. DeDomenico: I felt that blue at that time said macaroni and cheese, so I stayed with the blue. Kraft pioneered that item many, many years ago.
- Teiser: The vignettes--were they made by the box companies?
- V.M. DeDomenico: The box companies would set up the photo sessions and take the shots. I think our advertising people would sit in with them.
- Teiser: It's a complex process.
- V.M. DeDomenico: Yes, you have to be pretty fussy with them.
- Teiser: To make things look the way--
- V.M. DeDomenico: To make things look appetizing.
- Jacobson: Here's a package for Rice-A-Roni Bavarian Rice Custard Pudding, described on the package as "rice, fine egg noodles, custard, with select California raisins."
- V.M. DeDomenico: They're not dancing, either. [laughter] We were before our time with that one. We sold some, but it wasn't any big success. We had it on the market for a couple of years.
- Teiser: Did the raisin advisory board give you support?

V.M. DeDomenico: No. That's a pretty old package. That has to be twenty years old, I think. It was a good product. I think if Quaker put it back on the market today it would do a lot better than when we tried it.

New Products

Teiser: Were certain products ever aimed at children?

V.M. DeDomenico: That one there is--Loops.

Jacobson: This one looks like another one perhaps aimed at children--Tini Roni.

V.M. DeDomenico: That's aimed at mothers, really; a pasta that's served to their children. The market was too small, too narrow, to really develop any volume there.

Teiser: How do you pronounce the name?

V.M. DeDomenico: You can pronounce it Tiny Roni or Teeny Roni, either way. It all means the same. It was a very, very tiny pasta so that a child could eat it.

Teiser: You must have been busy every minute thinking of new products.

V.M. DeDomenico: I always did concentrate on new products, because that's the lifeblood of the business.

Teiser: I don't see how you had time to do that and the merchandising and all the rest.

V.M. DeDomenico: Well, my brother did most of the marketing.

Bean Line

Jacobson: Sauce-N-Beans--

V.M. DeDomenico: That was a test, and the product didn't succeed. We put that on the test market.

- Jacobson: I wonder if it had anything to do with it being in a box, as opposed to a can?
- V.M. DeDomenico: The cans will sell, but this was a dry bean in a box. You actually had to cook the beans and put the sauce in yourself. The problem with beans is that they're very, very long cooking; it takes too long to cook them, and people wouldn't spend the time. We thought we had great flavors, but people want convenience.
- Teiser: The same with Boston Baked Beans?
- V.M. DeDomenico: Exactly. You had to prepare that the night before. You couldn't come home from work, for example, and then wait two or three hours and fix it.
- Jacobson: The beans here came from the bean plant--
- V.M. DeDomenico: From the bean plant in Manteca. Then we brought them here, where we washed them, hand-sorted them to make sure there weren't any rocks in them, which is the same thing that you would do at home, and then put them in the box with a sauce packet. So all you had to do was put them in a pot with a certain amount of water and cook them. The only problem was that it takes time for the beans to cook; they're not fast.
- Jacobson: Otherwise you were marketing beans from Manteca just in plastic bags?
- V.M. DeDomenico: Yes.
- Jacobson: Was this an attempt to enhance the--
- V.M. DeDomenico: We were trying to upgrade the bean business, like we did with the rice. As I say, we only put it in a test market, and it didn't get the turnover we needed. I think we had about four flavors.
- Teiser: When you test-marketed a product, did you try to put it out in multiple flavors?
- V.M. DeDomenico: In that particular case we put it out in four flavors, or four recipes.
- Teiser: Did you test-market them all at once?
- V.M. DeDomenico: All at one time, yes.

Teiser: It looks good, too.

V.M. DeDomenico: It is good; they were good products.

Jacobson: Ham-flavored limas.

V.M. DeDomenico: We bought all the beans; we didn't raise any beans.

Jells Best Line

Teiser: The Jells Best line fell under Ghirardelli.

V.M. DeDomenico: We were competing with Jello, which is not easy to do. But they're all good products; they performed very well in the marketplace.

Teiser: Did you have some flavors that Jello didn't have?

V.M. DeDomenico: No. I think we had eight flavors, and Jello had all the same flavors as we had, plus more. We discontinued it about ten years ago.

Teiser: How long did you have these on the market?

V.M. DeDomenico: Oh, since the fifties--about twenty or twenty-five years.

Teiser: Chill and Serve.

V.M. DeDomenico: That was patterned after somebody else's product. I think it was Jello.

Teiser: Was it successful?

V.M. DeDomenico: No. When you're number two, or when somebody else does it first, it's not so good.

Soup Mixes

Teiser: Oh, the soup mixes.

V.M. DeDomenico: Yes, we were in the soup mixes for many years, starting back in the forties. We did a very good job with them. That's how I happened to get into Rice-A-Roni, because I

just took the chicken soup base and worked it into a rice mix. We had a chicken-noodle soup.

- Jacobson: Here on the side of the package you're promoting your other products--Rice-A-Roni, Noodle Roni, Macaroni & Cheddar, and Stir-N-Serv.
- V.M. DeDomenico: That's a more modern box. The old box of soup didn't look like that. I don't know if I have any old soup boxes.
- Teiser: Did the soup continue all the way through?
- V.M. DeDomenico: We had the soups for about twenty-five or thirty years.
- Teiser: Did they take more labor in the plant than other products?
- V.M. DeDomenico: Oh, yes. All these combinations take more labor because you have to mix the flavor mix and package that, and then somehow get that packet in with everything else. So there's always more labor.
- Teiser: Do you have to have more sanitation safeguards when you make mixed products?
- V.M. DeDomenico: No, more quality safeguards. And sanitation, too. See, all of these things are a mix, and if somebody leaves out one ingredient you have a bad product.

Spaghetti Italiano

- Teiser: What was Spaghetti Italiano?
- V.M. DeDomenico: That was one of the best products we ever put out. And, you know, we couldn't develop any volume on it. This would make spaghetti at home that was just like homemade Italian pasta.
- Teiser: It had two packages of mix with it?
- V.M. DeDomenico: Yes. One's tomatoes under a process where it doesn't reach a high temperature. You just bring it to a certain temperature, so you don't destroy the flavor of the tomatoes. The other one is the spice mix.

Jacobson: There's nothing to add.

V.M. DeDomenico: Everything's there. You can put more cheese on top of it, though, if you want to. It was a great product.

Rice-A-Roni Packaging

Jacobson: This is interesting.

V.M. DeDomenico: That was never purchased. It was a speculation--a spec package that somebody brought in to show us. We never bought that one.

Jacobson: Was it an early design that you didn't accept?

V.M. DeDomenico: No, it came after we had our white top, and I didn't want to make a change. That was too radical a change for me.

Jacobson: The white top is sort of a hallmark.

V.M. DeDomenico: It identifies my line. They're nice looking boxes!

Teiser: The one we're speaking of is a black and white photograph of Rice-A-Roni Beef and Chicken.

V.M. DeDomenico: When we started this, I didn't want to change from this to that. I think I would have lost a lot of my billboard effect in the stores.

Teiser: Did the fried rice mix go well?

V.M. DeDomenico: It's still a very good seller.

Teiser: How quickly did you expand the Rice-A-Roni line to other flavors and variations?

V.M. DeDomenico: I think we were in straight chicken for about a year, and then we went to beef and Spanish. We stayed with those for either a year or two years more, and then we expanded into as many flavors as we thought we could get on the shelf. We probably wound up with about ten flavors on the shelf. The advantage of all the different flavors is that it gives you a bigger section of the shelf, and you can spread out your line. Customers can find your section more easily. When you have one item in the store with two facings, the housewife can't find you.

- Teiser: Is this Spanish or Mexican?
- V.M. DeDomenico: That's the yellow rice mix, right?
- Teiser: Yes, rice with saffron.
- V.M. DeDomenico: That was introduced in just certain parts of the country where there are a lot of Hispanics.
- Teiser: Saffron was an expensive ingredient, wasn't it?
- V.M. DeDomenico: We kept it in the safe!
- Jacobson: Did you find that certain flavors were your best sellers?
- V.M. DeDomenico: The flavors you think of everyday were the best sellers--chicken, beef, cheese. The Spanish flavor turned out to be good, and the oriental flavors turned out to be good.

Macaroni & Cheddar, Stir-N-Serv, and Noodle Roni Lines

- Jacobson: Here's one with the macaroni and cheese label. When did you change to macaroni and cheddar?
- V.M. DeDomenico: That's Stir-N-Serv. No, that's our fast-cooking one. That's a later development. Macaroni & Cheddar was a suggestion of our advertising people. They thought Macaroni & Cheddar would sound better than Macaroni and Cheese, and to be a little different from Kraft we took their suggestion. Kraft has been a leader in macaroni and cheese.
- Jacobson: I'm looking at these Stir-N-Serv products where it calls for adding hamburger.

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- V.M. DeDomenico: What happened was that about four years after we started Rice-A-Roni I introduced Noodle Roni, which was a dish that I tasted in Italy maybe a year or two previously. It was Noodles Alfredo--that type of dish, with the noodles and the cream and the cheese, and made with fettuccine. So I put that product out and called it Noodle Roni Parmesano.

Within six months the vice-president of General Mills comes out to see me. We were on good terms with them because they were one of our biggest suppliers of ingredients for our pasta. He asked me a lot of questions, and I took him through the plant and we went out to lunch. That was the last I ever saw or heard from him. But about a year later they came out with Noodle Dinners--Betty Crocker Noodle Dinners.

They had a nice-looking line, but they had to be competitive with our Noodle Roni. I guess they don't like to work on close margins, so they changed the concept to Hamburger Helper. They dropped the Betty Crocker Noodle Dinners and made a Betty Crocker Hamburger Helper. They came up with this idea that you add a pound of hamburger to all these different recipes. They did a great job with it. So this is our attempt to compete with that.

Teiser: Did you continue it for long?

V.M. DeDomenico: We did that for a long time, yes. We sold a fair amount of it, but we never took it out of the West Coast; it was always only a West Coast item.

Teiser: One-pan lasagna was similar?

V.M. DeDomenico: Yes, the same thing. It's just a matter of convenience--trying to make it more convenient for the housewife to prepare a pasta meal.

Teiser: You had lots of different Noodle Ronis, then.

V.M. DeDomenico: Yes. They're still a popular line today. Noodle Roni is a very good seller for Golden Grain today.

Teiser: These changed a little, too, didn't they? The color is a little bolder.

V.M. DeDomenico: A little bit. Not too much.

Teiser: Who was your box supplier mostly?

V.M. DeDomenico: Let's see. It was Fibreboard for many, many years, and then we split the business between FibreBoard and another company.

Jacobson: Here's a Twist-A-Roni. That was something new. Did that go over well?

V.M. DeDomenico: I'm trying to remember. That went pretty good, but nothing earthshaking. That particular shape, though, today is very popular.

Wild Rice Mix

Teiser: How about the wild rice mix? Did that go well?

V.M. DeDomenico: When we started with Rice-A-Roni, Uncle Ben's started with their long-grain and wild rice. They had a good product and they developed a market for it. So then we attempted to get a piece of that business by marketing Rice-A-Roni with some wild rice in it. We do a fair business with it, but Uncle Ben's is still the leader in the wild rice business.

Teiser: Was it difficult to get good wild rice?

V.M. DeDomenico: At that time it was, but today it's very simple because we're growing it right here in California now. So we can grow some good wild rice. But it's misnamed now; now it's "tame" wild rice. [laughter] Well, you know, the Indians used to harvest wild rice on those lakes up in Minnesota. They'd take their canoe along and shake the wild rice into the boat. Then they'd have to clean it because they'd be walking on it and getting all kinds of things in it that shouldn't be in there. Now it's harvested by machine, and they raise it. It's tame wild rice. As a result, they control the quality, too.

Teiser: I suppose the price has come down.

V.M. DeDomenico: No, but it hasn't gone up as much as other things.

Product Failures

Teiser: Noodles Romanov Sauce Mix--this is among the failures. Did you have other successful sauce mixes?

V.M. DeDomenico: No.

- Teiser: Here is a box for DeDomenico vermicelli--it wasn't the product, I assume, but the box that you considered a failure.
- V.M. DeDomenico: The product was the same as our Golden Grain product, but the line didn't sell in any big volume.
- Jacobson: On the back of it there's a picture of the medal that you won from the 1925 Rome competition.
- V.M. DeDomenico: Flavored popcorn is the one that should not have failed, but it was just bad timing.
- Teiser: Nacho-Flavored Pop-n-Flavor.
- Jacobson: Nacho is a very popular flavor today.
- V.M. DeDomenico: I think I had four flavors. But what happened to me there is that I was going to buy a popcorn plant in Missouri, and the board of directors didn't want to buy it. In the meantime, to justify buying it I had come up with this idea of putting popcorn into a box with a flavor packet. They said they didn't want to buy a popcorn plant.

We'd been selling popcorn for many years with our dry bean line, and I thought, well, we'd market the product anyway. So we bought the popcorn and put it in this box with a flavor packet. In other words, you'd pop your popcorn and then sprinkle all this flavor over it, and you could eat that at home. It was very good. But my problem was that just at the time that I came out with this product, here comes Orville Redenbacher with a new concept that you can put in your microwave oven. He was promoting that pretty hard just at the time I was trying to market this. They succeeded in putting their concept over, which is popcorn that goes into this box and expands the bag--very easy and very convenient to make.

Then he turns around and copies my idea of putting all the flavors in it. Right now he's out there with about ten different flavors. My timing was wrong.

- Jacobson: Never Stick Egg Noodles. What were those?
- V.M. DeDomenico: I don't think we made that one. Let me see that box. Yes, I did. I tested that in Denver and it didn't succeed. What is it? You put in it an ingredient called

myvoplex, which has something in it that keeps the pasta from sticking together.

Teiser: It doesn't affect the flavor?

V.M. DeDomenico: No. But evidently it wasn't a problem for most people. I thought people had a problem with pasta sticking together, but evidently people don't feel they have a problem.

That's Chicken Broth Egg Noodles, isn't it? We put a chicken soup broth packet in with the noodles so you could cook your noodles in a chicken-flavored broth. It tasted very good, but we didn't have any success with it.

Jacobson: Does this pre-date the Top Ramen-type products?

V.M. DeDomenico: Yes.

Jacobson: It sounds like a very similar concept.

V.M. DeDomenico: Except they had vegetables and other things in them; they weren't just chicken noodle soup.

Teiser: The ramens are terribly cheap. I don't see how you could have gotten into--

V.M. DeDomenico: You know, when they came into this market I thought it was a great idea, and I tried to get our people interested in it but didn't succeed. So I went to the Top Ramen people and had them pack a label for me. We did fair with it, but they never delivered the way they should have to us. In other words, they weren't trying to help us any. As you say, they marketed this product so cheap that you couldn't make it here and make any money. When they were selling them ten for a dollar, the product was coming from Japan.

Packaging Successes

Jacobson: Here's a file of package successes.

V.M. DeDomenico: Yes, it's marinara sauce, Macaroni and Cheese, and Noodle Roni, probably.

Teiser: Is this marinara sauce a can label?

V.M. DeDomenico: Yes.

Teiser: Did you can many products?

V.M. DeDomenico: We had it canned for us. We gave the canner the formula, and he canned for us; he'd put it in a can or in a glass jar.

Teiser: Do you have other canned products with your label?

V.M. DeDomenico: No, just the sauce.

Teiser: "Italian-style marinara sauce. No preservatives."

V.M. DeDomenico: We had the best-selling marinara sauce on the market.

Teiser: Here is the original Rice-A-Roni, chicken flavor.

V.M. DeDomenico: It looks a little small. Oh, this was a four-ounce package which we were testing. It serves two. But I think we finally decided that rather than do this we would do a twin pack. For some people an eight-ounce package of chicken Rice-A-Roni would last too long, so we decided to do the twin pack, which was a good item. It was discontinued by Quaker.

Teiser: Macaroni & Cheddar.

V.M. DeDomenico: That's in the successes.

Jacobson: With the cable car on the back.

Teiser: Microwave Rice-A-Roni Chicken--

V.M. DeDomenico: We just started to market that when I sold the company. But it looked very promising.

Teiser: The Jells Best was a success in its time?

V.M. DeDomenico: Yes.

Teiser: These are what, shelf talkers?

V.M. DeDomenico: Yes.

Teiser: This Rice-A-Roni says, "Product of U.S.A." Was it an export item?

V.M. DeDomenico: That probably was shipped to Canada.

Teiser: Minestrone soup in a box. "Pasta, beans, vegetables included."

V.M. DeDomenico: Yes, everything. Minestrone soup or chicken noodle soup--almost every soup had a pasta in it.

Teiser: Here are other soups in boxes--chicken noodle--

V.M. DeDomenico: Yes, there were eight flavors.

Teiser: Rice-A-Roni Stroganoff. And Noodle Roni Parmesano. Those were all big sellers?

V.M. DeDomenico: Yes.

Advertising

Jacobson: Here's a file on advertising.

Teiser: Heavens, there's all kinds of promotional material here. What kind of a record did you have here?

V.M. DeDomenico: That's when I started to market that box that I showed you to start with--the one that says, "One minute macaroni." That's a little jingle that sells them: "Hey, Got a Minute?"

Jacobson: I was thinking maybe the person cooked it to the song, and when the song was finished playing the minute was up. [laughter]

V.M. DeDomenico: We didn't think of that one.

Teiser: Who did the record go to?

V.M. DeDomenico: They just gave me a copy of it. That was the song we used to promote the product on the radio.

Teiser: These billboard advertisements are well dated by the cars. These are all Foster and Kleiser?

V.M. DeDomenico: Right. That's our old soup package there. The other one, the red packet, was a later design. This is not the

red packet; it's the older design. That was one of our early designs.

Teiser: It's called "Ad #62."

V.M. DeDomenico: Those are promotional things that we gave out to our sales department to tell them about our advertising that we were doing.

This is the full jingle for Rice-A-Roni. They usually just sing one or two lines.

Teiser: [reading] "Rice-A-Roni, the San Francisco treat. Rice-A-Roni, its flavor can't be beat. One pan, no boiling, cooking ease. A flavor that is sure to please. Rice-A-Roni, the San Francisco treat." What a stirring song. [laughter]

Did you do a lot of newspaper advertising?

V.M. DeDomenico: Basically only on these promotions. A coupon on a new product. We tried to do more magazine and more of the television.

Teiser: This is in color. One column.

V.M. DeDomenico: Those are some of the people we used to introduce Rice-A-Roni. You'll recognize some pretty famous ones today.

Teiser: Ernie Ford, Art Linkletter, Bill Cullen, and Bud Collyer.

V.M. DeDomenico: How about the Tonight Show--Johnny Carson was one of our early disc jockeys who plugged Rice-A-Roni.

Teiser: Were these on television?

V.M. DeDomenico: Yes.

Teiser: These pieces for your retailers were promoting coupons.

V.M. DeDomenico: We probably had a coupon ad in some paper for this. This coupon was worth a dollar.

Teiser: Was there any rule of thumb for when you used coupons?

V.M. DeDomenico: To introduce a new product we generally used a coupon. We'd try to get a sampling, to get people to try it.

Jacobson: Here's a picture of Dianne Feinstein.

Teiser: And Richard Blum.

V.M. DeDomenico: That's when they got married.

Teiser: What was its usefulness?

V.M. DeDomenico: I packed up little packets of Rice-A-Roni, and we threw it at them instead of rice. [laughter] That ties in with San Francisco, you know. Even the mayor of San Francisco, Joe Alioto, gave me one of these cable car bells in recognition for advertising San Francisco for so many years.

Jacobson: This one, Instant Rice, Instant Fix-Up.

V.M. DeDomenico: This was one in Canada. This was their advertising campaign; it's marked on the bottom, "Canada." We were comparing it with a popular seller. The can is also a rice product, so we were just comparing our package with their package.

Jacobson: The Canadians sell instant rice in a can. That's interesting.

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Teiser: How did you study markets? Did you spend much time in the stores, or did you look at publications?

V.M. DeDomenico: Publications and also store visits. I mentioned earlier that I started out as a salesman for the company, so I was pretty familiar with what goes on.

Jacobson: Here's an advertisement promoting Rice-A-Roni as a stuffing.

V.M. DeDomenico: Would that be our wild or regular chicken? It looks like the chicken. Yes, it's great for stuffing.

Jacobson: Did that go well at holiday time?

V.M. DeDomenico: Yes, that's when we used it. If you follow this recipe, it's a very excellent stuffing. A lot of people use bread stuffings, but I think the rice stuffing is even better.

Teiser: Is that product still on the market?

V.M. DeDomenico: It's our chicken Rice-A-Roni. You can do that with our chicken Rice-a-Roni, or with our wild rice product. It's just a suggested usage. It does make a good stuffing.

Competition

Jacobson: Here's a file on some of the competition.

V.M. DeDomenico: I didn't put too much in there. Basically the competition is Lipton and Uncle Ben's. Country Inn is Uncle Ben's.

Jacobson: Betty Crocker?

V.M. DeDomenico: That was Hamburger Helper.

Jacobson: Hunt's?

V.M. DeDomenico: That came and went.

Jacobson: Del Monte?

V.M. DeDomenico: They came and went. Lipton is still here, and of course Kraft is still here.

Teiser: Did Kraft have anywhere near the wide variety of products as you have?

V.M. DeDomenico: No, their basic business was the macaroni and cheese item, and they did a very, very big business with that. In recent years they are expanding. Now they have Velveeta and a noodle product. They've expanded their pasta and cheese line. They've even tried a rice line, but I don't think it's been too successful.

Teiser: What are you going to do besides railroads--

V.M. DeDomenico: That's it.

Teiser: That's going to be your main occupation?

- V.M. DeDomenico: In fact, as of August 15, I'm a guest here.¹ I just came for the coffee. [laughter] My lease is up.
- Jacobson: Here is some very old advertising, regarding Golden Grain and Betty Crocker.
- V.M. DeDomenico: That was probably goes back to some time in the thirties or forties.
- Jacobson: Did you often do joint advertising promotions?
- V.M. DeDomenico: We did it whenever we could. I liked the idea of joints because you shared the costs. In that particular case, Betty Crocker's name was recognized even more than Golden Grain's, so it was a good connection.
- Jacobson: Here's one with Del Monte. Was that the same thing?
- V.M. DeDomenico: Yes. We've done it with Blue Lake beans, Tabasco sauce. In those days we could even push the calorie story.
- Teiser: You did sometimes list calories?
- V.M. DeDomenico: Oh, yes. At that time calories were important to people. Today it's different. Today pasta's a health food.

More on the Wine Train

- Teiser: What was the latest action on the Napa Valley railroad?
- V.M. DeDomenico: It sounds favorable, and we should have a decision next Thursday. Once I get that decision, I'll probably fold my tent here and move my office up to Napa.
- Teiser: You're going to have a public relations problem up there, aren't you?
- V.M. DeDomenico: I don't think so. I think most of the people want the train. There's a vocal minority, as in everything else.

Transcriber and final typist: Judy Smith

¹The date marked the end of his contract with Quaker.

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Thomas D. DeDomenico

DEVELOPMENT AND MARKETING OF GOLDEN GRAIN PRODUCTS

Interviews Conducted by
Ruth Teiser and Lisa Jacobson
in 1988

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THOMAS D. DeDOMENICO

Thomas D. DeDomenico, the youngest of the four sons of Domenico and Maria DeDeomenico, was born in San Francisco in 1919 and, like his brothers, started working at the family macaroni factory as a boy, becoming a regular employee in 1933. He went into sales, learning from his father, and soon after was given his first territory. In 1941, after the fire at the San Francisco plant, he went to Seattle to work with his eldest brother, Paskey, then left to serve in the army in Europe from 1943 to 1946. Upon his return from Europe, he married Lois M. Bruce, of Canada, and rejoined his brothers at the company's Bryant Street location in San Francisco and was named vice president and sales manager.

The company grew steadily after the war and moved to San Leandro in 1950. Tom moved his family there that year as well. In 1957, a recipe of Lois' which combined rice and vermicelli was introduced by Golden Grain in California as Rice-A-Roni. Tom became executive vice president in 1978. He built such a strong direct and broker sales force that Golden Grain dominated the western pasta market and the national rice-mix market for four decades until the company was sold in 1986. Together with his brothers Paskey and Vincent, he created and introduced a variety of new products in response to the changing demands and lifestyles of the consumers in Golden Grain's marketing area. He was a major influence in the creation of the company's advertising and marketing campaigns. After the company was sold, he, like his son Dennis and his brother Vincent, was retained on a three-year contract.

Following his retirement in 1989 he was able to pursue his life-long loves of golf, fly fishing, and bird hunting. He took an increasing interest in assisting local charity organizations and KQED public television; and had endowed a major fund with the East Bay Community Foundation. On February 18, 1992, Thomas died suddenly in the company of friends shortly after arriving in Crescent City in Northern California for an extended fishing trip on the Smith River. According to Al Massucco, who was with him at the time, Tom had just raised his glass to propose a toast to his fishing companions and said, "To good friends and great fishing: there's nothing better." He then set his glass down on the table and collapsed.

Ruth Teiser

March 25, 1992
 Regional Oral History Office
 The Bancroft Library
 University of California, Berkeley

BIOGRAPHICAL INFORMATION

(Please print or write clearly)

Your full name THOMAS D. DEDOMENICO

Date of birth 4/7/19 Place of birth SAN FRANCISCO, CALIF.

Father's full name DOMENICO DEDOMENICO

Birthplace ITALY

Occupation FOUNDER GOLDEN GRAIN MACARONI CO.

Mother's full name MARIA FERRIGNO DEDOMENICO

Birthplace ITALY

Occupation _____

Where did you grow up? SAN FRANCISCO, CALIF.

Present community PIEDMONT, CALIF.

Education HIGH SCHOOL

Occupation(s) EX VICE PRES.

Special interests or activities GOLF - FISHING - HUNTING

February 22, 1992

Thomas DeDomenico, Golden Grain executive

By Tribune staff

Thomas DeDomenico, former executive vice president and national sales manager of the Golden Grain Macaroni Co., died Tuesday of a heart attack. He was 72.

Mr. DeDomenico, born in San Francisco in 1919 into the family that founded Golden Grain, spent his early years working with his father and three brothers making and selling pasta products.

He served in the U.S. Army in Germany and France during World War II.

After the war, Mr. DeDomenico returned to San Francisco to work with his brothers and married Lois M. Bruce of Canada, who later devised the recipe upon which the company's Rice-a-Roni products were based.

The company was sold in 1988 to the Quaker Oats Co.

A member of the Sales Manager's Club of Northern California and the Sequoia Country Club, Mr. DeDomenico pur-

sued his lifelong loves of golf, fly fishing and bird hunting after retiring from Golden Grain.

He had taken an increasing interest in assisting local charity organizations and KQED television.

Mr. DeDomenico is survived by his wife, Lois of Piedmont; his son, Dennis Thomas DeDomenico of Oakland; three daughters, Donna Holpainen of Seattle, Wash., Deborah DeDomenico of Oakland and Claudia DeDomenico of San Francisco.

He is also survived by his brothers Vincent DeDomenico of Napa and Victor DeDomenico of Oakland; and his sisters, Jean McCombs of Sonoma and Katherine Reichert of Danville.

There will be a private family funeral followed by a memorial service on March 2 at 2 p.m. at the First Presbyterian Church of Oakland, located at 27th Street and Broadway.

I THE DEDOMENICOS AND GOLDEN GRAIN: AN HISTORICAL
OVERVIEW

Domenico DeDomenico and Maria DeDomenico

[Interview 1: 4 March 1988]##¹

Teiser: Let me begin by asking you some questions.

T.D. DeDomenico: Yes. Well, it might be better for the moment to tell you about the history of the family as I know it.

Teiser: Good.

T.D. DeDomenico: And then, as you're meeting with the other brothers, they in turn will give you their interpretation. The DeDomenico family started the Gragnano Macaroni Company in 1912. Prior to the formation of the company, and before the marriage of my father and mother, my father [Domenico DeDomenico] had arrived in the United States in 1890. He was in the barber business when he landed from Italy into Boston. He went to work being a barber with another barber. Soon after, he purchased his own shop. His objective was always to come to the state of California and live in San Francisco. So after building that business, he sold and headed for California.

He arrived in San Francisco, and again he went to work for a barber, finally owning that shop. Tired of being a barber, he decided that he would go into the groceteria business. After a few years he owned

¹This symbol (##) indicates that a tape or segment of a tape has begun or ended. For a guide the tapes, see page 351.

approximately four stores in the San Francisco Bay Area. With those stores, and his association with Mr. [A. P.] Giannini, who was a business acquaintance and friend who started him out financially in his new business, he decided that he would stay in that business.

Through a friend in the Masonic Lodge in San Francisco, my father was introduced to my mother [Maria Ferrigno DeDomenico] through correspondence. In Italy, her father owned pasta factories in Naples. She was managing her father's business, and also corresponding with my father through the introduction of letters and pictures. Through that association, my father sent for her to come to America.

She came with a chaperon, who was her younger brother, Michael, and upon their landing in San Francisco, this friend of my mother's father introduced my mother and father. After a short courtship, they were married. He was still in the groceteria business, selling groceries and Italian products. She told him that she felt it would be better for him to get into the pasta business, because it was a business that he could control and something that she knew about. Also, her family back in Italy sold their business after she had left, leaving her brothers and her father back there, who she wanted to have come to America.

Gragnano Macaroni Company

T.D. DeDomenico: So he decided that he would sell his stores, send for her family, and start the Gragnano Macaroni Company in 1912, giving them an interest in the business.

To my mother, four sons and two daughters were born, and the four sons were part of the pasta company, all going to work at approximately twelve years old. During that period the company grew; my father worked very hard. He was a great sales rep for the company. The company grew to a larger company as the sons became a part of the business, working hand in hand with Father.

In 1934, the name of the company was changed to Golden Grain Macaroni Company.¹ The name "Golden Grain" was felt to be a better name because it was Americanized; and not only that, but it also described the product, that was made of a golden wheat. Through the years, and through a lot of hard work, the company grew. Our distribution pattern in 1934 only included the state of Nevada and northern California.

Seattle Plant

T.D. DeDomenico: In 1941 the factory had a gigantic fire in San Francisco, and the operation was completely burned down. There happened to be a pasta plant in Seattle, Washington, that had been taken over by the United States government because of the failure of that company to pay its taxes. My brother, Paskey DeDomenico, and myself, Thomas, went to Seattle to open that plant. My mother and father were still alive at the time, and together we operated that plant. All of the product for Golden Grain was being produced in Seattle and was being shipped to California so that the company could continue in business. We were able to maintain our customers, who were very loyal and gracious to us. We did not lose any business we had developed over the years.

After approximately a year and a half, the plant in San Francisco was rebuilt next door to the other one. There was a gentleman, Mr. Glesener,² who owned a hardware company across the street from the plant that had burned down, who had this building. He decided that he would help my father in giving him additional capital to help build the plant, and furnish it with the proper machinery needed to produce macaroni products. That gentleman, after a number of years, was paid the indebtedness owed him. Without him, it would have been very difficult for us to have stayed in business.

But through those efforts, and the efforts of the family working as hard as they were, the Golden Grain

¹In fact, 1934 saw the first use of Golden Grain as a brand name, but the corporation name was formally changed in 1942.

²Anthony J. Glesener of A. J. Glesener, 975 Bryant Street.

Company was able to continue supplying its customers with the quality that assured us of their continued support.

The company continued to grow during the war, but I was not here; I had been inducted into the military for World War II. My brothers, Paskey, Vincent, and Victor, worked for the company, and I returned in 1946. I became sales manager upon my return from military services to the Golden Grain Macaroni Company, because of my sales experience before going to Seattle.

At that particular time we only had approximately four people selling our product. We developed a very large sales force of approximately twenty-five representatives working for Golden Grain. Our company was not only in the macaroni business but in rice, popcorn, lentils, and dried vegetable products.

Development, Distribution, and Marketing of Rice-A-Roni

T.D. DeDomenico: That was the business that we maintained and grew upon for a good many years, until my wife, Lois DeDomenico, created a dish which was very similar to a southern Mediterranean, East bloc dish, like pilaf. She had served this product in our home for approximately four to five years. At a dinner party at my home in approximately 1956 or 1957, my brother Vincent brought up the fact that he had tasted this dish in our house often, and it was so good that there might be an opportunity for us to market it.

So with a chemist we had hired, we decided that we would try to come out with a pre-packaged product. In the meetings that we held here at the company, we were saying, "Well, what is the product?" Well, the product is rice and macaroni. So Vincent said, "Well, why don't we call it Rice-A-Roni?"

We thought about that and thought about it, and it didn't sound quite right; and who'd ever heard of rice and macaroni being together? But still, the name had a ring to it. So we decided that we would market the product under Rice-A-Roni, and we had a slogan that we used on our cable cars through our advertising agency, McCann-Erickson.

The gentleman that was our account manager from McCann was Mr. Charles Foll.¹ Naturally, we did not have that large a budget because of the short margins of profit that were available to us, selling the line of products that we had, like macaroni products and dried vegetables, which returned a very low margin of profit. But we developed a slogan, "Something nice has happened to rice." And that was the slogan that we used on Muni buses. Then we got into "Rice-A-Roni, the San Francisco treat," because San Francisco is a great place of good food. These ideas came from the agency. We therefore put all of our efforts behind the Rice-A-Roni product. The introduction naturally was in northern California.

The product was accepted in northern California by the consumers, but not in tremendous volume. But it was enough volume that we felt if we could just continue to pick up a few more cases per week we would be able to get this line going. We went to Oregon, and we went to Eureka, California, and the product failed. So, hard pressed, we continued to try more innovative merchandising efforts, and finally decided we would try to get the grocers to put the product on displays, to get more consumers to try the product through that effort.

We actually even gave the product away at the cash register, if the grocer would bring in a number of cases into the store. We would sample the consumer at the cash register by giving her a package to take home, and if she liked the product, we were hoping she would come back the next time and buy the product.

Well, through that effort we finally got the product started. In the San Francisco area the product sold very well. We decided that the next sales effort would take the product to southern California.

So Charlie Foll and myself hired a bus, and we put a demonstrator in the bus. We had our sales manager in southern California make appointments with all the main buyers in the city, asking them to leave their offices, with their buying committees if possible, or just their main buyer, and come to the bus and try our product. We did not tell them what the product was. We gave such a good demonstration, and the sales pitch was so sincere,

¹See appendix: Charles Foll, "A Brief History of Rice-A-Roni," May 29, 1963.

that the largest customer in southern California, which happened to be the Ralph's Grocery Company at that time, decided to give us an order that day. At that time they only had thirty-five stores, so they ordered thirty-five cases.

Even though the amount was small, I took the purchase order and put it on the window of the bus at the entrance of where the other buyers would come in. The minute they saw that the Ralph's Grocery Company, which had the highest prestige of any grocery chain in southern California, had purchased the product, they were more readily available to want to purchase it themselves.

Therefore the distribution on the Rice-A-Roni products in southern California became almost complete within a ninety-day period, which was almost unheard of for a new product. But don't forget, we were only selling one flavor, which was Chicken Rice-A-Roni, so we were not asking for a lot of shelf space.

Through that introduction, and having a lot of nerve--we were all young in those days--my brothers Vincent and Paskey agreed that if we could sell the product in California, we could sell it elsewhere. Maybe the people in Oregon, because it was a rural area--maybe the product wasn't destined for that type of a customer, because they were hearty eaters of food; they were eating a lot of meat and potatoes. So we decided that the next place we should go to, because of it being a cosmopolitan city, would be New York. This was a very important move, and a very daring move, because New York, being three thousand miles away, had never heard of Golden Grain, had never heard of Rice-A-Roni. They didn't know whether we could even fulfill the pledges that were made to them as far as advertising was concerned. People in other companies try to enter these big markets, they make a lot of promises, and then when their product does not sell, they hightail it back home.

But because we had McCann-Erickson, one of the largest advertising companies in the world, and with the assurances that we had from our bank--the buyers wanted to know who was backing the company and if it was a family corporation, and were we going to fulfill the obligation of advertising--when we said yes, they believed us.

Prior to going to New York, I went to Chicago for approximately two brokers' conventions, and rented a one-room hotel room. During the broker's convention, I brought in a number of brokers that were highly qualified to sell a product, and yet they had never heard of us. But the advertising agency had other clients across the United States, one of whom was Mr. Otto Weber from the Weber Brokerage Company of New York, who before going into the brokerage company had been the national sales manager for Cracker Jack. And because of that, and because of his stature in the brokerage community, he and I became very close friends.

When we were going to go to New York, and with my friendship with him and knowing that he, Mr. Foll, and I were working as hard as we possibly could, Mr. Weber introduced me to many other brokers that would never have even taken the chance to come to see me. So, with his influence, we sent out letters and so forth through his brokerage company, inviting all of the main buyers in New York to a trip to go see the Statue of Liberty on a boat.

Because of his influence with all of his buyers, we got a turnout of approximately 90 percent of all the major chain store operators and wholesalers in the New York City area. We had two kitchens, two orchestras, and we took these people--approximately 150-200 people--on this boat ride to New York, and at least 50 percent of the people that lived in New York, born in New York, had never seen the Statue of Liberty.

So we took this ride, and the buyers were invited, but it was almost mandatory that his wife also be on board. Because we knew that if we could get her interested in the product and to try it (because we cooked it on board), she would be the motivating force in getting her husband, who was the main buyer or owner of the chains, interested. She would say, "I like these fellows who finally invited us to a party instead of you all by yourself, and therefore I think they're great, and I think their product is great, so let's buy their product." And that happened, and the same thing happened in New York as it did in Los Angeles; within ninety days we had approximately 90-percent distribution in the New York City market.

The expenditure to go into New York City was very large, and we were still selling only one product. We set up the warehouse at Singer Warehouse, and I remember

Mr. Nate Singer saying to me, "Tom, how many cases do you think that you can sell in New York?" I said, "Well, we should get to at least two thousand cases a month." He said, "Well, we have the space for you," because the broker had called him and so forth, so we needed just a small space, and he was willing to do it; he was the main wholesaler for the warehouse that went to deliver to all of these chains on specific days.

We'll never forget that time, because it was difficult trying to make a guesstimate of how much of the product we were going to be selling in the New York City market, based upon the population of Los Angeles and how it was received. We had an advertising budget of approximately \$180,000 to be spent over a period of sixty days, which was more money in advertising than this company had ever spent in its lifetime.

So we started the distribution of the product, and the broker was very involved. It became as if the DeDomenico family was also the Weber family. We started with the other brokers later on, going to Chicago, which was the next market, and then going into the other markets across the country. Because of the reputation of Golden Grain keeping its word in advertising and in its quality, we were able to obtain the distribution across the country on that one flavor.

While I was out selling and getting these products available to the consumer and coming back to the area here, we were developing new products, and the next product was Beef Rice-A-Roni. So as the products continued to multiply in flavors, the company grew and grew--

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T.D. DeDomenico: --until it was necessary to build another plant because of the volume that was being created by this particular line and having it shipped from California to our eastern markets. Because we did not want to give the formula away or to have any other company in the United States pack for us, we decided that a plant in Bridgeview, Illinois, should be built. That plant was built in approximately 1965. It was quite a large plant, and the company was becoming well-known for its product line.

Noodle Roni Products

T.D. DeDomenico: On a trip to Italy, my brother Vincent had tasted a product which was a fettucine product, and coming back and talking to the chemist, there was a new product created. Because of the Rice-A-Roni brand, we called the new line of products Noodle Roni. And the first item that came out with that was Parmesano. That was very similar to the product that he tasted in Italy. The product was very good, and it's an outstanding product, and it's one of our top sellers today.

So the line of Noodle Roni was started as the next line to be produced on a national scale through the same brokering set-up that we had. The association with the brokers and Golden Grain is a very tight one. The reputation of the company is outstanding, and the products that we were marketing were outstanding products. The consumer was accepting the products, and we were coming out with different merchandising ideas about how to get the product on display to give the consumer a chance to buy the product.

With the San Francisco theme that we were using, it became apparent that San Francisco and Golden Grain are a tradition. That type of a slogan that was put on the back of all of our packages became an association wherever the product was tried, whether it be in New Orleans or Minneapolis or New York or Boston. If we said "San Francisco" on the commercials, it was an accepted way, because of its cable car image. It became a success all over the country.

Naturally, the Noodle Roni products rode on the tail of Rice-A-Roni. We told the consumer that it was Rice-A-Roni that was bringing her Noodle Roni, and therefore she was willing to try the product, and if she liked the product as well as she liked Rice-A-Roni, she would be a customer.

Pasta Company Acquisitions

T.D. DeDomenico: Through all of the years, the company developed its sales force and its brokerage set-up, and the family worked together very closely. Paskey DeDomenico was in the

Seattle office at all times, running the northern areas of Oregon, Washington, Idaho, Utah, Montana, and Wyoming. That was the territory that the plant we had purchased in 1941 was now supplying with the brand Golden Grain, and also another brand that we had purchased, a large plant in the Seattle area in 1961, which was the Mission Macaroni Company. The Mission Macaroni Company happened to be the largest pasta brand distribution company in the Pacific Northwest.

We also owned a 40 percent share of a Portland macaroni company, and also owned the Oregon Macaroni Company. The Oregon Macaroni Company was later closed, and the Portland macaroni company, which was Porter-Scarpelli, is no longer in business. But there was a company also that we purchased in the Seattle area after the Mission acquisition, which was the Major Italian Foods Company, which was also a producer of pasta products.

Because of the purchasing of these other pasta companies, the United States government charged us with monopoly. That monopoly suit Golden Grain Macaroni Company lost to the Major Italian Foods Company, and also to the Porter-Scarpelli. Both of the companies had sued Golden Grain for its monopolistic purchases of their company, of which the commissioner, Mr. Poindexter, decided against the Golden Grain Company. So the company was sold back to these companies for approximately what we purchased them for, even though, after having these companies for a number of years, the companies became very, very successful.

The Porter-Scarpelli Company has been closed for a number of years, and the Major Italian Foods Company had been sold to some other manufacturers from England. Therefore, the Mission and Golden Grain manufacturing facility was the only facility left that we had any interest in in the Pacific Northwest.

Planning Meetings

T.D. DeDomenico: When I was not travelling, Vincent DeDomenico and myself had lunch every day with two of our managers. One was our national sales manager, and the other was one of our regional managers in northern California. Every day at

these luncheons we would discuss, naturally, the business at hand each day, where we were going, how the trade was accepting our new products, and so forth. And through those meetings we were able to act upon competitive moves, we were able to create new products, and we were able to discuss many of the things to forward the advance of Golden Grain.

II FAMILY BACKGROUND AND COMPANY BEGINNINGS

First Years in San Francisco

Teiser: We generally start by asking people when and where they were born, so I will ask you that.

T.D. DeDomenico: I was born in San Francisco.

Teiser: What was the date of your birth?

T.D. DeDomenico: April 7, 1919.

Teiser: And what was the family residence at that time?

T.D. DeDomenico: Our family residence was at 325 Bartlett Street in San Francisco.

Teiser: Did you grow up in that neighborhood, then?

T.D. DeDomenico: Yes.

Teiser: And by then your family was well entrenched in the pasta business?

T.D. DeDomenico: Yes, because the company had been started in 1912, so we lived there; all of the children were born in San Francisco.

Teiser: Your father was no longer in the produce and the groceteria business?

T.D. DeDomenico: No, no.

Teiser: Let me ask a little about his association with A. P. Giannini. I think the Bank of America was

started--as the Bank of Italy--in 1904, so it would have been well underway. So, then, as a banker the Giannini association was with your father.

T.D. DeDomenico: Well, the association, I understand, came after the fire in San Francisco in 1906. That's about all that I know of the dates that are involved, because I'm trying to remember--you probably have it--the date of my mother and father's marriage.

Jacobson: Around 1909. That's when she came over from Italy.

T.D. DeDomenico: I think they got married within six months. Then, in 1912, he started the pasta business because she wanted to get her family over here.

Teiser: Did her father come with her?

T.D. DeDomenico: No, her younger brother came with her--Michael.

Teiser: Her father was Antonio?

T.D. DeDomenico: Yes.

Teiser: And he came later?

T.D. DeDomenico: He came later, with the rest of the family. He came with an uncle, Tom, and I don't know who the other relatives were. But there was the father and Tom; Michael was already here.

Teiser: To get back to A. P. Giannini, I know that he managed to keep enough liquid capital to help people right after the fire; that's what is generally known about him.

T.D. DeDomenico: That's all I know about him.

Domenico DeDomenico

Teiser: You remember your father very well, of course--

T.D. DeDomenico: Yes, I do.

Teiser: How would you characterize him? What sort of man was he?

T.D. DeDomenico: Well, he was a very hard-working individual. He had a real fine personality. He was quite active in the Masonry. He was stout, as my mother was. He was a hunter; he and I used to go hunting together, all through my years, until he passed away. I wasn't here from 1941 for about a year and a half, after trying to get that plant started in Seattle with my brother Paskey.

I know that when we got to that plant in Seattle, because of the lack of capital and because we wanted to be right there at all times, we actually set up two bedrooms in the offices, and we set up a hot plate and we ate there--the two wives and my brother and myself, and Merrial DeDomenico had her family--her young son, Paul. So we lived in the offices, because we didn't have enough money to go to hotels and pay. Also, we were working such long hours; we were working approximately eighteen hours a day. Those eighteen hours a day--we worked that for a long time. I was doing almost all of the manufacturing, and my brother--with the wives--was doing most of the shipping, to get the product down to California. So it was quite a traumatic experience.

Teiser: Was your father doing much of the selling still?

T.D. DeDomenico: No, at that particular time when Paskey had to go north, then my brother, Vincent DeDomenico, took over the operation of San Francisco along with my father.

Teiser: Did your father retire before his death?

T.D. DeDomenico: No.

Teiser: He kept on working?

T.D. DeDomenico: He worked, and he died in his sleep in 1943 at the age of seventy-two.

Teiser: I understand that he was an excellent salesman.

T.D. DeDomenico: Yes, he was.

Teiser: Was he knowledgeable about production as well?

T.D. DeDomenico: Oh, yes.

Teiser: And about managing a company?

T.D. DeDomenico: Oh, yes. He ran the company.

Teiser: He really did?

T.D. DeDomenico: Yes.

Teiser: Did he tell his sons what to do?

T.D. DeDomenico: Yes, he told us what to do, but also took our advice.

Teiser: He must have been willing to delegate authority to you.

T.D. DeDomenico: Yes. Paskey and my father worked very close during the early years, even prior to the fire, because Paskey was the oldest son. We took that to mean, as the sons grew up, that the authority was based upon the oldest child; so Paskey had the authority and ran the company. He gave orders to his brothers, and through my father. That's the way it operated. There can only be one boss, if you're going to run a company properly. The chain of command is very important, and the chain of command here was age.

Teiser: About when did Paskey take that function?

T.D. DeDomenico: In 1941, when he left for Seattle, he relinquished authority over the California area, because that was being run by Vincent and my father. But he was still the first son, so if there were any questions to be asked, why, Paskey had to give the okay.

Teiser: After you went to Seattle, did the three of you get together, actually, to meet from time to time on positions?

T.D. DeDomenico: Oh, yes. And we spoke on the telephone a lot. We would hold our board of directors meetings here at San Leandro, and we got together at least four times a year, I think.

Maria DeDomenico and the Ferrignos

Teiser: Well, to go back a little further into the background of the company, did your mother have a part in the company?

T.D. DeDomenico: After my father passed away, my mother was an intricate part of the company. The recipes that were developed were developed in her home, and those recipes were all

put on the packages that we have, and are still on the packages, a lot of them. Her name is mentioned in a lot of our advertising that we did in magazines--that this was Maria DeDomenico's recipe. We talk about Mama DeDomenico on the back of all our packages, and we talk about all of our sauces and so forth, to bring the consumer to understand that it is a family corporation. But she was an important factor in the company.

- Teiser: Her father was Antonio, I believe. Did he drop out at the time of his death, or did he cease being active before that?
- T.D. DeDomenico: All I can recall is that he retired. He was really never an active worker. He was just like a consultant. They would ask him questions about machinery and so forth; he knew where to get it. Those early days of collaboration between the family were something that I never experienced.
- Teiser: I think by the time you came to work in the family there was a split between the Ferrignos and the DeDomenicos. What was the cause of that split?
- T.D. DeDomenico: Oh, just jealousy, and wanting a bigger piece of the pie, because of the children that were growing up in the Ferrigno family. There was a split in the Ferrigno family of the girls--my mother's sisters--who did not go along with their brother, Tom Ferrigno. Because my father had done that family so much good, the sisters decided to stay with my mother. Any interest that they had in the company was then taken over by the DeDomenico sons.
- Teiser: One son, Gaetano, stayed with the company; no, he was the one who left.
- T.D. DeDomenico: Yes. That's a Ferrigno. That was Tom. See, Gaetano was Tom.
- Teiser: I should also ask you a little about your grandfather, who is mentioned from time to time--Pasquale.
- T.D. DeDomenico: Oh, the gentleman that died when he was 107 years old? I really was a very young man. He was my father's father. He lived at our home on Bartlett Street, and died in San Francisco.
- Teiser: What had been his occupation?

T.D. DeDomenico: He was actually a farmer in Sicily.

Early Work Experience at the Company

Teiser: You started work like your brothers at twelve, you said?

T.D. DeDomenico: Well, we were working in the operation at twelve years old, after school. And then on Saturdays and Sundays we would work. In those days the containers that we used to ship pasta in were all wooden cases, so therefore in order to be able to ship it, those cases would have to be nailed together. All of the sons of the Ferrigno family and the DeDomenico family--the boys--would work in the afternoon after school. We would come in and nail boxes so that the sides and the two ends and the bottom were there, and the only thing that had to be put in was the paper to hold the product inside--so it didn't touch the wood--and the lid; that was the only thing that had to be done. We used to come in and nail boxes, and we used to have contests on who could nail more boxes. We were paid by the size of the box that we nailed.

The income was approximately two dollars or three dollars a week that we would make, each one of us, and some of them that were lucky enough that they worked harder and longer would make maybe about five dollars. But when we received our pay for that work, a portion of that pay had to be given back to my father. The reason felt was that, since he was taking care of us, and since he was feeding us, we should earn our keep, and therefore he took part of the pay back.

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T.D. DeDomenico: We accepted what he asked for; why, naturally, we gave it to him. We didn't want to, but we had to. We wanted to go to the theater and have hamburger sandwiches, and so forth, like everybody else. But we couldn't do that.

So it was quite an experience, and we used to have contests between the relatives on the number of boxes, as I said. And then also we used to play handball--a lot of handball. We bet on the games of handball between the two families. So it was very competitive.

Teiser: Where did you play handball?

T.D. DeDomenico: Right in the company. We had a big wall, and we used to bat the handballs with our hands. We had a lot of fun, and got some exercise. That was after school, and then on Saturdays we used to do that. Every other Sunday we were called upon to do a job that had to be done, because pasta products in those days were put in trays. It's not like today, where it goes through tunnels, and it goes from one tier to the other, and it comes out after either nine or twelve or twenty-four hours and is all dried and cured.

We used to have to take these big trays, which were approximately six inches deep and held about 200 pounds of pasta, and we used to have to shuffle it and mix it with our hands so that it would stay nice and loose, and change it around in the drying area so that the product wouldn't stick together and mat together. We used to do this on Sundays. The workers did it all during the week, but it was a job that had to be done, and we did that for many, many years, until we got into sales positions or other executive positions where we did not have to do that. It was quite a hard job, and we lost a lot of our Sunday mornings; early Sunday mornings we were all at the plant. We got home by around noontime or one o'clock, because the family had Sunday dinner at approximately two o'clock to two-thirty. That was our dinnertime.

So it's been a lot of hard work through the years.

Teiser: You've certainly seen a change in technology. Where did you go to school?

T.D. DeDomenico: I took grammar school, I went to high school at Commerce High School, and I never did go to college.

Teiser: Did you always know that you were going to enter the family business?

T.D. DeDomenico: Yes. I started in sales upon getting out of school. When I turned eighteen years old in 1938, I took over the territory that my brother Vincent had in the Sacramento Valley, all the way down to Fresno, all the way through Nevada, which was part of the territory that he covered. And in 1938 I became a sales rep, and I was the only sales representative that traveled from the Oregon border to Bakersfield, including the northern part of the state of Nevada. I left home on Monday morning, and never got

home until Friday night. I did this continuously until 1941, when I went to Seattle.

But because of the knowledge of working in the plant, and knowing how to work the machinery and so forth, that's why Paskey and I went to Seattle. He was very knowledgeable. He knew all about the equipment, and I knew the equipment, so therefore it was very easy for us to start the company.

1941 Fire and Opening of Seattle Plant

- Teiser: Your brother Victor told me that you got a settlement from the insurance company on equipment that had been burned in 1941.
- T.D. DeDomenico: I think that it might have been maybe fairly adequate for the coverage that we had, but I don't think we had too much coverage. See, that was the problem--that we didn't have enough coverage to take care of the loss of everything that we had in San Francisco. We could not build the same plant in the same building; we had to go to the building next door, which happened to be empty. Luckily, it was empty and owned by the gentleman across the street.
- Teiser: When you went to Seattle, were you able to maintain the same product line?
- T.D. DeDomenico: Yes. We also at that particular time asked some of the other local manufacturers to help us, which they did on certain shapes that we could not make in Seattle. Naturally, when the fire destroyed our plant in 1941, and finding that the plant up in Seattle took a few months, the other manufacturers helped us. But like all competition, they're sincere at the start, but then they can see that there is an opportunity to take some of the business themselves. Because of the jealousies of the different pasta plants that existed at that time, they kept getting shorter and shorter of product. That shortness of product is what forced us to make the move to Seattle, so that we would have ample product without having to think about competitive companies giving us enough product to satisfy our customers. Some of their sales representatives would go to the customers and say,

"Well, you're not getting Golden Grain product anyway; you're getting our product."

Teiser: Was there a difference in quality?

T.D. DeDomenico: No, we asked them to make the product very similar to ours, which they did.

Teiser: Did they learn more about making--?

T.D. DeDomenico: Maybe so. The most important thing was that we got supplied.

Depression Years

Teiser: Of course, you came into the company during the Depression.

T.D. DeDomenico: Well, sure. But we were in school, and we were working, as I said after school, and feeling the Depression was not that hard on us, because we did have a going business, even though the profits weren't great. But it was adequate enough to take care of the family, because during those particular days--it's not like today, where pasta products are an "in" food. In those days, it was a budget stretcher, so that in hard times people would eat more pasta and potatoes, and not eat as much meat and some of the other fancier foods that they would consume during times of plenty.

So we were busy because of that. We always had pasta on the table, and we always had sauce on the table, and we always had food on the table. The family did not suffer as other families, because we were in the food business, and products were available to us.

Death of Domenico DeDomenico

Teiser: Did the death of your father change things much? Was it anticipated, and did--?

T.D. DeDomenico: The death of my father was a surprise to us. But he was seventy-two years old. He really wasn't under any

hardship that I can remember. I think he had suffered a slight stroke or a heart attack, but nothing substantial that we really worried about, that I can remember.

Teiser: Did it change the functioning of the business considerably, then, or did things continue?

T.D. DeDomenico: No, things continued.

Teiser: By then your brothers had a firm grip on it?

T.D. DeDomenico: Yes. You see, after he died--approximately two weeks later--I went into the service; I was called upon to go into the service, and then I left. They ran the company all during the time that I was gone, from 1943 to 1946. I was more interested in trying to stay alive than in what they were doing here, other than the letters from my mother.

III SALES AND MERCHANDIZING

Learning Sales Techniques from Domenico DeDomenico

Jacobson: When you came back, you became sales manager in '46. I wanted to ask you if you had received any sort of instructions on sales techniques from your father, who was such a master at selling, as you have pointed out. Was he involved in training you at all, or was this something you learned on your own?

T.D. DeDomenico: Well, I used to travel with him and call on the trade with him in the San Francisco area when I was going to school, and then I'd be with him. He had a very nice way about him. He was very sincere with his customers, and they all enjoyed his company. He was a very strong person. And, yes, I got taught from him.

Jacobson: What were some of the most important things you learned from him?

T.D. DeDomenico: How to treat your customers, and really not to take advantage of them, and to give them the proper service that they wanted. And remember little things, traditional things, like--oh, we used to have a customer, as an example, up in Sacramento. These happened to be two Greek brothers, and there were a lot of Greek people in the grocery business, and word gets around. So every time that we were in Sacramento we would have dinner at the store with them on the little stove in the back room. They would close the store down when we arrived, and they would cook for us. Then the four of us would talk and so forth.

When my father did not cover that territory any longer, and I took it over from my brother Vincent, I continued the same thing. Every time I went to Sacramento, I went to that store, which was a small store, and I would have dinner with them. So word got around in their church and so forth, and everybody knew about the association that I had with these two particular gentlemen, who were single: that I worked real hard, and yet Tom DeDomenico would call on them, and then he'd have dinner with them. It's that type of close selling.

Arthur Yim's Efforts to Enter the Chinese Market

T.D. DeDomenico: It's very similar to a salesperson that we had here, who worked for me for about thirty years, who is Chinese. His name was Arthur Yim. After the war, when I became sales manager, he walked into my office. He had worked for Accent and so forth; he had a real fine reputation. He had worked for a broker, and he was young. I found out that he and I served--didn't know it--in the same division in Europe.

But the Chinese grocers in northern California were a very, very closeknit clan. The different families of the Lees and Wongs and so forth and so on--he knew them all. The business that Golden Grain was doing in the Chinese community was not substantial. It was very, very competitive, not substantial.

When I hired Arthur, we traveled continuously together, even though I was manager and not really calling on the trade, but administering all of the sales force and so forth. With him I would travel continuously. He and I covered all of the major operators of all of the different regions, and where distribution of Golden Grain products was not even available. After making a couple of calls, the Golden Grain line was in full swing in those stores. And it was through his efforts and my efforts, and getting to know the Chinese, and having lunch and dinner--eating a lot of Chinese food, getting almost to the point where we were eating Chinese food three times a day. Because we were having breakfast, we were having lunch, we were having dinner on it. We would travel together quite often. Through that association, the company expanded its

business into an element of supermarkets and chains that Golden Grain products were not available in. And that has continued, through all of the years that he was with us.

Close Relationship with Grocer Trade and Loyalty of Sales Force

T.D. DeDomenico: It's that type of selling and relationship that you build up in the trade that enhances the reputation of the company--the reputation of the individual. Therefore the trust held by our customers to this company is the growth of this company. As their trust grew, we grew, because they liked the way we operated our business, and knew that our word was our bond, and that we were good to people, and that our sales force was loyal. We did not have people come in and leave us. They would stay. In all of the years up until the sale of this company, there have only been--with all of the people that I hired and who have remained on the sales force--approximately four or five people that left, either through death or through moving out of the state, or so forth. So they enjoyed working here.

Because of that association, and because of that type of feeling that the sales department had with the company and the grocer, and with the advertising that we were doing, we were creating an image of Golden Grain. Because of the Mama DeDomenico recipes, and the Rice-A-Roni advertising we were doing with Golden Grain, and so forth, the name Golden Grain became a name of quality in the food business. That is the reason why the Quaker Oats Company wanted us.

Jacobson: How did you go about building your sales force when you returned from the war?

T.D. DeDomenico: Well, looking at the territories and seeing what was needed to cover that territory properly, we had two brokers that we used. One was Mr. William Hoelsken, and the other one was Mr. Clifford ("Kip") Mustain, down in the San Jose area. They had x number of men each, and then I would put the other men surrounding them, and so forth. Through that association, Mr. Hoelsken was hired by my brother Paskey and my father in 1934, and stayed with the company. His son, Bill Hoelsken, took over his

brokerage company and stayed with us until the acquisition.

Mr. Mustain retired, and I took over all of the men that he had--brought them into my own sales force so they became part of the company. It grew from there.

Jacobson: Did you identify markets like the Chinese market, for example, where Golden Grain wasn't doing as well, where you might try to make a bigger push?

T.D. DeDomenico: We were trying to make a push everywhere. But the most important thing in the pasta business many, many years ago was that the large chain stores carried your product, and Safeway was one of our first customers in the Golden Grain line of products. The chairman of the board of Safeway was a buyer at one time; his name was Quentin Reynolds. He was approached by Mr. Hoelsken, because in the days prior to 1934 they would carry macaroni products, and they would have them in these wooden boxes, and they would have just a rack.

Introduction of Cellophane Packaging

T.D. DeDomenico: They used to carry their products in what we used to call bulk. They'd try to put a mesh screen over the top of it--cloth and so forth. So we developed Golden Grain in a package that had a top label--just a plain cellophane package. We created a little rack for it, and Mr. Reynolds said, "Well, I'll give you x number of stores to try." So we did. The product became so successful that they eliminated the old way of doing business and put these racks in the stores. Through that one, you have Safeway, and then all of a sudden you have other large customers that would come in. I don't want to name all of the customers that we had, because there we so many of them here.

But because of Safeway doing that for us, and building this business, the other stores started to want the same product, and the same line, which naturally they did have. That got the Golden Grain Company recognition, because it was the first company to put out the product in the cellophane package with a top label on it, where the consumer could buy a one-pound package of spaghetti, or a one-pound package of noodles, or a one-pound package

of macaroni products, and there were only about fifteen shapes that we put in there. It was very, very successful. The consumer liked the idea that she could see it, it was clean, she could take it home; and that got us started in the package business. Without that, why--and that was the idea of Paskey DeDomenico.

Through the sales efforts of Mr. Hoelsken, who was very close to Safeway and some of the other major chains, we were able to get started. So that gave us the foot in the door, and that's what we had to have. That was something that our competitors didn't have, because they were not innovators. They were copiers, but they were not innovators.

The only company that was really an innovator was Golden Grain. The ideas that were flowing out of this company were so different from what other pasta companies across the country would have, that even though they tried to be competitive--like with a lot of the dinner products and so forth and so on--they were not successful. Through the heavy advertising that we were doing, we were able to keep our share of markets, and with the closeness that we had with the customer and the broker, we had the inside track. We started; we were there first, which was very important in those days. If you're in the business today, why, you come out with a product and your competitor's out with it a week from now; he'll be out with another product, or try to be very similar to that product. But in those days, the companies never followed each other. They waited to see whether a product was successful, and then they followed it.

Jacobson: The idea of creating a rack was very clever merchandising.

T.D. DeDomenico: Yes, it was.

Jacobson: Who came up with that?

DeDomenico: That was in 1934, so that had to be in Paskey's area.

In-Store Samplings

T.D. DeDomenico: Even for the product of Rice-A-Roni, when Rice-A-Roni wasn't moving too well, we had what we called a square footer, and we just put this square footer in the stores and displayed Rice-A-Roni on there; that was the only way we could get the stores to display it. That gave us the opportunity of sampling a lot of people. The method that I told you before, of sampling people at the registers, we did all the way across the country, to get people to try the product. We gave a lot of money away to the consumer by buying the product from the grocer and giving it to her. We actually bought it from him, so that he would show a profit on the sale of the product, to put another display of product in the stores. Which he appreciated. We would ask him to buy thirty cases of product, and we would give away ten. So twenty cases were on display for her to come back, after she tried it, to buy it again. That was a method that we used in just about all of our Noodle Roni products, and Rice-A-Roni products, and so forth. We did an awful lot of that.

If we saw that a chain of stores was weak in sales in something, we would automatically go in and ask them if we could do this type of demonstration by using our broker sale force to do this giveaway on either a Saturday or a Friday afternoon, or a Friday afternoon and a Saturday. And the brokers were willing to do that, because they knew that if the product sold, their commission would be greater. So they were going right along with us. They were gambling with us. They won.

"Luncheon is Served" Program

Jacobson: Was this your "Luncheon is Served" program?

T.D. DeDomenico: No, "Luncheon is Served" is another type of program.

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T.D. DeDomenico: The "Luncheon is Served" program was a national organization in the major markets of the country that we would give samples to. We would also pay them, besides the samples, a fee every month for demonstrating to church groups, Rotarian groups, or whatever, but mostly

in the churches and women's clubs, to get the people acquainted with the product. Now, we were not the only participants. They had a number of participants, whether it be in hot food, or desserts, or appetizers. But they would prepare something for that group of a hundred or two hundred or three hundred people, and they would prepare it right there, and they would serve it.

Then we gave coupons away, and we got the local merchants around the area where these luncheons were being held to put up signs in the stores that announced a "Luncheon is Served" item. Those people that shopped in that neighborhood would go in there--and they'd already been to the lunch, or a certain portion of them had--and see the product, and they had a coupon in their hands to get either a free package or a half-price package, or whatever. We did that just in order to keep the momentum going. "Luncheon is Served" was part of our merchandising group for ten to fifteen years.

Jacobson: When did that first start, "Luncheon is Served"?

T.D. DeDomenico: Let's see, this is 1988. We haven't had them for two years now, so that's probably 1970.

Jacobson: Very clever idea. You mentioned other products were served as well.

T.D. DeDomenico: Yes, other companies. Golden Grain could not maintain a staff of that many people and women that would be the workers. They would collect so much money from us and get samples. Kraft would maybe give them cottage cheese, and maybe General Foods gave them Jello and some of these other items, so that they had a little salad, and they had a hot dish, and it could have been that Armour or somebody would give them something in the meat end of it. So they would have a little luncheon, and there was enough product being served to give people ideas on how to use Kraft products, and how to use Golden Grain products. So it just wasn't one company; it was a group of companies that they solicited to make this package.

IV GOLDEN GRAIN COMPANY: THE LATE FORTIES AND FIFTIES

Management Roles of the DeDomenico Brothers

[Interview 2: 18 March, 1988]##

Jacobson: Last time you talked about how you and your brother Vincent often regularly met at lunch to discuss the company, and I was interested in following up on that and finding more about how you and your brothers Vincent and Paskey worked together guiding the company. How were your roles differentiated?

T.D. DeDomenico: In the beginning, Paskey was president of the company, and Vincent was a vice president. Well, I was vice president, and Vincent was secretary-treasurer. And then after Paskey stepped down as chairman, I took over as the executive vice president, Paskey became a retired chairman, and Vincent became chairman. Dennis then became secretary-treasurer. The roles that we played were quite independent as far as the company was concerned. The Pacific Northwest was being run by my brother Paskey, because he was living in Seattle. He was in charge of all of the northern states, and knew his market better than Vincent or I, living in California. The discussions of how the company was to progress in the Pacific Northwest we took up at our board meetings, where we decided marketing strategies. And if there wasn't a board meeting at the time that something came up, why, then we held conversations on the phone to determine the best way to enhance our business.

As far as the California, the national picture, and the international picture are concerned, why, I was with Vincent. Whenever we made any major decisions, naturally

we would call Paskey and tell him what we were thinking of doing. And in many cases he came down and sat in on the advertising sessions about where we were going and the type of commercials that we were going to use. We tried to coordinate our efforts together so that we were all in agreement of exactly where the company was going to be going.

Teiser: Could I ask how it was decided that Paskey should remain in the northwest instead of, say, you, who were up there with him earlier?

T.D. DeDomenico: Well, as I think I mentioned before, when I was up in the Pacific Northwest with Paskey, my father died in 1943, while I was still there. Upon my return, why, I went into the service about two weeks later. Therefore, Paskey stayed in the Pacific Northwest; Vincent stayed here to run the company here; and I went off to the wars to protect America. So everybody had their job to do, and then when I came back from the service in 1946, I assumed the sales managership of Golden Grain, San Leandro, and whatever other business that we had, other than the Pacific Northwest.

Jacobson: Within the region, how were responsibilities divided? Did you handle a certain aspect of the business more than Vincent, and Vincent handle another aspect?

T.D. DeDomenico: Paskey had all sales and marketing for his area. Vincent was the secretary-treasurer at the time, then becoming chairman. But the responsibilities between the brothers did not change. When I came back and became sales manager, I took care of all sales, hired salespeople, hired regional managers, hired brokers. And Vincent was the general manager of all operations, responsible for purchasing equipment, enlarging plants through board of director agreements, and so forth. When it came into sales, I reported to Vincent, because we were always together; and on any major developments or new market entries and so forth, why, we normally discussed it among the three brothers about where we were going and how much it was going to cost in order to enter those markets, before Golden Grain became a national marketer with products such as Rice-A-Roni and Noodle Roni and Macaroni and Cheddar.

Jacobson: Were there great differences in styles of management among the three of you?

T.D. DeDomenico: Each one of the brothers has had experience in sales. So when one brother was talking to another one about sales, they knew exactly what we were talking about, and knew exactly where we were trying to go. It wasn't strange to them when I said that I was going to go back to Chicago, as an example, and I was going to hire brokers; because we had brokers. So that was not foreign to them. When I got the okay to go to New York and to introduce Rice-A-Roni, that was an agreement of the three of us--how much money we were going to spend to enter the market, as it was in Chicago and Boston, and so forth. And it was the unique part of our business, that the three brothers agreed.

Naturally, we didn't agree on everything 100 percent of the time, but on the major issues we were in agreement. That, I think, tells the real story of Golden Grain and its cooperation between management. The management of this company was very small, compared to the size business that was done, where there were only nine sales managers out of this office, and there were two sales managers out of the Pacific Northwest. Then there was the advertising agency and the three brothers making decisions on a national basis about where this company was going to go, and what products we were going to sell, and how much enthusiasm and dollars we were going to spend in order to enter those markets to sell our products.

So because of the three brothers working together, it became easy for the sales department to go ahead, because if there was a commitment to be made, every commitment that was agreed upon was fulfilled. If we entered a market, as an example, and I was to get x percentage of the market before our advertising started, if we agreed to spend that money in that market, that money had to be spent in that market. This is the way that we operated, and that was the promise that we made to our customers. And because of that, our customers realized that we were a company that maintained its word, and therefore when we came out with new products, or whatever we told them, or whatever we told our brokers--which was the main selling arm of our company--the reputation of this company was at its highest level.

Jacobson: You mentioned that you all had this sales background. But to what else would you attribute this sort of ability to easily agree on strategy with one another?

T.D. DeDomenico: Well, the three brothers were the major stockholders of this company. Being the major stockholders, the most important thing that was of interest to us was to build the Golden Grain company. Not to sell the Golden Grain company, but to build the Golden Grain company for the reputation that we wanted for the company and for ourselves. Which I think we achieved. I think that just about answers your question.

San Leandro Plant

Jacobson: Let me move to the building of the San Leandro plant in 1950. How was it decided that you would move to San Leandro and set up operations there?

T.D. DeDomenico: We were in San Francisco, and the state of California, which was building its freeways and building the San Francisco Bay Bridge, needed the property that we were located in. Looking at property in San Francisco, and looking at the funds that were available and the money that was going to be given to the company by the state of California, we still felt that the property in San Francisco would be too expensive. So we looked at other facilities to purchase--buildings that were already standing--and we even looked at another company, the Hunt's Macaroni Company that had gone out of business in South San Francisco, where there had been a pasta plant. We decided that it would be better if we looked over some other part of the Bay Area.

During the course of time, and because there had been talk, I guess, of Golden Grain having to move, naturally there are a lot of banks and so forth that know that property has to be moved because of bridges being built and freeways being built--in came a man to talk to my brother Vincent. His name was Helmer Johnson, and he was with the Central Bank of Oakland. We'd already gone back to the Bank of America and asked them if they would give us money for plant expansion, and even though Gragnano Products had done business with the Bank of America from its inception when it was the Bank of Italy, when Mr. Giannini was in charge of the Bank of Italy, Mr. Johnson was the only one who came up with a number that we could live with. He was generous enough to say, "Well, I think you fellows have got a terrific product,

you've got a good reputation, and there's property in the East Bay that might be available."

Well, we considered coming to the Oakland side, so we came to San Leandro. If it was not for Mr. Helmer Johnson, it would not have been possible for us to build on this site. So through his help we were able to build a plant of approximately 78,000 square feet. This took care of the needs of the company for that particular time.

Jacobson: Did your mother, Maria, play a role in financing?

T.D. DeDomenico: Yes, she did. Those negotiations--I really can't remember them as well as probably Vincent can. I think stock and other collateral that she had--her home and so forth and so on--was put into this package in order to give Central Bank some reason to want to fund the Golden Grain Macaroni Company in its new plant.

Jacobson: Did the new plant that was built make improvements over the plant that you had in--?

T.D. DeDomenico: San Francisco? Oh, yes. It became a very modern plant, and we were able to put all new automatic equipment in this plant. It gave us a much larger capacity, and that was exactly what we needed, because we could see where the company was going to go, and this was prior to having anything to do with any boxed dinners or rice dinners. This happened, I think, in 1950 or so. It's just the ideas that flowed, inner-family, that created products and gave the sales department something to sell, to further the growth of the company.

Entering the Candy Business

Jacobson: What were your principal products around 1950?

T.D. DeDomenico: We were in the pasta business, and we were in the dried vegetable business--beans and rice and popcorn and those items. After we came to San Leandro, we went into the candy business. We had a line of candy called Golden Treat. We purchased all of our candy from other manufacturers, prepackaged it, and sold it to the supermarkets. That gave us the feel for candy.

Jacobson: What made you decide to go into the candy business in the first place?

T.D. DeDomenico: Well, just looking over competition that was in the field. There had been other packagers of candy, and other packagers of bean products. One was the Budget Pack Company, which was a very large company located in southern California that had been working into our own area. Because they had beans, rice, popcorn, and candy, in order to maintain our customer level, if we did not enter the candy business, then they would have taken over the beans, rice, and popcorn of our existing customers. So it was a competitive move to keep our competition from taking our customers, because there was a need for the servicing of candy along with those type of products. It worked very well into our sales plan.

Jacobson: Did you have to make modifications in your plant to accommodate producing candy as well as pasta and beans?

T.D. DeDomenico: It was just opening up another department in another location, because we could package candy by hand and put it into bags, and put a top label on it, with a perforated hole in the top of it so that we could either put it on a spindle or we could put it on a rack of some kind. And it worked out very well. We actually followed the packaging techniques of our competitors, because they had been in that type of business for a long time. In order for us to get into it as quickly as possible, we looked over their type of packaging and just modified it slightly to what we thought might be better.

Manteca Bean Company

Teiser: Did you buy beans before you bought the Manteca Bean Company?

T.D. DeDomenico: Yes. We did all of the packaging of beans in our San Francisco company, and we also did all of the packaging of beans here in San Leandro before we purchased the Manteca company. The Manteca Bean Company is where we moved our machinery and our supplies, because the plant here in San Leandro was so busy that we didn't have time to really package it here. We did not want to add to our facility here; we felt that because a lot of the

varieties of beans that we were packaging were California varieties, and they were coming out of the San Joaquin Valley, that it would pay for us to have a plant located close by where we could buy beans from the farmers and do our own cleaning right in that plant, which we did.

New Plant Technology

Jacobson: To return to the San Leandro plant, could you describe for me some of the innovations in technology that were introduced in that plant that were not used in the San Francisco plant?

T.D. DeDomenico: The San Francisco plant was strictly a pasta plant, except for the packaging of dry beans and rice and popcorn. That was a full line of all packaged products in cellophane, before we went to polyethylene. We started with a top label, then we went into printed film. That was packaging equipment that was available to us through either the Triangle Company or some other companies.

Then we used to put out products that in the early days we would call a coil spaghetti or a coil capellini or a coil vermicelli. The product would come out of the pasta press, and after it came down so many feet, people would cut this off with a knife. Then the girls would twist it by hand and put it on a tray, and then we would put it into our driers and we would dry it.

When we moved to San Leandro, why, we bought a piece of equipment that did that all automatically--that made the twists, and it went through the packaging machine, where we used to have to pack them by hand. Now this was all automated.

Drying##

T.D. DeDomenico: In the San Francisco plant, when we produced spaghetti there would be a person at the press, and he would cut the spaghetti and put it over a stick, and then he would spread it. Then he would put it on a truck, which was a three-tier truck and held a bunch of sticks on each

level. Those trucks had wheels on them, and then we would wheel these into our big tunnels, or big driers.

The spaghetti would have to stay in that drier for two or three days. It would have to be cured, because spaghetti is a solid rod. It's like a pencil. Because of the high moisture content in that spaghetti, it has to be cured so that the heat in that wind tunnel or in that drier would put a slight crust on the outside of the spaghetti. Then we would have to shut the drier off and let it rest so that the inner part of the moisture would come back to the outside. And then we would dry it again. We did this until the spaghetti was dry, because if it is not done properly, if the outside crust is too hard, the inside moisture naturally is going to try to come out to the outside, and it has what we call a checking problem. It will make lines through spaghetti. Those lines, or little bubbles, when the housewife takes that product and prepares it at home, will disintegrate and break up into small pieces in her pot, which makes a very poor quality. So the drying of spaghetti was very difficult.

And the larger the product, in, say, a long macaroni or something with a hole in it, was very, very difficult. We had some shapes that were even larger, like ziti macaroni, which was a very large tubular product. That would become even tougher to dry. So that's why it took three or four days in order for the product to be dried properly.

When we came to San Leandro, we bought a machine that I think was about 180 feet long, and this dried it automatically within twenty-four hours. And it gave it its drying, it gave it its rest period, it did its drying again, and within twenty-four hours the product came out of the end of the drier. We did not need a man to cut it any more, because we had automatic cutters. They had the timers on there, on the length of product that you wanted to come out of that drier.

That was the greatest innovation of the machinery manufacturers that came to the pasta industry: the drying of all of our cut pasta, our elbows and so forth, in automatic drying tunnels where we could dry the product within nine to twenty-four hours. That kept us being able to produce a lot of product, not needing the space that we would normally have needed for the tunnels, or for the other tray drying which I explained the other

day, where we had to go there and mix and shuffle the product. This was all done by gravity, the product dropping down from one belt to another, and then being belted up to another height, and then dropping down through a bunch of other tiers of layers of screens, all with fans blowing and heat coming in and constant checking by people in our laboratory to see whether the product was being cured properly.

Automation of the Industry

Jacobson: Was some of the new technology that was developed able to handle some of the more delicate pasta? Was that an issue with this new machinery?

T.D. DeDomenico: Because of the need and cry from the manufacturers to the producers of machinery, they came up with drying tunnels that could dry any type of product that was needed in the pasta industry. Today all products are completely automated--through its manufacturing, through its curing. As an example, whether we make spaghetti or whether we make elbow macaroni, when the product comes out off of its machines and goes through its driers, it's automatically put either into elevators, bins, elevated bins, or on storage belts, which automatically empty into our packaging machines, and it's not touched by human hands.

Jacobson: Were there certain kinds of pastas that initially were more difficult?

T.D. DeDomenico: They were all very difficult. Everything was handpacked in the early days, and then after that, because of the need through the industry, came the machinery to prepackage the product. It made its own automatic film packages that were supplied to us by our converters, where we actually bought rolls of film rather than packages that were already assembled, with just the opening that we would need to put in through a Doughboy sealer and then just seal the top of it after the packages were preprinted.

The need in the industry was answered by manufacturers of machinery all over the world: Italy; Switzerland; New York, where most of the machinery for pasta in the United States is produced. Whether one

piece of machinery is better than the other, it's a matter of opinion on capacity. Some people make larger machines than others, and so forth. But all of the dyes that we used, and still use, for the manufacturing of pasta, comes from the Maldari Company in New York.

Dyes

T.D. DeDomenico: In the early days, while we were in San Francisco, and even here in San Leandro, we used to use a bronze dye. That dye, which is about three inches thick and very heavy, produced--whether it be spaghetti or elbows or others--a different dye for every different shape. So if you're producing a hundred different shapes of pasta, you have a hundred different dyes. It's a matter of taking care of them, and so forth and so on.

Later, when Teflon became a part of the industry, we decided that we would go into a Teflon dye, which was a steel dye with a Teflon insert. We could actually make a product that was smoother on the outside because of the Teflon, and gave the product more of a translucent look to it. It's not really that the product is any better to eat after cooking, but it looks better in the package and it's more appealing to the eye because of its sheen. So that was a great advancement for us in the industry. And also, in case anything happened to one of the teflon inserts, where we would normally have to send the dye back to New York to get it regrooved and so forth, what we did here was to keep extra inserts, and if anything happened to an insert where the product coming through the dye didn't look quite right, we would find that insert, pull it out, put another Teflon insert into it, and we would continue to use that dye without having to ship it to New York and back again.

Teiser: Did you make suggestions to manufacturers of equipment for certain improvements?

T.D. DeDomenico: Oh, yes. Our company did; I did not personally. Vincent was in that end of the business, and that was where the decisions were made, because he was constantly talking to manufacturers and talking to our suppliers of wheat. There were a number of them. As those representatives called on us, they were actually giving us information about what was coming into the marketplace. Because of

their worldwide information and so forth on the advancement of equipment, naturally they were interested in watching and seeing the companies grow, because as we grew, they grew, because we were buying wheat from them.

Changes in Labor Force and Maintenance Costs

Jacobson: How did all these technological innovations change your labor force and your labor requirements?

T.D. DeDomenico: Well, as we got into the manufacturing and drying of all of our coil spaghetti and coil vermicelli, that is an example where we once did that by hand. We used to have eight to ten women doing this constantly, all day long. When we put in the new equipment, naturally we did not need that type of help. So it eliminated those people, because instead of doing the product by hand, it was being done all automatically.

As far as the long spaghetti products, instead of a man having to cut the spaghetti, it was being cut automatically. Instead of putting the product into packages by hand, we were now packaging automatically with roll stock into a simple machine that was packaging one-pound and two-pound spaghetti products automatically. Therefore it lowered our need for as much labor as we would have used before, and that was another reason why the company, when it came to San Leandro, had to put in all of this new equipment--in order to have the cost reduction that we needed to stay in business.

Teiser: Did your maintenance costs increase?

T.D. DeDomenico: Yes. Only because, as the company grew, we just hired more maintenance people, that's all. Preventative maintenance is very important in any business. We had a lot of new types of equipment that had not been used in San Francisco. It was a lot more expensive. It was continuous. And therefore we had to hire people that had a higher degree of education and knew how to handle the equipment that was being used.

We were also bringing in people, and our engineers and foremen and so fourth would educate these people on how to produce macaroni products, how to produce dinner

products, how to go about the mixing of ingredients--all the things necessary to do business.

Jacobson: Was much of the plant unionized?

T.D. DeDomenico: Everything was unionized.

Jacobson: From the engineers on down?

T.D. DeDomenico: Well, not the main engineer. But everybody else was unionized.

Profit-Sharing Plan

Jacobson: I think in 1958 the company adopted a profit-sharing plan. What was the motivation behind that?

T.D. DeDomenico: The people that were in the profit-sharing plan were all of our office employees, all of our sales people, all of the administrative staff. The union had their own pension plans and so forth, and because they had something like that, we felt that it was necessary that we should also have it.

Another reason for that was wanting the employees to feel that they were part of the company. As the company grew, we wanted our employees to be rewarded, which is the incentive for major profit-sharing plans: to keep your people loyal to you. And also to further their lifestyle.

V THE RICE-A-RONI STORY

Developing the Product

- Jacobson: Nineteen fifty-eight, I believe, was also the year that Rice-A-Roni was introduced.
- T.D. DeDomenico: Yes.
- Jacobson: You talked a little bit about that, but I'm wondering if you could tell us more about the story of how the product was actually developed.
- T.D. DeDomenico: Lois DeDomenico, my wife, was the one that had the recipe for this particular product. And at a dinner table, why, it was discussed that this product was so good, after we had served it three or four or five years or longer, that maybe this product might be marketable. Because we found that the children--and we all had young people--liked the product very much. They did not really like rice, and they did not like to put a pat of butter on rice--eat rice that way; it was difficult to eat and so forth, and it didn't have the taste appeal.

So at this dinner at my home, Vincent and his family were there, and everybody was eating what they were eating, and the side dish was a rice mixture. We didn't have a name for it; it was just rice. We just said, "Are you going to have some rice?" And Lois prepared it.

At this particular time, we already had decided that maybe we would go into the soup business. We were looking for something else to go into. We had hired a fellow by the name of Jack Zeigler, who was a chemist. He was here at the company, and it was because of that thought of Jack Zeigler being here already that I think

Vincent said, "Well, gee, we've got somebody that knows something about this." Because Jack Zeigler used to work for another company that used to produce a lot of soup products for the military.

So Vincent called Lois and got her recipe for this product. We gave the recipe to Jack Zeigler and had him start experimenting on ingredients to try to match the quality of product that we were serving at home. Through trial and error we came up with a product that tasted as good as the product that we were serving at home.

We sampled an awful lot of products, naturally, and searching for the ingredients was a hard thing to do. But with Mr. Zeigler's background, we were able to get the suppliers to give us the different flavors that we needed in order to try to achieve the flavor that we had been accustomed to at home. We achieved it. And when we achieved it, we now had the product, and we knew how we were going to package it, what type of a container we were going to put it in, which was worked out by Vincent and Jack Zeigler and other engineers that we had here.

Naming the Product

T.D. DeDomenico: Now the only thing that we needed was a name. What was going to be the name of the product? We were in Vincent's office, and a lot of names--"Golden Grain Rice," and so forth--had been submitted through our own thoughts and through any volunteer that wanted to come up with some kind of a name that we would accept. Basically, it came to, "What is the product?" The product is rice, and it's macaroni. So if it's rice and macaroni, as we continued to talk and talk and talk, Vincent said, "Well, then let's call it Rice-A-Roni. Where it's got the rice, instead of macaroni, we will just take the A and R-o-n-i."

We horsed around, and we designed it right in his own office over there, sitting down and just making a bunch of markings on paper; we came up with the idea that it should be in three tiers. It should be Rice, and then an A, and then Roni underneath it:

Rice
A
Roni

We looked at it, and it didn't look very good. But we were anxious to get started, and the opinion was, "Well, how else could we describe it?" We found in that discussion that there was no other way to describe it, so we said, "Well, let's go ahead with it." That's when we came out with a slogan through McCann-Erickson, who was the advertising agency: "Something nice has happened to rice," and then we finally got into the cable car, which became "Rice-A-Roni, the San Francisco treat."

We took the city of San Francisco because we were all born in San Francisco; we were all San Franciscans. The cable car was a San Francisco institution. We felt that being connected with the cable car was very well accepted, because the cable car was accepted as an identity belonging to a beautiful city. Therefore we went with that, stayed with it, and in all of the years of all of our advertising, it never changed.

- Jacobson: Do you happen to remember some of the other names that people came up with before Rice-A-Roni?
- T.D. DeDomenico: No, I--
- Jacobson: [laughing] You put it out of your mind.
- T.D. DeDomenico: That's why Noodle Roni came into it. To tie it to Rice-A-Roni, to try to get the family feeling between the products.
- Jacobson: Where was the trial-and-error experimentation done on developing the actual product?
- T.D. DeDomenico: Right here in San Leandro.
- Jacobson: Was there any sort of testing done in your own kitchen?
- T.D. DeDomenico: We had a kitchen down in the plant. That's where Mr. Zeigler's office was, right next to the production area. We did everything there having to do with the actual creation of the product, after he got the recipe from my wife.
- Jacobson: How closely did he work with your wife along the way?

T.D. DeDomenico: He didn't. He had the recipe, and those flavors were submitted to us in our office. He would cook the product up, and we would taste it and so forth. We would keep doing that. And then I would bring home some samples of the product and naturally ask my wife how she liked it. When we got to the final state, why, then she said that it was a very good product, so we started marketing it.

Early Marketing and Promotion

Jacobson: You mentioned that this was a dish that your wife had developed to appeal to your own kids. Was this something that the company ever tried to market specifically to kids at any point in time?

T.D. DeDomenico: No, not really. The people that were given samples of the product had taken it home. The product that was produced here before we actually started marketing it-- everyone loved the product. Their children loved the product. In our advertising, we did not go after the children, if I can remember.

Jacobson: Or any promotion type things?

T.D. DeDomenico: No, I can't remember us ever using children, primarily because the product is accepted by children, but it's an adult product. We were not selling a children's product, and therefore we did not want to get into selling it to the children, because then the adults would feel, "Well, I don't have any children, so why should I eat it?" But we found through the advertising that we had done, and because of the quality that it was, that years later we would run into young people that had grown up, and they would say, "Gee, I ate that all through college! That was the only thing I could afford! That was the greatest dish I've ever tasted! I'd open up a box of Rice-A-Roni, and I'd eat the whole thing. I wouldn't have to have anything else with it, and that took me through school and helped me keep within my budget," and so forth. And the comments like that were all over.

So we were very happy about that. I'm very happy that we stayed away from talking about children. We talked to the grown-ups, they served it to their children, and their children loved it. It was probably the only time that their children would eat rice at the

table, unless they were rice-eaters from the very beginning. So we introduced a new element into the household that was acceptable to the American home. Instead of potatoes, it was rice. We gave them a new entree, and we gave them a new side dish that was very palatable. When the dish left the table, why, the dish was empty, rather than having that little glob of rice on the dish that the mother would scold her children about not eating, because it was supposedly good for them.

Jacobson: What did the introduction of Rice-A-Roni do to the company's sales?

T.D. DeDomenico: Well, naturally it enhanced the sales of the company, and it gave us a vehicle to enter other markets that we were not selling our pasta lines into. As an example, when we introduced a product into the San Francisco Bay Area and it became successful, then we went to Eugene, Oregon, and to Eureka, California.

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T.D. DeDomenico: It did not sell very well in Eureka or in Eugene, because these are rural areas. So we decided that we would go to Los Angeles.

In Los Angeles, the name Golden Grain didn't mean anything to any customers, unless those market operators had walked into a store in northern California where they would see Golden Grain products. It gave us an entree into a new market that we had not been into before, so when the Ralph's Grocery company gave us their order, I put it on the window of this bus that we were conducting this demonstration in that would pull the buyers out of their offices--not literally pull them out of their offices--and tell them that we would like an appointment to show them our new product. They did not know that it was going to be in a bus, but they were all good enough to come out to the bus and to sit in the bus and listen to a commercial, taste the product, hear the story of the product. Because they liked the product so well, and because the Ralph's Grocery company, who had the most prestige in the market at the time, liked the product and gave us an order for it, the other stores did not want to be without it. Therefore we obtained our distribution, and we started our advertising. The product was accepted in Los Angeles as well as it was accepted in San Francisco, because Los Angeles is also a cosmopolitan city.

Because of these two markets that had been developed, and because now Golden Grain was in the Los Angeles market with one product, Chicken Rice-A-Roni, we were able to complete our distribution, and the product was selling very well. We decided we would go to New York.

When Charlie Foll and I went to New York, as I explained to you before, we had the broker, Mr. [Otto] Weber, with us. We got hold of an excursion boat, took the people--all the buyers--to the Statue of Liberty. We received orders from a couple of the chains, I think, on the boat, because their wives loved the product so much they told their husbands that they had to purchase it. So instead of waiting, they purchased it right on the boat. The product sold very well in New York.

Now we had San Francisco, Los Angeles, and New York. We had the brokers lined up that were going to be selling, which I had lined up the year before, and through Mr. Weber's association, helping us obtain other brokers, we were able to go market-by-market as the company could afford the expenditure of advertising.

After about the third market that we were in, then Beef Rice-A-Roni came into it. So then we had two products in San Francisco, two products in Los Angeles. Then we introduced the other new product in New York, which gave us additional sales and more profit that we could get behind to try to sell more Rice-A-Roni products and to enter into new markets. That's how we went, market-by-market, until all the major cities were covered.

Entering Rural Markets

T.D. DeDomenico: When all the major cities were covered and the product was selling well enough, then we went into the rural markets, where the product was not accepted in Eureka and Eugene. We felt that the national umbrella of advertising, which we started because we were in every major city, would help us get into the low rice consumption areas in the Midwest, where it's meat-and-potato country. Up in the northern states like Idaho and Wyoming, areas where rice was not being consumed, through research of the Rice Board we found where rice was

actually sold in the country. So those were the markets that we entered as fast as we possibly could: where rice consumption was accepted, where the rice departments in the stores were large enough for your product to be found.

When we got into some of these areas--if we take the South as an example, they would have what we call a gondola in the grocery store; they would have a thirty-foot gondola all full of rice. We got into the Midwest and they would have two feet. We had to get into that two-foot space a product that they weren't even enthusiastic about buying because the product didn't sell well. But if you went to the potato bins and some of these others, they'd have four bins of potatoes, because this was the high-volume item that they were used to handling.

So when we introduced the product into those rural areas, they said, "Well, rice doesn't sell here." But we said, "Well, it will sell, because it sells in the rest of the country, in all of the major cities, and we've converted other areas," and we gave them examples of certain rural areas that were like theirs that helped us gain their confidence in order to want to put one product in, or two products. We weren't asking for too much space. We were only asking for a limited amount of space, but carrying the product in case there was a consumer that wanted the product, which they did. And through that, it became available in over 90 percent of the stores in the United States, which is still its distribution.

Daytime Television Advertising

Jacobson: Did you modify the advertising at all in the rural areas?

T.D. DeDomenico: No, we kept the same San Francisco theme going all the time. It was because we were advertising on daytime television. When we bought television in 1958, 1960, 1962, the American woman was not actually a great part of the work force. Therefore, because the audience during the daytime television was primarily women, those were the girls that we were looking for. [tape interruption; telephone call]

We decided that we would buy daytime television on ABC, because they have the largest women's audience. And because of that decision and staying with it, we were able to get many of the women to purchase our product, take it home and try it and like it, and serve it again, which is the most important thing--to buy it the first time, and buy it again. It's when you get the repeat purchasers and people talking about the product that was the most important thing.

We used daytime television for a long time, and that audience was a very strong audience for us. A lot of purchasing power. As the company grew and we advertised more, we had more displays in the stores, like the square footer and those items. We couldn't ask the stores to put up mass displays of Rice-A-Roni products because it didn't sell that well, but they sold well enough to stay in the stores, and it was a new line of products. We only had one or two products out there. As we extended the line, the next item was Spanish Rice-A-Roni. Then after that was tried, other flavors followed. All of a sudden we were advertising to the consumer with our daytime television. Next we went into magazines with just a strip, giving her the recipe and a picture of what this product looked like in its finished form.

New Flavors

T.D. DeDomenico: She must have liked it, and the children must have liked it, and the family must have liked it, because they bought the product. As the flavors expanded, the shelf placement expanded, and before you knew it we had a billboard in the store. The billboard was the billboard of the Rice-A-Roni package itself, because it had a white top with certain color combinations in it. So when you went to the rice section, why, there was what we call a billboard effect. It was all white, different flavors in different colors and so forth. It worked out very well. She could find the product; she tried our other flavors.

The family and the children must have liked the other flavors, because each flavor was accepted. We've had a few flavors that we've had to discontinue, but this happens in all businesses, where you think that an item is good, but while it may sell in a very small area of the country, it doesn't pay to advertise something on a

regional basis when you have a national line product that you're really trying to push. When we advertised Rice-A-Roni, we advertised beef; it had a feeling of the whole spectrum of flavors that we were offering. So it worked out.

And when Noodle Roni came into it, we did the same thing. Parmesano was the first item, and the other flavors followed, like romanoff, stroganoff, fettucine, herb and butter--those items. Our marketing philosophy followed the Rice-A-Roni philosophy, because that was successful. And because that was successful, and because we're conservative, we followed the same feeling to the consumer. But in the Noodle Roni we did not bring in the cable car, except to put the cable car on the back of the package, showing a scene of San Francisco with the words "San Francisco" and "Golden Grain" for good food. So that just stayed--that was our thing all the way through.

VI GOLDEN GRAIN IN THE SIXTIES, SEVENTIES, AND EIGHTIES**Advertising Other Products**

Jacobson: Had Golden Grain done much TV or print advertising before Rice-A-Roni was introduced?

T.D. DeDomenico: Yes. In the pasta line. I can't remember what year this was, but before San Francisco had three main channels, there were two programs. One was Dragnet, and the other one was Groucho Marx. The Dragnet half-hour had the highest rating on the national network. Groucho Marx also had the highest rating at that particular time, and in San Francisco, Golden Grain was able to sponsor a show in between those hours. So we had the center, and I think it was a movie in those days. It was long ago.

The people that were tuned in to hear Dragnet or Groucho never turned the television off, because they wanted to watch that other program that was going to be coming on in another half hour. So it gave us that audience, and through that we were able to introduce Golden Grain marinara sauce, and Golden Grain lasagne, which was a new product at the time. Lasagne was an old line macaroni product sold on the East Coast, and it was a popular item there, but we never made the product out here in consumer packages, only in bulk to institutions. So we introduced both lasagne and our Golden Grain marinara sauce at the same time. That was the first time that we had done any advertising, outside of maybe running a few ads in the newspapers. That pasta advertising started just before we moved to San Leandro.

Jacobson: How important has advertising been to your sales volume?

T.D. DeDomenico: They say you can never measure advertising, but without advertising we would never be a national company. How else would we introduce our products to the American consumer? Good advertising is the backbone of any product in today's market. There are so many items that are being offered to the consumer that if you don't advertise your product and tell the public what your product is, how good it is, and why they should use it, there are too many other products out there that can fulfill that need.

Vantage Advertising

Jacobson: At some point Golden Grain got into advertising itself, with Vantage and Continental. What was behind that?

T.D. DeDomenico: The expenditure of advertising that we were doing at the time was getting quite large. We felt that if we had Charlie Foll, who was our account executive at McCann-Erickson, open up an agency where Golden Grain would not be the sole client, it might be good for business for us. We felt that there could be a savings, because we were paying a certain commission to McCann-Erickson which was quite substantial. We felt that if Charlie Foll became a part of our company--he became president of the advertising company, chief executive officer of it--he could get other clients to be part of the mix. Which he did. He had Rug Doctor, and he had Blue Diamond almonds, and he had Chico-San. And also A-Sante, one of the water companies. He could bring revenue into the company, and he could hire enough qualified people to create the art and also to have a staff of writers, because even though the advertising dollars that we were paying to McCann-Erickson were substantial, they weren't substantial enough to pay for the talent that we needed. So therefore the outside clients were very important.

That outside income is what brought a lot of other good people into the agency. Then they created a lot of good advertising for Golden Grain. Charlie ran it as a business. He had full authority over the agency. We did not have to accept anything that he gave us. If we didn't like it, we turned it down. We re-created it again until we found something that Vincent and I would accept, and after we accepted it, why, we would either get a film of it or something, and we would send it up to

Paskey, have him take a look at it. Or have him come down and take a look at it. It was a major national buy, running into millions of dollars. It worked out.

Jacobson: What was the difference between Vantage and Continental? What were the two advertising agencies?

T.D. DeDomenico: Continental I know nothing about. What is Continental?

Jacobson: I don't know. It's something I think I picked up in some notes somewhere. Maybe that was a Pacific Northwest agency. Could that be the case?

T.D. DeDomenico: Yes, they might have created an advertising agency up there called Continental.

Jacobson: But Vantage was the one that Charlie Foll was in charge of?

T.D. DeDomenico: Right. And then it ended up that we had a Vantage South, which was here, and a Vantage North, which was there.

Warehousing, Shipping, and Distribution

Jacobson: I want to backtrack a little bit to when you took Rice-A-Roni national. How did you handle shipments and things like that?

T.D. DeDomenico: When the product was first sold into New York, it was put into a public warehouse there, the Singer Warehouse. As we expanded into, say, Boston, or south into some of the southern states, everything would be shipped out of that warehouse. When the Bridgeview, Illinois, plant of Golden Grain was built, then everything for the entire Midwest was shipped out of that warehouse, and as we increased our markets, we opened approximately sixteen warehouses. Each one of them was supplied either from San Leandro or from Bridgeview in order to satisfy the needs of our customers.

We would try to pick out a warehouse in each one of these marketing areas that was doing business in the grocery field, handling most of the chains through those brokers that were in that area. They would have favorite warehouses that they had a lot of other grocery products in and where a lot of other national companies would be

warehousing products. We felt that if the other warehouses were handling some of the national, reputable companies, because of their interest in clean warehouses, efficiency in shipping, customer satisfaction as far as getting it on time and maintaining proper rotation levels and so forth, those would be the warehouses that we picked. Also, in most cases they were air-conditioned.

As an example, we would not go into Texas or Louisiana or any places like that without an air-conditioned warehouse. We felt that that was very necessary because of the climate and being into the marketplace twelve months out of the year. After the Bridgeview plant, where we had some of our own trucks, if any customers wanted full truckloads, why, then that all came out of Bridgeview. Then we would go to the area, and if there was anything that any of our suppliers were supplying us with, we would haul material back to the Bridgeview plant.

New Technology at Bridgeview Plant

Jacobson: Was the Bridgeview plant producing mainly dinner products, or was it producing the full line of pasta?

T.D. DeDomenico: All dinner products only.

Jacobson: With all the seasoned mixes that you were working with, did that complicate the production line or involve new technology?

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T.D. DeDomenico: The Bridgeview plant was completely automated. It was a very high-speed manufacturing facility with all microwave driers. Distribution out of that plant was just about anywhere in the country, as long as we had a haul-truck. Any customer that wanted truckloads naturally got it out of that plant.

What was your question?

Jacobson: It was about any sort of technological innovations at the Bridgeview facilities.

T.D. DeDomenico: Most of our experience from what we had done in mixing for Rice-A-Roni products and so forth came from improvements that were made here. As any new ideas came out of Chicago for the improvement of the mixing qualities and so forth, all of those were taken into consideration. When that Bridgeview plant was built, we felt that we had as modern a plant as we could have. We had plenty of space, so we had plenty of space for ingredients. A lot of our ingredients came from Wisconsin--our cheese products and whey, products like that. A lot of our other products came from California, such as parsleys, and items came from Europe, Asia, and so forth. They were all brought into these facilities.

As far as new innovations, a new innovation in the mixing technology did not come into being until approximately five years ago. In, I think, 1983, a major expansion was made in Bridgeview. Through that major expansion, why, the ingredients were all blended automatically by having bins for each different type of product. It was all computerized. Therefore, if it called for parsley, if it called for chicken fat or whatever, it was put into the mixes automatically.

Teiser: Did you have to pre-cook some of the ingredients in these mixtures?

T.D. DeDomenico: No.

Jacobson: Before it was computerized, how was the mixing done?

T.D. DeDomenico: It was done by people up in the mixing rooms, measuring, exactly the same way you do at home, following a recipe.

Jacobson: My goodness. Very time-consuming.

T.D. DeDomenico: Very time-consuming. But it had to be accurate in order to maintain the flavor on a constant basis, so that one product produced in January of 1987 would be the same product produced in December of 1987. As each batch came out, it was tested, and if it didn't test right, that batch would be put aside and they would go through the reports and find out what the mixer man actually forgot to check off. Sometimes if he forgot an item that was part of the ingredients, they would put that batch in there and add that ingredient and recheck it again until it was perfect.

Product Sales

Jacobson: What was the percentage of dinner products sold, say, to pasta products sold? Was there a ratio that was constant throughout the company's history, or did that change as consumer preferences changed?

T.D. DeDomenico: In the pasta field, the areas of doing business remain the same. Actually, the growth of the pasta volume in cases or dollars was growing, because our customers were getting to be a bigger population all the time. Through that population growth, our volume continued to increase. Where we were sitting on pasta products, we're now sitting close to 100 percent of distribution. So the only growth that we could feel as far as pasta was concerned was the normal consumption of pasta at the time, the influx of more people, and then the craze for pasta, which created a lot of volume for all pasta companies in the United States, of which we received our share, being the largest pasta company on the West Coast, even though we sold in the restricted area from Bakersfield north, including the state of Nevada and the northern states with Mission and Golden Grain up there.

As far as the other items which were on a national basis, as we introduced new products the volume of the company increased. We were putting more emphasis into our Rice-A-Roni and Noodle Roni lines than we were actually into the pasta, because in the pasta field we were already in it. We had all of the varieties that we wanted to satisfy the consumer. When the pasta craze came to America--that pasta was good for you and so forth, and that you should consume more pasta products--there were a few new shapes that we came out with just to bring out the rotellis and the fettucines, which added romance to the product and gave the consumer something that she might want to try. But the emphasis was on packaged products, our dinner lines, because we're looking at the total universe, now, of not only the West Coast but New York and so forth, where getting a product accepted in that market of 240 million people was more interesting than marketing a product where there are only 17 million.

Macaroni-and-Cheddar

Jacobson: You've mentioned the Rice-A-Roni and Noodle Roni lines. What other products did Golden Grain develop?

T.D. DeDomenico: We had a Macaroni-and-Cheddar, where Kraft had a Macaroni-and-Cheese. We felt that our product was as good if not better than Kraft's. We called it Cheddar because we felt that Cheddar was a higher quality feel than just cheese, because cheese could be any kind of cheese. Because of that, why, we were able to achieve 85 percent distribution in the entire country. So that put us right along side of Kraft, and the business has developed into a very nice business.

Ghirardelli Chocolate Company

Jacobson: Were there any other products aside from that?

T.D. DeDomenico: The only other line that we were into was when we purchased the Ghirardelli Chocolate Company.¹

Jacobson: What made you decide to buy the Ghirardelli Chocolate Company?

T.D. DeDomenico: Vincent heard that Ghirardelli Square had been sold to Mr. [William M.] Roth, and that the Ghirardelli people wanted to get out of the business. Their business was going down quite rapidly. They had a good name, but they weren't really highly regarded in the marketplace any longer, because people like Hershey's and Nestlé's had come into the market, and for many years had dominated the market. Ghirardelli was not a progressive company any longer.

¹See also Polly Ghirardelli Lawrence and others, The Ghirardelli Family and Chocolate Company of San Francisco, an oral history interview conducted 1984-1985, Regional Oral History Office, The Bancroft Library, University of California, Berkeley, 1985.

They were losing their share, and actually they only had a couple of products that were in the marketplace, like their ground chocolate. And they had a little institutional business. So we went over to take a look at it, and spoke to Mr. Ghirardelli over there. He said they wanted to sell the business, and the Roth family, that now owned the property at Ghirardelli Square, said they were going to make a center out of it. If we wanted the company, why, we could only stay there for so long.

So Vincent and I went over there and took a look at it, and spoke to the people. We called my brother Paskey and said, "This Ghirardelli Chocolate Company is going to go out of business, and if we buy it, why, we can buy the label and so forth." We were already in the packaged candy business--we were selling Golden Treat candy--so we knew a little bit about the business, and we knew some of the people that Ghirardelli was doing business with. So we decided that it was too good a name, too good a company to let close. And we could see that if this square was being built, there might be an opportunity to have a store there. The Ghirardelli sign was going to remain on the building; all that free advertising was going to be there. So we decided to buy it, and we bought it within just a few days after seeing it, knowing nothing about the chocolate business at all.

But we felt that the gamble, the expenditure to buy it, wasn't that great, and if we closed it and lost all the money that we had purchased it for, because we were a family-owned company we could still survive and not have to worry about it. So we purchased the Ghirardelli Chocolate Company, and produced chocolate over there for four or five years until we built the plant here in San Leandro. When the plant in San Leandro was completed--I think that was in 1968--then we moved out of San Francisco and put in all the modern equipment that we could find. We had a man by the name of Ben Reed who was our general manager, and he knew the chocolate business because he was an in-law of the Ghirardelli's. So he set up the production plant, working with Vincent to build this Ghirardelli Chocolate Company plant that we have here in San Leandro.

[Interview 3: 15 April, 1988]##

Teiser:

I'll begin with the subject we stopped talking about last time: setting up the Ghirardelli Chocolate factory here.

My question was, did the centralization of the chocolate industry in the United States make it difficult for a new company to, in effect, come in?

T.D. DeDomenico: Oh, we didn't find it that way, because the candy business is such a large business and because Ghirardelli was both in the industrial end as a supplier and also as a wholesaler of retail items to the consumer. What was important was the innovative ability, really, in creating new candy products that consumers would be interested in purchasing. The Ghirardelli Chocolate Company, because it had been established in northern California for so long, had items like Ghirardelli ground chocolate, the Eagle bar, which was used for both eating and baking, and a number of other established items--Flicks in the tube. Those were franchised items which have a very fine reputation that this company was banking on to give it a place in the market. Expanding through that field of these items, plus additional items, and expanding on industrial sales, warranted putting in a large manufacturing facility in San Leandro to produce chocolate.

Teiser: And you had no trouble buying the equipment?

T.D. DeDomenico: None whatsoever. Most of the equipment came from Italy, Germany, Sweden, and Holland. There was no difficulty in purchasing equipment. As long as you have a dollar, you can buy anything.

Marketing Ghirardelli Products

Jacobson: Would you say, then, that introduction of new product lines in the chocolate factory was what helped you turn it around?

T.D. DeDomenico: Well, when we bought the company, they had no marketing department at Ghirardelli. So we gave it a marketing department, which meant that to enhance sales, why, marketing had to come up with innovative ideas in order to sell more product. Also, new industrial sales managers were put into place. Working with Deborah DeDomenico, who became the national sales manager for Ghirardelli in the retail end, we were able to achieve

innovative ideas which produced sales, like Deborah's idea of going into the mail-order catalogue business. The shop that we had in San Francisco at Ghirardelli Square was a very busy shop, and consumed a lot of chocolate.

The most important thing with Ghirardelli, as with any company, is giving it the proper attention in order to achieve your goal. We were achieving it year by year; our sales were increasing and increasing and increasing, so we were on the right step. Deborah DeDomenico got a lot of the gourmet stores and the big department stores in the East to merchandise Ghirardelli as a San Francisco product, and therefore it had a lot of romance. So Bloomingdales and Marshall Fields and a lot of the other reputable department stores in the East were featuring Ghirardelli, occasionally just as a merchandise and promotional thing that created a lot of volume. She was also able to get gourmet distributors that would put the product in the gourmet section of the store to enhance the name and the prestige of the company. Through that and hard work, sales have been increasing each year.

Jacobson: What new product lines were most successful for you?

T.D. DeDomenico: Well, it wasn't the new product lines that Ghirardelli sold, it was selling the high-quality lines that were already established and getting those into distribution and picking up sales on those, because when Golden Grain purchased Ghirardelli, the sales of Ghirardelli were very low. It wasn't because the product wasn't good; it was because the product was not available to the consumer. So by taking these good items, as I mentioned before--the Flicks and the Eagle and the ground chocolate, and so forth--by getting those times into distribution, why, then it made the product available to the consumer, and we have a lot of customers that feel that Ghirardelli is one of the most outstanding chocolates on the market today.

Improving Chocolate Formulas

Teiser: Did you simply follow their formulas, then?

T.D. DeDomenico: No, we created new formulas. With that creation of the new formulas, the product was enhanced, and therefore

there was a lot of testing done in order to improve the quality. Because of the availability of different types of cocoa beans that gave a better blend and a better flavor and so forth, we felt that it was a step up rather than a step down. Which was important to the consumer, because then we could tell her that it was America's finest chocolate.

- Jacobson: When you were doing all this testing and developing of the chocolate, were you comparing it to other gourmet chocolates around the world?
- T.D. DeDomenico: Oh, yes, definitely. The palate of the American consumer responded well to the advent of the European chocolates coming into the United States. Their products sell well; they're heavily milk-flavored, and so forth, and that is acceptable to a lot of people. But there are a lot of people who, when they think of chocolate, because they've been raised on Hershey's and some of these others like Ghirardelli that are more chocolate than milk, they tend to go for chocolate rather than a heavier milk product.
- Teiser: I wondered if American tastes have been influenced by European chocolates at any specific level.
- T.D. DeDomenico: I think the Europeans are good merchandisers; they have beautiful packages. A lot of people from the United States have traveled to Europe, and the Europeans have done some good smart advertising. I think there's a place for both. We don't make the same type of product that the Europeans make, and they don't make the same type of product that we make. I think the feed of the cattle or whatever is different in Europe from what it is in the United States, and therefore the flavor of the milk product is going to be different.
- Jacobson: Did you change the packaging much?
- T.D. DeDomenico: Yes. The package that was in use when we purchased the company was just a plain commercial generic package. We put a window-glass effect on the package, and kept that on for a number of years--up until maybe 1984, 1985, when the package changed again to a color package. If there was mint in the chocolate, then the package was on the green side, and if it were almond it would be on the earthy side, and so forth. So we went into that type of packaging, which proved very successful. It's been very well accepted by the consumer.

Sale of the Company, 1986

Jacobson: How was it that you arrived at the decision to sell the company to Quaker Oats?

T.D. DeDomenico: Well, it wasn't a matter of just selling the company to Quaker Oats. We had a meeting between Paskey and Vincent and myself and decided that we were coming to an age where we should either sell the company or expand further. We didn't feel that we had enough people in our own family to carry this thing forward--that it would be better for us to consider the sale of the company. And that decision was made, I think, in April of 1986. Therefore Paskey and I gave Vincent DeDomenico the authority to talk to a number of food manufacturers in the United States that we felt would be good companies for a buyout of the Golden Grain company.

For the last fifteen or twenty years, companies have come into our offices here requesting that they see us about the purchasing of our company because of the reputation of it. At that particular time we were still young and full of ambition and did not care to sell our business. We had a lot of things that we wanted to accomplish in life and in our business, because we all worked very hard. So we decided that we didn't want to do that. But come April 1986, why, we were sitting having a meeting, and looked at ourselves and decided that this could be the time, because so far everybody in the family still talked to each other. Even though I had four children working in the company, my brother Paskey had one, and my brother Vincent had two, we still felt that it was a wise thing to do, because in business today you're either very big or you're very small, and we were in between. Even with the reputation of the products that we had and so forth, we felt that if we could get the price that we wanted, it would be of interest to us.

So we searched it out and found a number of manufacturers that were very interested in Golden Grain and who worked very diligently to purchase it. The Quaker Oats Company, with the reputation that they had--we were very satisfied with the company and felt that since they wanted the company very badly, and needed the

strength of Golden Grain to help them in other lines, their bid to the company was the best. Since the company was a very reputable company, we accepted it.

Jacobson: What kind of arrangements were made for you to continue working? How did that all work out?

T.D. DeDomenico: In the selling agreement we have consulting agreements. The consulting agreement is for a period of three years, which will be up in 1989.

Teiser: Dennis' position was negotiated separately, was it?

T.D. DeDomenico: Dennis DeDomenico has always been the general manager of the Ghirardelli Chocolate Company. When the acquisition was completed, after a short period of time they made him vice president rather than just general manager. He also has a contract for three years. Whether Dennis DeDomenico remains after the three-year period is entirely up to him. It's up to Quaker, also.

Changes in Pasta Business and Pasta Consumption

Jacobson: Asking you to reflect back on Golden Grain's success over the years, and perhaps reflect on changing market conditions, too, how do you think a family just starting out in the pasta business, as your family did almost a century ago, would fare entering in this market today?

T.D. DeDomenico: I think we have a number of examples of successful companies that were started in the last five years. Fresh pasta has become quite an acceptable product with the American consumer. There are a number of small companies that have opened that have good marketing ability and have done a nice job of selling their products. In the marketplace there's always room for someone with an idea. If the idea is acceptable to the American consumer, it can be a very successful venture. There are other companies that have started in the pasta business with only a fair product, and not packaged properly. They might have had the right intentions, but maybe were not financially sound enough. But some of these companies that I mention in the fresh pasta business, that package and sell it to retail stores and institutions and fine restaurants and so forth, have made a success of it without having a lot of financial

backing. So a lot of hard work and a good idea, and it's possible. Definitely.

Jacobson: I'm wondering if you could comment on how the company has responded in terms of new product developments to changing public tastes and consumption of pasta over the years.

T.D. DeDomenico: The type of pasta that Golden Grain manufactures is not a fresh pasta. It is a product that is made on large machinery. It's extruded through a dye, and it's cured through its drying tunnels and driers, and that product is made out of semolina, which is a product that comes out of North and South Dakota, or Montana and Wyoming; it's a northern wheat that is used for the manufacturing of pasta. That particular product, if it's made correctly, has no salt, and it's just a product of wheat and vitamins added to it, and water.

When that product is prepared in the home, the only brand differences that can be detected have to do with the flavor of the wheat--where that wheat was purchased. As far as a difference in macaroni products between two reputable manufacturers producing it on the same machines, there is no difference. The only difference is the brand name. So when we get into new products, the new shapes of pasta and so forth and so on, the only change in the process is that, as an example, when we produce a spaghetti, which is a solid rod, that product is made at a certain speed on the machine, a certain consistency of the dough, and so forth.

When we make an item--say, a rigatone or a large shell macaroni, or any of that, then the dough has to change to the moisture of the mix that's in that mixer, so that when it comes out of the dye and is cured properly, and the consumer goes home and takes that product and prepares it, we want the hole to stay open and not flatten out, so that it looks very similar to the product that they've purchased, only it's cooked and it's got lots of eye appeal. With that eye appeal, why, naturally it enhances the product to the consumer, and she'll serve it more. It becomes more of a gourmet product, and it accepts a lot of different sauces, because the sauce goes through the pasta and not just around it. Through those types of recipes and manufacturing processes, the product is accepted by the consumer, because the consumer feels that the

manufacturer is really doing all he can to bring her the finest product that she can buy.

As far as new things in the dinner boxes, where we have mixes of different spices and chicken fats and chicken meats and so forth and so on, if in all of the writings that we read the doctors recommend less salt for the diet and so forth, why, then we will take our formulas and try cutting down on that particular item that the medical association claims is not good for you. So if it's salt, we try to reduce salt by whatever degree we possibly can without destroying the product. We did that. We try to be as cooperative with these types of institutions that give us that type of information as we can. It's also put on your package, where it can say "reduced salt" or "10 percent less salt." It can be on those types of products that can be either marketed, or it can be on an established brand that the consumer will know, "Well, the product was a little salty, but they've reduced it by 10 percent now, so it's got to be a lot better."

It's just trying to flow with the market, trying to flow with what the consumer wants and needs for better health in consuming products.

Teiser: Did you carry this message to the consumer through your advertising, then?

T.D. DeDomenico: If there was a change of some kind like that, of course. Because to do something and not tell the consumer what you're doing is a waste of time. If the consumer, through research, says, "I don't like a certain type of ingredient"--I'm talking about salt now, or MSG, or whatever the ingredient might be--the product won't sell.

Teiser: Were you personally in charge of the advertising?

T.D. DeDomenico: My brother Vincent and myself did the purchasing of all advertising, and also worked with the advertising agency to give us the type of commercial that we wanted.

Teiser: You must have been involved in pasta wars--import pasta business.

T.D. DeDomenico: The pasta wars never really came to the West Coast. They were mainly an East Coast phenomenon, where, because of the large Italian populations of New York and Boston and places like that, when the Italian pasta was offered into

the United States, why, people got curious and wanted to taste the product. But they hold a small share of market on the East Coast, and very little of a market west of the Mississippi. People in the west are satisfied with the brands that are being sold here, as they are on the East Coast. But they made their inroads in the east more so than they did in the west.

Test Marketing##

Teiser: When you introduced new products--I think you mentioned test marketing and so forth--did you put a particular advertising push behind a product to--?

T.D. DeDomenico: To test-market a product, we would tell the agency and have them come over and taste the product here in our kitchens at Golden Grain. Then we would go into a meeting and say, "Well, we've got a product and we want to test it. Where is there a test market that is small enough that we don't have to pour a lot of money into it in order to get a reaction?"

Sometimes we would create a commercial and some newspaper copy, thinking of it in a national scope. In other words, whatever we did in the test market, if we spent x number of dollars to test it in a test market, we actually figured out what it would cost to do it on a national scale. So that we knew approximately what our costs were going to be in order to introduce this line, or this product, or whatever. So we would pick out test markets, and then we would have the A. C. Nielson Company monitor it for us. They would give us the figures and tell us whether the consumer was picking it up, and how many times she was buying it, and so forth. We would normally test market for maybe a period of about six months.

We would test one market, and while we were testing that, we might test another one also, so that the demographics are different. It could be Arizona, but if Arizona gets hot, then all of a sudden we might go to Boise. Or we might go to Denver. It depends on the coverage of the television and newspapers, and a market, and how many people there are, and whether it would be a good sample for us.

Teiser: Did your tests more often get positive results?

T.D. DeDomenico: Yes.

Teiser: So you had guessed right?

T.D. DeDomenico: Well, we made mistakes. The mistakes we made were not on, say, items of Rice-A-Roni or Noodle Roni. It would be a whole new line of product, like Cook 'n Broth Noodles, as an example. We had a little pouch in with a bag of noodles, and the consumer would take that product, put the water in her pot, take the envelope of the flavoring, and then pour noodles into it. The noodles would become flavored. We tested that in Boise, Idaho, and it flopped. We thought it was a good product, and we had a lot of people say that it was a fine product, but it just didn't feel right to us that, "Even though it didn't sell in Boise, well, let's go to New York or someplace, and put it in there," because that would have cost us a fortune. If it didn't sell, then it would be withdrawn, because as far as our customers were concerned, they would say, "They've had hits, but now they've got a real loser, and we'd better be careful the next time they come in because it's not going to be--."

So we tried to be very, very careful on what we actually put into the big markets of the United States. Because of the size of our company, we did not want to make a mistake if it were possible. When we asked them to put the products in, that cost money for us. It cost money for them to put it into their warehouses, distribute the product, and put it on the shelves. If the product didn't sell, then it was our fault, because we didn't advertise it enough, or we came out with a product that was not acceptable to the consumer. "Your testing wasn't right, you didn't do enough testing, and so forth, and why didn't you do that before you came to us?" So we tried to get away from that type of a failure.

Competitive Products and Markets

Teiser: That brings to mind the question of competitive products. That particular product, Cook 'n Broth, is similar to one that I suppose was on the market then, from the Orient.

T.D. DeDomenico: No, none.

Teiser: Because now they are all over, and cheap.

T.D. DeDomenico: That's right. In later years came the Japanese-flavored products. So it could be that we just marketed it the wrong way. The Japanese product is a pre-cooked noodle product. We did not have a pre-cooked noodle product. We used our regular noodle product that the consumer would still have to cook for seven minutes or nine minutes. We did not give her a product that was already cooked.

Teiser: Did you avoid new products that were competitive to existing ones, or did you sometimes come into a market that you thought was being occupied weakly?

T.D. DeDomenico: Sure, in the pasta field. Not the box items like Rice-A-Roni and Noodle Roni and those items. Those were new products, and those were products that were sold nationally and so forth, and had their place in the market. When it came to pasta, there are regional companies. In every major city of the United States there are regional companies that sell pasta products. If we decided, as an example, to try to go to Los Angeles to sell our pasta, it would cost the company a tremendous amount of money because of the high advertising costs and all. But we had done that, and we have tried to break into new markets where other brands are established. It does not work very well. It will work in a city, say, the size of Salt Lake or Denver, but when it comes to the big cities like Seattle and Los Angeles and Chicago and Boston and New York, it is very, very difficult to break into those markets where there are a number of established brands. They don't need a new brand. There has to be a real reason why they would even consider putting in another brand of pasta. It would either be because somebody's paid them a lot of money to get into the stores, or there is tremendous consumer acceptance of the product because they've done something to the product to make it a little different from the brand that's in there, by using a different ingredient of some kind or something like that.

But when it comes to the standard semolina pastas, if Golden Grain were to try to go into the New York market or the Boston market or the Chicago market, it would be very, very difficult. Golden Grain is what we call a regional brand; it's sold in the western United States. It is not sold east of Salt Lake City, other

than from our northern plant up there at Mission, where they would go all the way to Montana and Wyoming and cover those states. By just doing good merchandising and selling in your own marketplace, you can enhance your volume by just getting consumers to eat more of it. And that's the idea: to get the biggest share of market so that if the consumption of pasta increases by any fraction of a percent, you're getting the biggest share of it.

Teiser: You've given us a very, very interesting interview. Is there anything that you would like to add in conclusion?

T.D. DeDomenico: The only thing I can say is that its been very exciting, and it's been a real good life. I'm very happy that I was a part of it, to see this. The parents that I had that are behind me here [referring to photographs on the wall] would have been, I'm sure, very proud.

Jacobson: Thank you very much.

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Berkeley, California

Anthony Victor DeDomenico

THE DeDOMENICO FAMILY AND EARLY YEARS OF THE BUSINESS

An Interview Conducted by
Ruth Teiser
in 1987

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ANTHONY VICTOR DeDOMENICO

Anthony Victor DeDomenico was born in San Francisco in 1912, the second son of Domenico and Maria Ferrigno DeDomenico. Earlier that same year his father had sold his produce and grocery stores and gone into the macaroni business. With Anthony Ferrigno he established the Gragnano Macaroni Factory, later renamed Gragnano Products, the predecessor of Golden Grain Macaroni Company. Like his brothers, Anthony Victor, known as Victor or Vic, started working in the macaroni factory sporadically as a youngster and, from 1933 on, as a regular employee except for a period of study at Stanford University. He continued with the company as a purchasing agent, but not as part of the management group, until it was sold to Quaker Oats.

His account adds to recorded information about his father and the history of the company during its years in San Francisco.

Ruth Teiser

January 5, 1992
Regional Oral History Office
The Bancroft Library
University of California, Berkeley

I THE DeDOMENICO FAMILY AND EARLY YEARS OF THE BUSINESS

History of DeDomenico Family in Italy

[Date of Interview: 12 July 1987]##¹

Teiser: When was it your father came to the United States from Italy, and when did he come to San Francisco?

A.V. DeDomenico: His grandfather died in 1885. He had gone to Florence with his family to escape some sickness. [He] took all his family from Sicily to Florence, and he died there. It was hard for the womenfolk to tend him--he was around 72--so my father attended to all his needs for two weeks. Then he died in a hotel in Florence. My father was very fond of his grandfather; he was named after him.

In '81, my grandfather had been crippled by an accident. He was almost killed by a horse. He never was the same person again. I slept in the next room to my grandfather from 1912 to about 1923, and I know that he just took care of his needs and wasn't interested in anything, as if he'd forgotten all about his past.

My dad had to take over--my dad used to tell me that when he was eleven years old, he became the head of the family. And his father was alive. He had to go out and earn the money and take care of all the family property, to keep going.

Teiser: How did he happen to come to the United States?

¹This symbol (##) indicates that a tape or a segment of a tape has begun or ended. For a guide to the tapes, see page 351.

A.V. DeDomenico: Being that he was in charge of the family, like I said, he told his father, "I'm eighteen years old now; I think I'll take a trip to the United States, where they say things are very prosperous now." It was the year Benjamin Harrison was elected president. Before the election, my dad took a boat and came to Boston. When he got to Boston he met people from his part of the country who knew who he was. They offered him partnership in the business.

Teiser: What kind of a business was it?

A.V. DeDomenico: Well, they had these retail businesses, retail services. They offered my father 50 percent partnership. My father stayed there for one year, and the daughter of his partner started to make advances toward my father. I guess she was wanting to getting married. My father said, "I'm only nineteen!" He told me that he didn't want to get tied up so quick; he was only a young man.

Domenico DeDomenico Comes to California

A.V. DeDomenico: He was reading about California. Some Italians had come to California. He heard about it, so he decided to leave the business and go to California.

Teiser: What year was that?

A.V. DeDomenico: Eighteen eighty-nine. He took the train west to California. When he got over here, he had four markets--eventually. He started with one market, and eventually he had four markets in the Mission District.

My father, when he got to San Francisco, got together with two men, and they formed the Society for the Prevention of Cruelty to Animals. Because he was so good; he knew so much about animals, about how to take care of horses, and all these things. The main purpose of the SPCA at this time was to see that horses had a place to get a drink of water. My father knew that a horse could work better if he could get a drink while he was on the job. Then they would regulate how many horses had to carry [draw] how many pounds of freight, and try to get good roads for the horses--to make those cobblestones even instead of being crooked. This was

important to the legs of the horses. There were a lot of things they did to make the horse be in a good atmosphere here in San Francisco, and in the Bay Area.

When I was a boy, I even went out with a horse one summer--went out with a man named Dinty Moore, and we used to carry lumber in a cart. I used to go with him, and we'd deliver lumber all over San Francisco. I got a big kick out of it. Even at that time--it was about 1926--there were still horses. I really enjoyed that summer.

Getting into the Macaroni Business

Teiser: What was your father doing at that time?

A.V. DeDomenico: Well, he stayed in the markets until 1912. In 1912, two months before I was born, my dad sold all his markets. He rented a two-story building on Valencia Street that was owned by some Genovese people. Their name was Rado. Then they bought machinery for making macaroni.

Teiser: Oh, then he went into the macaroni business?

A.V. DeDomenico: Yes, because he'd married my mother in 1909, and by 1912 she convinced him to switch from the markets to manufacturing macaroni [laughs].

Teiser: How did she happen to do that?

A.V. DeDomenico: Well, the only excuse--see, he would have become a millionaire right then and there, and she stopped him from becoming a millionaire, but she didn't know it. She didn't know it at the time. Because when girls come from Italy, they don't know who makes money and who doesn't. She never knew that he was making a fortune.

During those winter seasons he used to go down to the market to get the things for the four stores. He used to deal with A. P. Giannini, the founder of the Bank of America. Giannini was also a Genovese, and my father's ancestors had been Genovese for a couple of hundred years. You always got along wonderfully with the Genovese people. They're very honest people.

Teiser: How did your father happen to decide to go into the macaroni business if he was doing so well?

A.V. DeDomenico: Well, actually, one winter he caught cold. You'd go in the rain, you know, and you'd get sopping wet. He used to go at three o'clock in the morning. It took about two hours to get downtown from the Mission. So he got all sopping wet, and he got a sort of neuralgia on one side of his body. He thought he was going to lose one side of his body from getting that dampness.

My mother was able to convince him to sell all the stores, and the man who bought one store became a millionaire. [laughs] In a couple of years he became a millionaire and sold that and went back to Italy.

Teiser: Where was your father's produce business located?

A.V. DeDomenico: It wasn't only produce; it was everything you can imagine. It was a complete market, just like you see today.

Teiser: Oh, and where was it located?

A.V. DeDomenico: It was at the corner of 22nd and Mission. Then he had a store at 24th and Bryant, and then at 20th and Church, and 20th and Folsom. The [1906] fire stopped on 20th Street, and my father's two stores were saved from the fire. They discovered water up at 20th and Church, right on the corner, like they discovered at 22nd and Mission, where my father's home was; he had a home in his store at 22nd and Mission. He was the first one to discover the water in front of his house there. The first fire happened right next door to my father. He called the fire department, and they put it out.

Teiser: Did he discover it in one of those underground cisterns?

A.V. DeDomenico: Every corner in San Francisco had a big deposit of water as it would come down the street. On account of the earthquake shifting the straight lines into two lines, the water collected right in front of his house. My father used to tell us some of these facts, but he never knew them all. The engineer said that [if] they [hadn't] got that water to put the fire out, it would have burnt the whole Mission District. So they saved the Mission.

After they stopped the fire on 20th street, they lost most of the city. Then they were able to stop it at

20th, and save the Mission for the second time. It was luck; it was all luck.

Teiser: But then your father in 1912--

A.V. DeDomenico: In 1912 he sold his businesses, the four stores, and opened up the macaroni factory, and he had to work hard, and he had to struggle. It took him years and years to get to a position where he could really get ahead.

The four boys, by 1933, we all joined my father. I was twenty-one, my elder brother was twenty-three, my younger brother was eighteen, and my other brother was fourteen. We all punched in to help my father in 1933.

Anthony Victor's Work at the Factory

Teiser: What sort of work did you boys do?

A.V. DeDomenico: I started from the bottom. I learned every job in the company. It paid off in the years later, when I was able to control the drying of the macaroni. Where they had been losing thousands and thousands of pounds, I never lost a pound. They had lost a million pounds, at least, in bulk macaroni. I went in and took over the job, and I never lost one pound, from the first day. It's all a matter of doing what you're supposed to do.

Teiser: What did your brothers learn?

A.V. DeDomenico: Well, I started doing all the heavy work, and I taught to my brothers what I had learned. And that's what happened. When I left the place, they were able to get along very well because I had taught them what I had discovered.

Teiser: Well, that's good family teamwork, isn't it?

A.V. DeDomenico: That's what it is.

Teiser: Where was the original macaroni factory?

A.V. DeDomenico: It was on Valencia Street, between 19th and 20th Streets.¹ Do you know the playground there on 19th and Angelica? There's a lot of baseball played there. I used to play ball there all the time when I was a kid, because I'd go see my grandfather and my father, and then I'd go across the street and play ball.

My first day I worked there, I made a dollar's worth of production. I used to work by piecework. I was the one that started the piecework idea. I told them, "I don't want pay-by-day; I want piecework." I only wanted to get paid for what I did. So the first day I made a dollar. I said, "Okay, Grandfather, I'm going across here, and I'm going to play baseball." Every day I would go there and make a dollar, two dollars, and I'd go across the street and play baseball. Pretty soon I had all my brothers working. [laughs] All my brothers came to work. We made whatever money we wanted, and then we'd go out and play.

We stayed ten years at the Valencia factory. In 1922 we needed a bigger place, so we rented 30,000 square feet. That was a lot in those days. We were lucky if we had ten thousand square feet on Valencia. So we moved down there--

1941 Fire

Teiser: Where did you move to?

A.V. DeDomenico: We moved to that 8th and Bryant.² And that's where, in 1941, on the eleventh of May, the fire happened.

##

Teiser: Did it injure anyone?

A.V. DeDomenico: Well, it happened during the night.

¹The Gragnano Macaroni Factory was listed in the 1914 San Francisco city directory at 823-831 Valencia.

²The address was given as 966-970 Bryant Street in the 1941 San Francisco city directory.

Teiser: How did it start?

A.V. DeDomenico: The fire chiefs, they studied all the workings. We had heat in the driers, and they thought the thermostat failed. We had some hot weather there, that everything was like tinder wood. It was very dangerous. So they say that the thermostat went haywire and could have caused a spark. We had people that worked for us live right close. So we got a phone call right at midnight, and my father and I went down, and right away the fire chief himself, I think, came down to that fire, and he asked who were the owners of the place.

He came to my father. He said to my father, "Is there anything we can do that would save you any property here?" We had a certain amount of insurance, but it would only be a fraction of what it was worth.

My father turns to me, and he says, "You tell him. You talk to him," because I knew everything about the place from top to bottom, and he was more in the sales end of it. So I told the fire chief, "The key thing to our company is the machines that make the macaroni. If the heat gets near them, it's going to warp the cylinder, and we'll have to junk everything, and that's worth a lot of money, and we've only got insurance for a few thousand dollars. We'd be busted. We'd never be back in business again."

So the fire chief said, "Okay, we're going to direct all our water right where you said." So he directed the whole work right there, and, you know, he saved a tremendous amount of things that were important to us. Even trucks, and even some of the dry rooms were saved, with all the trucks full. Of course, the spaghetti was no good. But the trucks and all of the physical things, like the sticks in the trucks where we put the spaghetti on--we even saved some of the motors in those particular rooms, because these rooms are right in back of the machinery department. So all that part of the building was saved. We saved enough equipment, and we bought it back with the money that the insurance company gave us. We bought it back from them, because the minute they pay us the insurance, they own everything. So we went to them and had to buy it back.

Rebuilding the Factory

Teiser: Where did you put it, then?

A.V. DeDomenico: Well, the building was finished. Next door there was a building that nobody in the town wanted because it was dirty. It had been used for cleaning carpets, and it was filthy--rats in there and everything. Nobody thought that that place would be any good but to tear it down. It was made all of brick, and it was an ugly looking place.

Now, the owner of the place was a man named Anthony Glesener. Have you ever heard of the Gleseners? He had his wholesale business across the street from us; he was a hardware wholesaler. They were the nicest people to us. My name is Anthony, his name was Anthony; mine is Anthony Victor, his was Anthony Joseph. So I got along fine with him. We were just friends, and without even wondering why. It was just natural, like it was meant to be. Because we got along perfect.

So I came up with the idea; I said, "Mr. Glesener, we're in a terrible position. Would you like to help my father? My father just lost his business." And he said, "Well, how can I do that?" I said, "Well, you have a place next door to ours, and it's really in bad shape. Nobody wants it; you can't rent it. It's been idle for months and months and months, and it would cost you a fortune to make it usable. We have a nice lot which is right across the street from your place, and it's a better lot than the one that you've got." It was a better position, and better all around.

I said, "You will have the lot all cleaned up; you'll have just a lot. Why can't you trade lots with my father, and then we'll pay you for the building? You'll get money for a building that's useless to you now." He said, "Gee that sound good." So they did it. We traded the two properties, and then my brother, Vincent, and I were the ones to fix that factory up. We got into that building, and we cleaned it so fast--as fast as it takes to harness a horse.

We had the stuff all moved in there, but we couldn't operate on machinery until the year '43, two years after the fire. But you know what we did? I said, "We can't produce anything, and we're not going to wait, so why

don't we buy our merchandise from other factories, and put it in our own label?" And we used to work day and night, doing that. We supplied all our customers, just like before with our own product, and nobody knew whether we had made it or whether somebody else had made the product. We had friends in the business.

Teiser: Did you have packaging equipment?

A.V. DeDomenico: Yes. I don't know whether we saved one, but it was very easy to get another one. And we packaged all the goods just the same. We worked day and night [laughs]. It was really the way that people worked together; they become so close. It becomes just like a family, you know? And the relationship never ceased, until we sold the company out. Just six months ago. And we've always been like that, just like a family.

We did a beautiful job [laughs] on it. We put things in that factory that nobody in the whole United States had. We put in blowers, and we would blow the macaroni from one place to another. We put pipes, and we'd pipe it to here, pipe it to there. We put heat in all the different dryers, and we had the most beautiful factory that you ever saw. I was sick when, later on, they had to give it up. The state came and condemned it to build the approach to the bridge.¹

Teiser: Oh, that was what happened to it!

A.V. DeDomenico: That's what happened. Now, the funniest thing is that one day (before they took the property--it had to have been in the plans for years) there was a man kneeling on the ground, right in front of our office--a man the same age as I am. I looked down at him, and I said, "What's going on? You're going to take this property to build an approach?" I guessed it right off the bat. They didn't want to tell us. But when he looked up at me, I said, "Well, for God's sakes, Robert Dixon! You were in my class for three years at Lowell High School! What are you doing here? Are you going to take our property away from us?"

You know, he couldn't help but smile, because I guessed it right away--what he was doing. He was

¹The State of California began condemnation proceedings against the property at 982 Bryant Street in 1948.

measuring our property so they could make an approach. Well, they gave the family five years' time before they actually took it. And then, by that time, the family was able to find a place in San Leandro. So it all worked out for the best.

Teiser: Well, thank you very much! You've given a good sequential account.

A.V. DeDomenico: Everything seems to make sense as you go, doesn't it? All the pieces just fall in place, just like you're building a building.

Teiser: They really do. You're right.

A.V. DeDomenico: Everything was just in order, just at the right time.

Transcriber: Shannon Page
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Regional Oral History Office
The Bancroft Library

University of California
Berkeley, California

Donato Ferrigno

RECOLLECTIONS OF A KEY EMPLOYEE FROM 1921 TO 1974

An Interview Conducted by
Ruth Teiser
in 1987

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DONATO FERRIGNO

Donato ("Don") Ferrigno was the senior employee of Golden Grain Macaroni interviewed and the first to be interviewed. He was born in Southern Italy in 1899. Related to the DeDomenico family (Mrs. Domenico DeDomenico was his aunt), he came to San Francisco early in 1921 and soon after was given charge of the newly opened Oakland branch of the Gragnano Macaroni Company, becoming also an "outside salesman" and a deliveryman. He continued working at many jobs for Gragnano, later Golden Grain Macaroni Company. In 1951 he succeeded Vincent DeDomenico as purchasing agent, continuing in that capacity until his retirement in 1974. His story is a not unusual account of a young Italian journeying to California where relatives had established themselves, and with their help making a successful career.

In 1930 Donato Ferrigno married Veronica Liberti, who had known the DeDomenico family, and she participated in the interview. It was conducted in their comfortable home in the hills above Millbrae, California. In this interview there appeared to be reluctance on the part of Mr. and Mrs. Ferrigno to discuss some details, perhaps because of earlier controversy between the Ferrigno and DeDomenico families, as mentioned by Dennis DeDomenico in his interview.

The text was revised slightly to clear up some ambiguities. Mr. Ferrigno's English still retains locutions of his native language. He added a few details to the account when he read the transcript.

Ruth Teiser

December 12, 1991
Regional Oral History Office
The Bancroft Library
University of California, Berkeley

I DONATO FERRIGNO AND GOLDEN GRAIN COMPANY, 1921-1974

Donato's Family Background

[Date of Interview: 17 March 1987]##¹

Teiser: Let's start with when you were born.

Ferrigno: I was born in the past century, 1899, on tax day, April 15, in Taranto. It's a naval base, and my father supplied all the Italian navy with coffee, sugar, liquors, wine, and everything else. In the afternoon, after school, I would sit where my father's office was and listen to him and watch the way he was doing business.

Teiser: Paskey DeDomenico suggested that we talk with you. How are you related to him?

Ferrigno: Paskey's mother² was my father's sister. Her maiden name was Maria Ferrigno.

When I came here I met Domenico DeDomenico. I knew that they founded and built up the macaroni company. At that time it was a different name: Gragnano macaroni company.³ Gragnano is the name of a town in Italy where they make the best macaroni.

Teiser: Where in Italy is it?

¹This symbol (##) indicates the beginning or end of a tape or a segment of a tape. For a guide to the tapes, see page 351.

²The wife of Domenico DeDomenico.

³Gragnano Products.

Ferrigno: Near Naples. That's where they were making the real macaroni.

Immigration to the United States

Ferrigno: I arrived in New York on New Year's eve in 1920-21. Right away I took the train and we came here to San Francisco. I had a mother and three sisters with me; I didn't come alone.

My grandfather [Antonio Ferrigno] was sure that as soon as I would apply at the Bank of America I would get a job, because they promised him. I talked to the vice president at the bank about getting a job. He asked me where I was from in Italy. "Well, do you want to know, really?", I said. "Yes, I'd like to know." "All right." I told him what city I was born in. He said, "Well, I have to go. I'll be talking to you." I said, "Now, before you go, will you please answer my question?" He said yes. "Suppose I were to say, instead of the name of my city, that I was born in Genoa, where you were born? Would I have a job?" "Oh, what do you mean by that?" I said, "Well, you know what I mean. You're intelligent enough to understand."¹

My uncle said, "Why did you say that?" I said, "I'll bet you any amount of money I won't get the job." I never did.

So after the first fiasco, I called Domenico. I said, "I've got to work." I was living with my grandfather [Ferrigno], with my different relatives here. I stayed on until October without doing anything. I was living the lazy life.

First Job at Gragnano Products

Ferrigno: Finally, Charlie DeDomenico, the old man, he called me one day-Domenico DeDomenico.

Mrs. F.: Yes, Domenico was really his name.

Teiser: I found him in an early directory as Charles, and I wondered.

¹Reflecting prejudice against Southern Italians that occurred frequently.

Ferrigno: That's the name he was using. But his real Italian name is Domenico DeDomenico. He said, "Well, listen. You know, I decided to do something for you." I said, "What, Zio?" ("Zio" is "uncle" in Italian, you know.) He said, "I'm going to open a branch in Oakland, and I want you to take care of that branch." I said, "But I don't know the language!" He said, "Never mind. You use your language, and where you are going, next door is a lady and a man who represent another company. They will help you out." So that's what happened. We opened a branch, and I started to go out and call on customers.

Teiser: You were selling--

Ferrigno: Macaroni.

Teiser: In bulk, large quantities?

Ferrigno: At that time we had boxes of fifty pounds, boxes of twenty pounds, and even a ten-pound box.

Teiser: You were an outside salesman?

Ferrigno: I was an outside salesman and I was a deliveryman, too. We had two salesmen working there. They were taking orders and they were bringing them in at night to me. I was putting up the orders, and the morning after I was delivering whatever the amount.

Ferrigno: Every night I was going to the plant in San Francisco. They would be loading up my little truck--I learned how to use a car--with the orders I was going to deliver. In the meantime they moved one plant from Valencia Street to Seventh and Bryant. So we got going, and the business was doing a little bit better.

Fire at the Macaroni Plant: 1941

Ferrigno: I kept working there for a while, until one day the macaroni plant on Bryant Street had a fire. It was a few years later [1941], because at that time Paskey was helping. Later on, when Paskey [DeDomenico] had already finished school, he started to work not in the plant but on the bookkeeping system. We had a girl taking care of the books.

Then they started to think of where to get the macaroni; because of the fire, we couldn't manufacture anymore.

Teiser: What was the origin of the fire?

Ferrigno: Well, I think it was electrical trouble. They told me to close the [Oakland] branch because they couldn't supply any more.

Ferrigno's Diverse Job Responsibilities

Ferrigno: You know, really, my life as a working man began then, because in Italy I never did work; I was a student. So, together with Vincent, we worked, and we worked hard. Seven days a week, sometimes eighteen, seventeen hours, sixteen hours. And I learned quite a bit.

Not long ago I was talking to Vince [DeDomenico], and I said, "You know, I went through, really, the works." He told me, "You know, Don, one thing that you forgot, that you should have learned, is how to make macaroni." He said, "You know everything now: administrative work, packaging, checking up on salesmen, hiring people." So I learned everything. That's why we worked that way: taking care of the pasta, and the packaging, and so on.

Domenico DeDomenico

Teiser: Before you go from this point on, let me take you back and ask you about some earlier things. What was Domenico doing at that time in the business?

Ferrigno: He was selling. He was going up to Sacramento, he was going out in California and all around, selling the macaroni.

Teiser: Who was he selling it to?

Ferrigno: Oh, grocery stores, big markets. We had orders and filled up the orders and sent them out. He was a good salesman. Don't worry, he was savvy. Later on he taught his boys, Vince and Tom, how to sell, too.

Teiser: What was he like?

Ferrigno: He was a big fellow.

Mrs. F.: A big, husky man with a mustache and curly hair parted down the middle. I remember him.

Ferrigno: The small boy, Tom, had a big picture of his father in his office.

Teiser: Was he a mild man, or a loud man, or--?

Ferrigno: Well, now we go back to the way Italian people are and the way American people are, and it's quite different. The first thing is, he was a Sicilian.

The Founding of Gragnano Products

Ferrigno: My grandfather Ferrigno was a native of Naples, near Salerno. I know when they founded the company they were both the owners. My grandfather had no money, but in Italy he had a macaroni plant. So he gave the idea to his son-in-law, my uncle, because his son-in-law was in the produce market. I wasn't even in this country yet, but they told me. My grandfather convinced him to open up the macaroni business, and he helped him.

Mrs. F.: DeDomenico had the money.

Ferrigno: They had the place fifty-fifty. Both owned it. Then I understood one of my uncles started to work for them.

Competition from Local Macaroni Manufacturers

Ferrigno: They were doing pretty good, but they had a little trouble. They had trouble from all the macaroni plants in San Francisco. You know, the famous jealousy. One time when I was there, after the fire, they tried to convince the union to strike our plant, because some of the men weren't members of the union. So we had trouble with the union. And for a while--I'll tell, you this is very important--the union at the other factory put the sale of the macaroni at four cents a pound.

The DeDomenico Family

Ferrigno: He [DeDomenico] was an honest man, but he was a strict man, especially with the family. This is Sicilian, too. They tell you one thing, they want what is right and true, and you can argue no more. You have to do that. So the children, they grew up that way. After school they were coming and making boxes themselves. At that time we were using lumber to put the macaroni in the box. Five cents a box we were paying them. I was watching them to make sure they gave me the right count, too.

Ferrigno: Then my uncle passed away. I don't know, maybe you have a better date.

Jacobson: I think 1943.

Ferrigno: Forty-three, you're right. It was during the Second World War; now it's coming to my mind. Because Tommy [Thomas DeDomenico] was in the Second World War; he was a military man in Belgium.

They had four boys and two girls, the DeDomenicos. Paskey was the oldest one, Anthony [Victor] was the second, Vincent was the third, and Thomas was the fourth one.

Seattle and San Francisco Operations after the Fire

Ferrigno: We decided that we needed a supply of macaroni, because the factory had burned down. Paskey then went to Seattle, and he bought a plant that was out of business at that time. He started to manufacture macaroni there in Seattle and shipped some to San Francisco. That way we could supply more customers than when we were able to manufacture. We put a few people to work on it, and we did pretty good. I was working in San Francisco because I had closed my branch in Oakland. And with Vince, we really brought up the business at that time. We had a few salesman. The father, before he died, was selling, and after the father died Vince took over part of the business. So during that time I was driving, working, helping Vince and the crew--whatever was the thing to do.

Name Change to Golden Grain

Ferrigno: We changed the name of the company at the start of the Second World War, because Italy was against America at that time. And the name that we had was kind of difficult for a lot of people to pronounce. One thing about the DeDomenico boys, we always had a meeting together amongst ourselves. I would give my ideas, the others would give their ideas, and we discussed what to do or not to do. I'll tell you, it took about a month and a half before we found the Golden Grain name. That applied to the golden color of the macaroni semolina. So we called it Golden Grain.

That was lucky, because when the union put the macaroni at four cents a pound, we gave the order to the boys who were calling on the stores to go and tell them we have the best pasta; we know the macaroni better than the rest. And the unions doing this to us forced to go broke. It's all politics. With that name we gained our sales quite a bit. We were selling more macaroni during the strike than we ever sold before. That's the truth.

Learning the Ropes from Domenico

Ferrigno: Then I was going up all the time with my uncle. He would take me with him when he had a meeting with the other macaroni people. He wanted me to listen to them, because of my Italian language and because I know Italian people better than anyone in the world! So I started to understand, and saw the way other people were acting. They were friendly in front and then they kicked you when you turned your back. So I gave him my ideas. My uncle would say, "I don't like the way that guy talks. I like that fellow; he's honest and he's telling the truth."

One of these companies that was against us almost went broke, and before they went bankrupt they sent for us to go there. They wanted to sell the plant to us. My uncle said, "Donato, you come with me today. We've got a business with such-and-such a company." "All right, we'll go." We went there and I listened to them; I didn't want to say words between the two guys. "Well," my uncle said, "how much do you want?" "Oh," he said, "a million dollars." My uncle got up; I got up before he even said, "Well, good-bye. We'll be seeing you." We didn't say a word. Then they went broke and we kept going.

Teiser: Do you mean Domenico?

Ferrigno: I had a lot of uncles here, but he [Domenico DeDomenico] was the one who gave me the first job in the United States. He said, "That's your job; I want you to go and take care of the plant," just like it was mine. So I did.

The Move to San Leandro

Ferrigno: After the fire, like I said, Paskey went to Seattle. Then finally we sold the San Francisco land to the state, so we had to move. The California state bought the land where we had the macaroni plant for a connection to the Bay Bridge, at Seventh and Bryant. They were going to put in a side street to go to the bridge, where it is now. We tried to find a place in San Francisco, and nothing could be done. Then finally we found a place at the Western Pacific in San Leandro. They [the DeDomenicos] bought part of the land, and they started to build there and we moved to San Leandro.

Customers

Teiser: In all this time, who were your customers? Were they restaurants? Were they retail stores?

Ferrigno: Some grocery stores and supermarkets. No, not restaurants.

Mrs. F.: That's a different field entirely.

Ferrigno: That's different; the restaurant trade is different. They want it cheaper and they want it made their own way. Some of those restaurants, they buy the small machinery from Italy and they make their own pasta.

We had good salesmen going out. This has been one of the policies, I believe, of the DeDomenicos: they treated the men like union men. Certainly, they in no way were getting rich, because at that time America was going through a bad time. But they were making a good living; we were paying. I worked for less than the salesmen at that plant; I didn't mind. I know what has to be done if you want to succeed, so I kept going and going.

Paskey DeDomenico

Teiser: How was it decided that Paksey should go to Seattle? Why did he go?

Ferrigno: He was the older one in the family. And that's another thing-- it's a tradition in Italy; the first one is number one, then come the rest. He was a bright boy.

Mrs. F.: Smart, a shrewd businessman.

Ferrigno: You have to be shrewd today.

Mrs. F.: He was then; he always has been.

Ferrigno: He was then, and he did a good job to bring up the plant in Seattle. They were manufacturing the pasta. Maybe they weren't making much money, but we kept going.

Teiser: Did Paskey, as the oldest son, tell his brothers what to do?

Ferrigno: He was in charge, yes.

Teiser: Was he?

Ferrigno: Yes, he was in charge when the father died.

Ownership of Company Stock

Ferrigno: One thing that I didn't say yet: my grandfather passed away in 1933 or '34, and after he died, in the will they split the amount that they shared in the business. But before splitting, my grandfather left so much for each daughter and his two sons in the United States. I was supposed to get something; I didn't get anything. I don't know what happened, but forget about it. I know I'm not supposed to say, but I'll just say that I can't forget.

Mrs. F: That's a family affair, the grandfather's family.

Ferrigno: My uncle DeDomenico bought a few shares from somebody else, and he got the majority. So he was the boss. There was nobody with just as many shares as he had, so he became the real head man of

Golden Grain Macaroni at that time. Anybody else who had shares all sold them because they were worth very little. Nobody else who had shares did work any more, so they all sold to him-- outside the one, another uncle of mine who was working there since the start.

Teiser: What was his name?

Ferrigno: Gaetano [Ferrigno]. And he sold his part. He sold his part because he wanted to leave there.

##

Ferrigno: He sold his stock, the shares he had from when they founded the macaroni plant in San Francisco.

Sorrento Macaroni Products Company

Mrs. F.: He left to go on his own.

Ferrigno: And then he went on his own.

Teiser: Was that, then, the Sorrento?

Ferrigno: The Sorrento Macaroni Company on Mission Street. He got paid, and then Domenico was left alone with his sons to run the place.

Teiser: Did the family have a quarrel about it?

Ferrigno: There were real disagreements between brother-in-law this and sister-in-law that, but they had nothing to do with the business.

Ferrigno's Retirement

Ferrigno: Now, who's the hero? Not me. But I did plenty. I worked fifty-three years, from 1921 to 1974. Nineteen seventy-four on account of the trouble with my eyes. The doctor told me, "Don't be nervous; I don't want you to get excited." So Vince, one day when he was in charge, said, "Don, if you don't feel right, why don't you quit?" I said, "No, I don't want to quit. I want to stay. I like it." But then I thought about it, and I said to myself that, well, he has something right. "Say, Vince? Well,

then, I'm quitting." "Why?" "Well, I thought you told me to quit. So I quit." But, "Don't worry," he said, "you can come here any time, and you'll be a consultant. All the time, until the company's dead, you be the consultant." Because I had worked since 1951 as purchasing agent. Vince had given me that job; one day he came and said, "Well, Don, now you've got a new office here. You'll be a purchasing agent."

Responsibilities of the DeDomenico Brothers

Teiser: How did the three brothers divide their duties?

Ferrigno: Paskey was in charge of the Seattle plant. And Anthony, he had a different idea. He wanted to go and work by himself. He was one of the most intelligent boys I ever met in my life. But he didn't want to finish school. Even the father tried to convince him. I said, "You can't convince that boy. He doesn't want to finish." He was at Stanford. He wanted to open a store in San Francisco, and then he was making a living. When the father died, he left some shares to the boys only. To the girls he left money. Two of the brothers bought the shares Anthony got.

Teiser: Then what was Vincent's role?

Ferrigno: He was secretary-treasurer, and then after many years he was the president. And that's all; he finished as chairman of the board. But he worked. He went out to sell, and when I took his job, he stayed in San Francisco as the head man of the plant.

Teiser: And Tom?

Ferrigno: Tom went in the sales department. He was in charge of all the salesmen.

Teiser: Did the brothers work well together?

Ferrigno: Oh, yes.

Mrs. F.: They had respect for one another.

Ferrigno: When Paskey was head, he was ahead of Vince. There were no favorites there. Everybody was going to work.

Mrs. F.: They respected each other's work; they did.

- Teiser: When Paskey went to Seattle, then did he no longer have any control over what went on in San Francisco?
- Ferrigno: Oh, Vince took control of San Francisco.
- Teiser: And Paskey was out of this?
- Ferrigno: He had plenty to do up there. No, you can't give a young man a job for two cities; it's impossible. The four boys, they did a good job.
- Mrs. F.: He did his part.¹

Ferrigno's Reputation as a Purchasing Agent

- Ferrigno: After Domenico's death I was older than everyone. And then, I can say that I made more money for them than I made for myself, that's all. When you buy, you know how to buy. I took my father's ideas of business, the way of doing business in Italy, and I applied it here. The people that would come and call on me said that I was the shrewdest, most terrible buyer that they ever met in their lives. It's true.
- Mrs. F.: Oh, yes, he had a terrible reputation.
- Ferrigno: The same people, they come and visit me now. We go out together. They say, "You don't know your husband. He was shrewd; he wants this, he wants that." I said, "I worked for the plant. I don't care. My private life is different. I finished working for Golden Grain; that's my business."

Creation of Rice-A-Roni

- Teiser: Let me ask you some of the details of earlier operations. In 1934 cellophane packaging was introduced.
- Ferrigno: Oh, the cellophane packaging. That's one thing that's important.

¹Paskey continued to participate in major decisions, however. See p. 192 and passim.

What turned around the fortune for Golden Grain for good was the idea of Tom DeDomenico's wife [Lois], who presented to Vince her idea for something new for the market, and that was Rice-A-Roni. The idea was beautiful! We were every week then going in the kitchen and trying the different dishes they were making to see if they were working. We introduced the Rice-A-Roni first in Los Angeles to see that we were going to do well. Then after Los Angeles we were in San Francisco. And then after San Francisco we were national.

Teiser: Were you surprised at how well it did?

Ferrigno: We were surprised because it was something new. Well, it was so easy for the housewives, and so good.

Mrs. F.: It took a long time, though, before they got it the way they wanted it. It took a long time in the quality kitchen.

Ferrigno: As I say, every week Vince, myself, and the men in charge would come try the different dishes. So it started to go very, very good.

Teiser: Whose idea was it?

Ferrigno: Tom DeDomenico's wife; the idea was hers. She was trying to put his changes in here and there. But that idea was hers. And even though the idea was hers, she didn't get any extra remuneration for that because they were working for the company. If during the day I got \$75,000 for the company, I don't say I want a commission. I work because you pay me, and that's why I produce. That was the DeDomenico family. I'm glad for what happened later on. They made money in the settlement; big money was made when they sold the place.

Advertising

Teiser: Who decided about the advertising?

Ferrigno: We had an advertising agency when we started to advertise.

Teiser: Who decided to start advertising?

Ferrigno: Vince. Vince, Vince, Vince, Vince. Don't get me wrong: Vince got together with Paskey and with the brothers. They had a special reunion between the three. They had majority stock; they were the three who always presented reports on the stock,

and they decided how much dividends to pay, if there was any money.

Reasons for Golden Grain's Success

Ferrigno: If you want to know in a nutshell what was the main thing for the fortune of Golden Grain--well, I can mention four or five different things. First, leadership. Second, a good product. Third, get together all the people, be honest with them, and hire honest people, from the salesmen to people working on the machine. When I left there was one girl who had been working in San Francisco, and who was still working in San Leandro. She had been working for thirty-five years on the macaroni. Everybody was satisfied. When there was money, they gave the money. When there wasn't any money--. I had one bookkeeper who stayed for fifteen years. People stay for years and years. They were treating us well, and in return the employees gave all that they could for the good of the company.

Profit-Sharing Plan

Ferrigno: Then another thing, too: they had special profit sharing for everyone--the front people, all the girls working in the office. Fifteen percent of the profit goes for them. They start to get it when they aren't working anymore. That's the only time they can get the money--when they quit the company.

Everybody enjoyed working for them. Even a lot of times the union people went around and asked the people working there, and they found out, oh, so they're treated right; they're not complaining. Seems about every two or three years the employees would get a little raise.

Teiser: Were the union people excluded from profit sharing?

Ferrigno: The girls, yes, because they had their own union; they had their own benefits. And that would have been a conflict of interest. If you're working for the union, you can't work for the boss.

Mrs. F.: They still had retirement, didn't they?

Ferrigno: Oh, yes, they had the retirement; they had everything they wanted. We paid part of it.

Mrs. F.: The office help--all of these people were part of the union.

Ferrigno: There was a woman there for fifteen, eighteen years, a quality-control woman. She did everything.

Ghirardelli Chocolate Company

Ferrigno: Oh, I forgot to tell you one thing--that we bought the Ghirardelli plant in the meantime. And then when we built the Golden Grain in San Leandro, a few years later we built the plant for Ghirardelli. Added to the Ghirardelli staff was Thomas's boy, Dennis DeDomenico, and he's still in charge. Even when they sold everything, they still wanted Dennis to stay there. It shows they applied themselves. They learn; they're intelligent boys.

Company Leadership

Jacobson: I would like to follow up on what you said about some of the factors that made Golden Grain a success. Can you give me some examples of the excellent leadership that drove the company?

Ferrigno: First thing, the boys were brought up to lead. Then they had the intelligence to lead, to be honest with the people who worked under them. At the same time, in return, they were good enough to appreciate the work of the other people. They did good selling, too.

Jacobson: You mentioned that Paskey was a very shrewd businessman. Can you give me some specific examples?

Ferrigno: Well, Paskey is a different boy than Vince is. Vince is more serious. But if he can get his point for using something, Vince will give credit to you. That's a wonderful thing for a man. He gave the honor to the one who deserves it. He doesn't grab everything, see.

Every big contract in our company was signed by two men: Vince and Paskey. Contracts for thousands and thousands and thousands of dollars. And I admire that. That's why they were meeting together: to decide how much the flour was, and how much everything should cost.

Jacobson: Do you remember what some of the company's big contracts were?

Ferrigno: Well, let's say buying a supply of flour for six months or a year. I was buying the eggs for the noodles, and I was contracting myself; I was buying the rice when I was a purchasing agent. Vince was buying before. I was buying cartons. For twenty-four years I bought them myself.

Purchasing Strategies

Ferrigno: But I can't say I wasn't shrewd myself, to get the best price possible. I knew when they came to sell to me, I had to bargain. I would say, "No, I don't want that. If you can't do it"--because I had a price from somebody else. I said, "That's the limit. Now what do you want to do? You can meet this price and you get part of the business. If you cannot meet it, I'm sorry for the time being." I think I did a pretty good job. When I went into consulting, I told the boys, "When somebody comes and wants to sell to you, tell him two things: that you work for Golden Grain purchasing, and at the same time you work for the company that is calling on you, that wants to sell to you. Because you want a good company, and you want to get a good price."

I bought from stubborn people for years. I had people from the Midwest coming here every year to check up on the salesman. The first time they came here they said, "Don, are you free tonight?" I said yes. "So, all right, we go out for dinner." He's a big man in the plant where they're making bucks, you know? I'd been buying from them for years since I'd been working. I found that he was honest, I found that he was doing everything I asked for. I said, "I need that tomorrow morning." [claps his hands] "You've got it tomorrow morning."

That's what makes Golden Grain--those things. Honesty is important. And trustworthiness. They were trustworthy. People start to trust Golden Grain, more than anything else. When you have these things, any business would go, would make money. But if you try to get rich too quick, it's finished.

Consumer Packaged Goods

- Teiser: When you went into Rice-A-Roni, you definitely went into consumer home packaging. Had you gone into home packaging earlier?
- Ferrigno: Before that we went to a dried beans packaging, besides macaroni. We had macaroni packages, we had rice packages.
- Teiser: In home sizes?
- Ferrigno: Oh, yes. We had the one-pound, two-pound, and fourteen ounces for the rice.
- Teiser: Were they packaged in cellophane?
- Ferrigno: Yes, in cellophane. We had macaroni in the cartons, but you couldn't see the product. So that was one thing that all the industries then turned around and did. You had to show to the housewife what she was buying. You don't want to buy blind. Our purpose was to please the housewives.

I traveled quite a bit with my wife on vacation. We went on a lot of tours on the continent and all over Europe, and even to Hong Kong and Japan. We met people on tour, and they would ask me, "What is your job?" I always told them, "I'm a purchasing agent." And they would ask, "Which company?" Especially the people from back East. I said, "Well, Golden Grain Macaroni Company." They said, "We don't know the Golden Grain macaroni." "No?", I said. "Tell me, do you know Rice-A-Roni?" "Oh, yes! We know Rice-A-Roni. The best thing in San Francisco. Oh, sure." That's Rice-A-Roni. Everybody knows Rice-A-Roni. Even if you ask the youngsters. We gave it first thing to our children to eat, to try it. And everybody loved it.

And then from Rice-A-Roni we made Noodle Roni, and we made other kinds. A gelatine dessert [Jells Best] is another thing, and we had soup. We went out a little bit into different things.

Illinois Plant

- Teiser: As purchasing agent, did you purchase for the Illinois plant as well?

Ferrigno: No. Because the man in charge knew what he was going to do.

##

Teiser: Who was the man in charge of the Illinois plant? What was his name?

Ferrigno: Carlo Varesco. He knew what he was doing, and he did a very good job with the Illinois plant. They spent a lot of money developing that plant.

Hierarchy of Corporate Leadership

Teiser: Who here had control over it, though? Who was in charge?

Ferrigno: Vince. He would go to visit them. They were sending reports every month. They were talking on the phone almost every day, and there was a job for Vince to do. Because he had the authority to raise hell with the men if he needed to raise hell.

Teiser: What did Tom do?

Ferrigno: He was a vice-president. But he was a sales manager.

Teiser: Was he a good salesman?

Ferrigno: Well, I was not under him, so the only thing I know is that he had all the salesmen under him. We had one man, and he was a national sales manager who took care of just the brokers that there were in New York and in the U.S.

So everyone had something to do. And then everyone was under Vince. Vince and Paskey were the only two who didn't report to anyone else.

Recollections of Maria and Domenico DeDomenico

Teiser: Let me go back to Maria Ferrigno. What was she like?

Ferrigno: Maria was really a wonderful lady, a real housewife. They had six children--only two girls, and four boys. You'd go and visit them on Sunday, and you'd see the table full then. The way that

the DeDomenicos brought up their family--Domenico loved them, but he was strict. He was a strict man. He had the fortune to see his father live to age 106.

Teiser: Yes! Did you know his father?

Ferrigno: Oh, yes. He was there and living with them. I went and visited the DeDomenicos and the old man. When I went in, he was like this [makes a hunched over gesture]. Then the moment he started to talk he straightened up, and, boy, he was about seven feet high! Really big. But he was curved over.

Mrs. F.: I guess what they call osteoporosis now.

Teiser: Most Sicilians are short.

Ferrigno: Yes, but he was a tall guy, maybe a little less than seven feet, but--.

Mrs. F.: Domenico, he was tall.

Ferrigno: He was tall, but he was husky.

Mrs. F.: He was very, very heavy.

Ferrigno: She knew then more than I know.

Mrs. F.: Well, sure, we saw him before.

Ferrigno: The two families, her family and the DeDomenico family, were close.

Mrs. F.: Yes, we were close. But he was a nice man.

Teiser: What was the story about Domenico's sending to Italy for Maria? How did that go?

Mrs. F.: They sent a picture or something.

Ferrigno: There was another family that was close to the wife of my grandfather, in the same business. And those people, they presented to DeDomenico the picture of this woman here--at that time a young lady--and he liked her. He said, "Why don't you tell her to come here?" So my grandfather had her come here, and then they made a marriage.

Mrs. F.: That was like a mail order bride! Just by a picture. There were many of those, I think, in those years.

- Jacobson: What was Maria's role in the business itself?
- Ferrigno: None. They made a book, Mama Maria DeDomenico, because of the way she was cooking. She was a darned good cook.
- Mrs. F.: Yes, they used a lot of her recipes in this little book.
- Ferrigno: They got all the recipes, and her daughter made a book.
- Mrs. F.: But she had no role in the company.

Sale of Sorrento Macaroni Products

- Teiser: What happened to the Sorrento Macaroni Products company?
- Mrs. F.: The boys, Anthony and Angelo Ferrigno, sold it after a while. They sold it to some other people. They're still in business there. It's still Sorrento. It's on Mission Street. One son went into a little sundry business, and then one son is a distributor for cold drinks, beers, and all these different kinds of things.

Industry Profit Margins

- Teiser: My impression is that macaroni products themselves are a low profit margin business.
- Ferrigno: Well, yes. It's not a big margin like cars or furniture, where you get a 200 to 300 percent profit. With macaroni, if you can make between 25 and 30 percent profit you're doing damned good.
- Teiser: What about Rice-A-Roni and that kind of specialty product?
- Ferrigno: With Rice-A-Roni you could make a little bit extra, because it was new. Today, many people try to copy Rice-A-Roni.

II CHANGES IN THE PASTA INDUSTRY, 1921-1974

Product Quality

Teiser: As you saw the macaroni business develop from 1921 to 1974, did it change basically?

Ferrigno: The macaroni business changed according to the amount of macaroni plants that came up. The quality of the product changed because you can make macaroni from different quality flour. Semolina is the best one; it's yellow.

Mrs. F.: Yes, the durum.

Ferrigno: And you can mix the white flour and the semolina to cut down the amount of the cost. You know, it's a lot of things. You can hire a good man to sell, and you have to pay for it. You can go on TV and advertise, which costs money. They advertise that John Doe is just as good as Golden Grain. People believe it, and then when they buy it, they know the difference.

Teiser: Did the basic product itself change over the years?

Ferrigno: Yes, they improved it.

Pasta Consumption

Mrs. F.: But, you know, years ago you couldn't sell pasta like you sell it today. Because years ago pasta was fattening. Now it's not fattening any more! Besides, the American people have become so educated to pastas. It's tremendous!

Ferrigno: You know, believe it or not, when I came to this country here, I was craving for a pizza.

Mrs. F.: There were no pizzas.

Ferrigno: And then, a good thing, I had a nice sister and she knew how to make them. There was one place I remember going to after the opera, here on Kearny Street--Lupo's. I was going there after the opera about twelve o'clock at night, you know, to have a piece of pizza. And then there were some of the artists there. That was the first place, the only place where I could have it.

Mrs. F.: And look what's happened to the pizza now. And think of lasagne. Who, many years ago, knew of lasagne? Today the general public, everybody, knows how to make lasagne! My friends, others, they all know how to make lasagne.

Ferrigno: And the same thing applies to wine.

Mrs. F.: Yes. Wine is now used for cocktailing even, in preference to others.

The Packaged Foods Revolution

Mrs. F.: It's just like with that Rice-A-Roni product. That was the most wonderful thing, because it was such an easy food to prepare. The housewife immediately got to know this was easy, and everybody in the family liked it. It got off the ground; it really did wonderfully. Lois [Mrs. Tom DeDomenico] got this bright idea. I think she had had pilaf.

Ferrigno: Right, the idea comes from pilaf.

Mrs. F.: And she thought to herself, "Well, gee, maybe we can work that into something."

Ferrigno: I give credit to her.

Mrs. F.: Right. She had the idea. Then she started working with the quality kitchen. It took a long time.

Ferrigno: She had to mix up so much rice, so much salt, so much this and that. That's what made it, you know.

Mrs. F.: You can feed a family of four with a box of Rice-A-Roni.

Ferrigno: And you don't have to use it for a first dish. You can use it for a side dish.

Mrs. F.: It's their big leader.

Teiser: Well, we thank you very much. You've given us a lot of information.

Ferrigno: It's been a pleasure for me to do whatever I could.

Transcriber: Elizabeth Eshleman

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Lois M. DeDomenico

THE RECIPE FOR RICE-A-RONI AND COMMUNITY SERVICE

An Interview Conducted by
Ruth Teiser and Lisa Jacobson
in 1988

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LOIS M. DeDOMENICO

Lois M. DeDomenico was born Lois Marion Bruce at Edmonton, Alberta, Canada, in 1927. She grew up in Western Canada and worked for a time in Seattle, where she met Thomas DeDomenico. They were married in 1946.

It was through Lois DeDomenico's acquaintance with an Armenian woman, as she explains here, that she learned the recipe for what came in time to be Rice-A-Roni, Golden Grain Macaroni Company's most successful product.

When Mrs. DeDomenico's eldest daughter joined a group of young "candystriper" volunteers at a San Leandro hospital, Mrs. DeDomenico herself became a counselor in the program. She continued for ten years, as the younger daughters became candystripers, too. Out of that came a dedication to other volunteer organizations. When her children were grown, she was drawn into using her money-raising talent for the benefit of the Oakland Ballet, the East Bay Community Foundation, public television station KQED, ARCS, Easter Seal Society, and other community service groups whose boards she has served on. She continues active in them. She has been chairman of the East Bay Community Foundation from 1986 to 1989. Her discussion of these and other beneficial organizations in changing times is of particular interest.

Ruth Teiser

January 21, 1992
Regional Oral History Office
The Bancroft Library
University of California, Berkeley

BIOGRAPHICAL INFORMATION

(Please write clearly. Use black ink.)

Your full name LOIS MARION DE DOMENICO

Date of birth 9-9-27 Birthplace EDMONTON, ALBERTA

Father's full name GEORGE HENDERSON BRUCE CANADA

Occupation R.R. ENGINEER Birthplace NOVA SCOTIA, CANADA

Mother's full name AGNES HOVDE

Occupation _____ Birthplace NORWAY

Your spouse 1 THOMAS DE DOMENICO

Your children DENNIS, DONNA, DEBORAH,
Claudia.

Where did you grow up? CANADA

Present community Piedmont CA

Education 2 yrs JR College

Occupation(s) _____

Areas of expertise COMMUNITY VOLUNTEER

Other interests or activities _____

Organizations in which you are active EAST BAY COMMUNITY Fdn.
KQED. OAKLAND BALLET, EASTER Seal etc

I GOLDEN GRAIN AND THE DEDOMENICO FAMILY

The DeDomenico Family

[Date of Interview: 8 March 1988]##¹

Teiser: I think we should start by asking what your first impressions of this family were.

Lois M.: Oh, heavens. I came here in 1946. Having come from Canada, where ninety percent of the population is either English, Scottish, or Irish, and not being around people of Mediterranean heritage very much, it was quite a culture shock. I was terribly young, so it didn't take long for me to become--what'll I say--integrated with all of them. That's a good word--integrated.

My impression of the family that far back, in the very beginning, was that they were a very loving family, a large family. Mealtime was very important. In my heritage, mealtime was just something you went through. I mean, Sunday dinners were okay, but it wasn't any big thing. Here in the Italian family--and I remember noticing this--mealtime was very important. Sunday mealtime went from about 12:30 or 1:00 till 4:00 or 5:00. Mealtime was all afternoon Sunday, and that was very strange to me. But it was something I grew to like right away.

Teiser: Would the whole family gather on Sundays?

Lois M: Oh, yes, usually. If they could, they all did. I mean, you weren't under a death sentence if you didn't, but they did.

¹This symbol (##) indicates a tape or a segment of a tape has begun or ended. For a guide to the tapes, see page 351.

They all gathered at Tommy's mother's home on Sundays. She was the matriarch. By the time I had met the family his father had died, and he was truly a patriarch. I didn't witness the change, but I certainly knew when I came to his family who was boss and who ruled the roost, and it was his mother, Maria. She moved right into Papa's position when he died. Apparently that happens in many European families; if the family has a very strong image and even though the mother had not, usually she moves right in and takes over.

Domenico DeDomenico

Teiser: Dennis had a story that indicated that the father was very stern with the boys, but she was more lenient.

Lois M. Oh, yes, true; very true. You'd get that from Tommy more than from Dennis. Dennis never knew his grandfather. Yes, he was a very strong man. He had to have been, to have done what he did. Think about it. He came over here in the 1890s, at age 16, I think--very young--with nothing in his pockets. By the time he died, he really had accomplished a lot. He did it with a strong, strong personality. Did they tell you about his religious beliefs?

Teiser: No.

Lois M.: Well, 99 percent of the people living in Italy are Catholic, right? And probably in 1890, darned near a hundred percent. He came over here and had nothing to do with the Catholic faith. He thought it was a lot of--he just didn't believe in a lot of it. But he was introduced to the Masonic order, became a Mason, went through all the chairs, and became a thirty-second degree Mason. That's what he believed in. When he died he had a full Masonic funeral. That was in 1943, when still a lot of the Italians were Catholic. So he was a free thinker. I wish I had met him.

Teiser: Where is the family crypt?

Lois M.: Oh, you would ask. I've been by it once. When his mother died she went into the crypt. Tommy knows where it is. It's a big

marble vault with the name DeDomenico on it, and they're all slotted to go in there.¹

Anyway, that's his story of his individuality. He had a lot of it.

The DeDomenico Brothers: Paskey, Vincent, and Thomas

Teiser: The three most active sons--did they seem to inherit that kind of authoritativeness?

Lois M.: Oh, yes, every one of them--all three. That's why you're having such a hard time getting hold of them. They've just decided they're not going to do it, and that's it. It was Dennis' idea, and it's a lot of hogwash, and they don't need it. [laughter]

Teiser: I thought your husband was very charitable with us, because he sat down and did talk to us.

Lois M.: Good, because he's been indoctrinated into a little different way of thinking by me. I'm a little different from the other wives. I have a sense of community that is very different in this family. That's one thing that the family didn't have--a sense of community. Never. It was for the family, period.

Teiser: One of the things that we've been trying to find out a little about, because it's a key factor in many families, is how the brothers managed to get along so well to run a business?

Lois M.: That's very interesting. Because they respected each other's ideas, and if they disagreed it was always two to one, or three all the way. You see, there was always a breaking of the tie. It was probably much better that there were three than if there were two. If there were two, it may not have lasted. But the fact that there were always three, and each one of them was on the board--they were the board of directors. So they ruled it that way, and they got along.

The most macho one of all, Paskey, is in Seattle. And because he's in Seattle he's not here all the time. That was a saving grace; it may not have lasted that long if he were here. We never saw each other a lot socially. After his mother died, his family would see each other at funerals and weddings, and we

¹The family crypt is in the Italian Cemetery in Colma, California.

speak, but it's nothing like it was when she was alive. Tommy is very, very close to his sister, who is the youngest in the family. There were six, and coming down the line Tommy is number five, and there's a sister who is number six. Those two are very close. We see each other, we travel. It's Catherine, the one who wrote the cookbook.

Teiser: Would you name all six of them?

Lois M.: Paskey, Victor (who is not in the business), Vincent, Jean (who is not in the business; she lives in the country), Tommy, and Catherine. Two girls and four boys.

Development of Rice-A-Roni

Teiser: The story about the development of Rice-A-Roni, as I've heard it, is that you served it and Vincent--

Lois M.: --came to my home for dinner. I had given this recipe out in the family for about a year, and everybody was crazy about it. Then Vincent was at our home one night, and he and Tommy were sitting there. Vincent had his fork, and he looked at it and said, "You know, Tom, this has got everything in it that we have. We could develop this." Well, it must have taken three or four years to develop it from that evening on. But that's what happened; that's how it started.

Teiser: It wasn't that they said, "We've got to have a hot new product, and please give it to us"?

Lois M.: No, it just happened. This was in 1946, and it didn't really come on the market until 1958, so you're talking a long span of time developing it. They moved slowly; they weren't in a hurry. It took a long time to move on it. At that time the average person was eating potatoes as a starch, and noodles, but not the way we serve it today. You were eating pasta if you went to an Italian restaurant. You didn't cook it in your home in 1946. I'm talking average; I'm not talking about the Italian community at all.

And as far as serving rice as a starch, it was unheard of, unless you were Armenian, Middle Eastern, or ate it as risotto as an Italian. But you never, never ate rice as a starch in any other ancestry in this country. You just didn't do it. The only time you ate rice was in rice pudding.

Origins of the Recipe

Teiser: Where did you get the idea for it?

Lois M.: I learned it from an Armenian woman, and I'd never heard of it before in my life. She taught me a lot about cooking. She taught me how to cook baklava--I'd never heard of baklava, never! She was a marvelous cook. Young as I was--I was terribly young when I was married--I loved to try anything new and different. The only thing I had learned in Canada was roast beef and roast chicken, boiled lamb--ergggggh! The cooking in Canada was horrible when I was young. In fact, I never really liked to eat. I was very skinny when I was little. The food wasn't all that good. The British--my mother was Norwegian, and I would bring it up to Norway, too--don't cook well. They might bake well; they make good cookies, cakes, and pies. My mother made the best pies and breads in the whole wide world, but she cooked a roast until it all fell into shreds on the plate. And most people did. And they cooked vegetables until they were gray.

For some reason, when I married Tommy I realized as soon as I got into his mother's kitchen and her dining room, and saw the kind of food, I knew what good food was versus not good food.

Teiser: It was good food?

Lois M.: Oh, she was a wonderful cook. She couldn't bake worth a damn, but she was a marvelous cook, made the greatest soups and pastas. Her lasagna, to this day, is the best lasagna I've ever eaten in my life. We took her recipe and put it on the lasagna box--that was her recipe. But it would never be anything like hers.

Teiser: What did the woman who taught you how to make it call the recipe that became Rice-A-Roni?

Lois M.: Pilaf. But it was made a little different than the pilaf--you see, it's the same as anywhere: you go to Mrs. Jones to have an apple pie, and you'll have a different apple pie than at Mrs. Smith's and Mrs. Brown's and Mrs. Green's. They'll all be a different pie, but it's still apple pie, right? The same with pilaf. It's who makes it.

Teiser: I guess it is vermicelli and rice, isn't it?

- Lois M.: A lot of pilaf is made without vermicelli.
- Teiser: It certainly came at the right time.
- Lois M.: That was it. It was at the right time and the right place--the right everything. All the timing was right. It had never been done before; it had never been done in a package.
- Teiser: Did you have a part in its development? I guess they worked on it in the laboratory. But did you do tasting?
- Lois M.: A little. Oh, yes, they would bring it home and we would taste it and comment on it a little. Not like I would have done today. I think there was too much salt in it way back then, but I think they've cut that back.
- Teiser: It's still fairly salty.
- Lois M.: [aside] Vincent loves salt. [laughter]
- Teiser: Did you have a hand in its marketing at all?
- Lois M.: No. My husband did, though. He was the marketer. That was his forte. He took it back to New York, and I'm sure he told you all about that.
- Teiser: Yes. Did you go on any of those trips with him?
- Lois M.: I was busy raising babies--four of them.
- Teiser: Was that your sole activity with the company, giving them that great idea?
- Lois M.: Yes, you might say so. I had wanted them to develop a product about twenty years ago, and I went to Vincent with it. I love to cook, and I make my own granola. I've been making granola probably for twenty-five years, and I've got the most marvelous recipe that I learned from a hippie in Berkeley. I went to Vincent one day and suggested we put this in a package and call it "Golden Grainola." You know, Golden Grain, Golden Grainola? I said it was a great play on words, and it was a good product. Well, go into the market today and see what Kellogg, Nabisco, and every cereal company has done with granola. It would have been a coup like Rice-A-Roni. I'm still making it to this day, myself. I think we missed the boat on that one.

Hierarchy of Command

Teiser: I remember Dennis said that when he went to get a job in the company he went to Vincent.

Lois M.: Yes, Vincent ruled the roost down here. Italian families are families of hierarchy; they really are. First there's the father, and then if there are six sons the number one son is number one, and you go down the line. Paskey is truly number one son, but he's not here geographically, so he wasn't calling all the shots because he chose to go to Seattle. That left Vincent, who was next in command, as number one son. If Vincent were ill, or traveled, or were gone for a couple of months, Tommy would be number one son. And that's the way it worked down the line. Italian families work that way. I think a lot of European families work that way.

Teiser: They certainly sorted out things among them very well.

Lois M.: They did, and they all knew where they sat in the line of command.

Maria DeDomenico

Jacobson: Did you ever cook with Maria DeDomenico? Did she give you any of her cooking secrets?

Lois M.: Oh, yes. We had a great rapport together. She was a wonderful woman, and she taught me an awful lot about cooking. Like, I don't measure, and she didn't measure. I caught on to that real quick--that you don't have to measure to cook well. My kids get real mad at me when they want a recipe, and I'll say, "Well, you just throw in so much of that, and you feel it this way." They go, "Come on, Mother, this is 1989."

Like my granola--I was trying to teach one of my daughters how to make it in Seattle last week. I was telling her, you know, how it feels. She said, "You can't mean that--about how much?" I said, "Well, Donna, I really don't know." She said, "Mother, you've got to pour it in cups, and then you can go by how it feels. But you've got to find out how much you've put in there." That came from his mother, and she really was an excellent cook.

Jacobson: What was her role in the company?

Lois M.: Nothing, really, but they certainly respected her with all the duty that a son should. I mean, she commanded a lot of respect from those sons. Tommy probably was the most devoted and respectful of all of them. He had lunch with her once a week; the others didn't. Even when we moved over to San Leandro and she still had her flat in the city, he still went over there once a week and had lunch with her, and thank God he did. The others didn't. Tommy had the best rapport with his mother out of the whole family.

Teiser: Did she stay in San Francisco until her death?

Lois M.: Oh, until about the last year or two when it got so bad and she had strokes and wasn't able to take care of herself. Then she ended up living with her youngest daughter, Catherine, on this side of the bay. Then we saw her a lot.

Teiser: Your children are--?

Lois M.: Dennis, and then Donna, Deborah, and Claudia.

Third Generation at Golden Grain

Teiser: Dennis said that he had worked at Golden Grain as a kid. Did the girls do that, too?

Lois M.: No, but they all did afterwards; they all worked at Golden Grain in their adult years. Donna went up to Seattle, and she was a buyer. Deborah was in sales, and after a while she was in national chocolate sales. Claudia was in international sales. So they were all in the company. Then when we sold it the three girls left, and Dennis is still there. But he'll be leaving in August, I'm sure.

Teiser: He said he was going to buy Ghirardelli. Did he?

Lois M.: Did he? Well, he put in a bid, but I doubt that it's going to fly.

Teiser: He sounded as if he really wanted it.

Lois M.: He did; he did want it. But it's going to be a tough deal to go through.

Teiser: Dennis said that Deborah continued working with him after the sale for a while. They are all, apparently, able children.

Lois M.: Well, they are, and they've all made it on their own in other fields, too. Dennis started out in law and worked for a year. Donna taught school for three years, Deborah has a teaching credential, and Claudia has two foreign languages under her belt in which she is fluent. So I'm really quite proud of the children.

Teiser: Are the girls married?

Lois M.: Just one, Donna--the one in Seattle.

Teiser: What is her married name?

Lois M.: Holpainen.

II COMMUNITY SERVICE WORK

Adult Counselor to Candystripers at Children's Hospital

Teiser: You indicated that the family had no particular tradition of community service.

Jacobson: Where did your strong sense of community service come from?

Lois M.: When I had my four children, while raising them I never believed in being real active in the community. I saw at the time too many mothers who were busy running out to all kinds of fund-raising activities while the kids were at home being neglected. I never felt that I wanted to do that. So I raised my four children. What really started it, I think, was when the oldest girl was sixteen and I got involved with the junior branch of the Children's Hospital. And that involved my children. Are you familiar with any of them? They have candystripers in the hospitals.

Jacobson: I was a candystriper in Children's Hospital in San Diego.

Lois M.: Okay. There was a real active branch in San Leandro, and I got involved as the adult counselor to this branch with Donna. She was voted Candystriper of the Year. I adored what I did. These thirty sixteen-year-olds came to my home once a month. They would work in the hospital, and we'd raise money on the side. We'd give the hospital two or three thousand dollars a year, plus all their work in the hospital.

Well, I got so caught up in that. Donna went on to college, and Deborah became a candystriper and I stayed on. Deborah went on to college, and Claudia became a candystriper and I stayed on. I ended up being an adult counselor for ten years. I felt that that was enough community service while the

children were at home. And I loved it. I loved working with teenage girls.

Overview of Community Service Activities##

Lois M.: Then the youngest one became eighteen and went off to college, and we sold this fine old family home in San Leandro. We ended up in this home because I wanted something with a lot of light. And being a gardener, something I was unable to fulfill when they were young, I moved here. By this time I had no children at home; I was alone, and I was playing golf and bridge. One day I said to myself that this was a very idle life and it didn't really satisfy me; there wasn't much challenge to golf and bridge.

Somebody asked me to come to a luncheon. They were going to have an affair for the Oakland Ballet Company. To make a very long story very short, I ended up giving ten years of my time to the Oakland Ballet Company. I was president for three years, and raised all kinds of money for this organization. From that I got involved in the Easter Seal Society, and I was chairman of that for three years. I did a lot of work on humanitarian dinners honoring certain people here for about eight years. Then I went on the board of the California College of Arts and Crafts and served on that board for about three years. This is all concurrently.

By this time I was getting known in the community as one who could raise money and hold events. Someone came and asked me about helping them with the East Bay Community Foundation, and before you knew it--I won't go into any of the details, but after a little time I ended up being the chairman of the East Bay Community Foundation, which I am now, and raised almost a million dollars, matching the Hewlett grant. I've traveled to Washington and all over with this foundation, and I'm very active in beefing up the board and making it strong for them.

Then I ended up on the board of KQED. I belong to American Women for International Understanding, which is a group that brings women from all over the world to our country to show them what we're about. We travel to their countries--I've been to Argentina and Chile with them. I belong to ARCS, an organization that raises money for college graduate science students. Their overhead is zero, and they give out almost a half million dollars a year in grants to graduate students in the science field. They do a tremendous service. For instance,

I'm hosting sixty women here at my home next week for a luncheon for ARCS, and I'm going to take them on a tour through Ghirardelli, and Dennis will be part of that.

Right now I would say my life, almost, is community service. I would say I put in probably thirty hours a week, maybe twenty. Like today, I've spent three hours so far on community service, and I haven't even really moved much. And this is a nothing day; it's quiet.

Motivations for Involvement in Community Service

Jacobson: At what point did you start thinking of it as a career?

Lois M.: It isn't a career. That's interesting you should say that. First of all, I'm not a born American, and I found out in talking to people that that might make a difference. I came from Canada, as you've heard over and over and over. This country has been very good to me, it's been extremely good to the family, it's been good to the business. In San Leandro I've tried to hound Vincent and Paskey to feel this way. Their company has reaped so much benefit from the public--granted that we might sell them a product, but they still have to buy it--that I feel they in thanks should turn a certain percentage back to the community. But they don't agree with me. But I do agree with myself. I know that for a fact. I have gotten a little bit out of them here and there.

But when you ask about it being a career, I feel that everything I do that can better the community that we live in is really my way of saying thank you for being able to live here and being as fortunate as I am. I'm trying to instill that sense of community in my children, and I'm not doing too badly by it. They're okay. Dennis has a good sense of community. Deborah has; she's in Junior League and involved with Easter Seals, and she's doing fine. The youngest one is okay. Actually all of them have picked this up from me, and I'm glad that they have. I feel that it's a debt we owe. That's what I feel. I feel that we're lucky to be able to do it. I like to give a certain percentage of what we have back to the community.

Tommy and I have a named fund in the foundation,¹ and I'm really very proud of it. It beats sitting in a chair. I'm just

¹See p. 223.

not a luncheon, clubby type person. When I talk to people I like to talk to them in substance. I don't like to talk about nothing. I can't stand gossip; it's a waste of time. So that's where I come from.

Jacobson: Did your own family in Canada have a strong community involvement?

Lois M.: We actually couldn't. We were poor. My father died when I was only two. Our entire family wasn't poor, but where I came from we were poor. My mother was helped by a lot of brothers who were wealthy. I can still remember my mother, during the Depression when we were practically starving to death, feeding beggars. I remember them lined up on the porch, eating sandwiches she made. Granted they worked for it--they stacked wood (she was a widow) and they would clean the yard--but they ate. I remember Mother always saying that as long as we had food on the table, we would share it with those less fortunate. So even though you wouldn't call that a real sense of philanthropy, it was pure charity. I learned from my mother about giving to people less fortunate than myself, without even knowing that I was learning it.

And I've always loved this country. I really love it.

American Philanthropic Ethic

Jacobson: Do you think there's any difference in the community service ethic between Canada and the United States?

Lois M.: More so here. There's nobody more charitable than Americans, and I've seen that everywhere. I've entertained people from Russia here; I've talked to people in England, Scotland, Ireland. Nobody has a sense of charity like the Americans do. The Americans are truly the most philanthropic people in the world. There's no question about it. Europeans would be the first to say that. That's interesting to know, isn't it? In Italy there's almost no charity. These poor people in Latin America, France, and Italy--everything goes to the church.

Whereas here we're not all that religious, but we're charitable. We're philanthropic, and not necessarily that religious. It's interesting.

Inspiration Drawn from Candystripers

Jacobson: Going back to your first work with the candystripers, what was it about working with the teenagers that so inspired you?

Lois M.: Oh, their wonderful sense of--I almost want to say purity, but they'd be the last to say it. I think young people are so honest, so forthright. When I say pure, hell, they probably went out and smoked cigarettes, drank beer, and raced cars and all crazy things that teenagers do. But when they'd get in that room--we had candystripers who would (I may start crying, because this is really sad) work with dying children. They would come to our meetings, and then they'd sit and talk and cry, and then we would all cry. We all cried together for these poor little babies that were dying. The work these kids did--they weren't impressing Mrs. Jones or Mrs. Smith or anybody; they were doing it because they wanted to do it.

We had a summer program for children with cystic fibrosis. They have to thump the back to get them to breathe--they call it "thumping." It's a terrible disease. Candystripers go as counselors to this summer camp for these kids. I tell you, they come back after their two weeks at summer camp, and they have the whole room crying every night. They'll go for maybe three years (freshman, junior, sophomore; or junior, sophomore, senior), and will find that a child will not be back for summer camp the next year.

You ask me what it is about candystripers--that was probably one of the biggest things in my life when it comes to philanthropy. I can go out shopping somewhere, and someone will say, "Mrs. D.! Mrs. D.!" I'll turn around, and it will be a woman your age [mid-twenties], "Don't you remember me? I'm Susan Green from candystriping." I'll get Christmas cards from these kids, that are written so beautifully: "We remember our years with you." Those were probably the ten best years I ever put in in my life, with those kids. I loved the kids. They were wonderful, wonderful kids.

Organizational Skills Developed

Jacobson: What did you take from that experience into your next philanthropical activities?

Lois M.: Just the organizational structure of the whole thing, I guess. I am very organization conscious. I'm a very organized person. I can probably accomplish more in six hours than most people can do in two days, and only because I am utterly organized. The way I would run the books--of course, we had the young girls who would be president and secretary.

What did I bring with me? Something to do that was valuable. To me that was valuable. At that time I was also playing golf and bridge a lot and I used to compare the two. I used to think, my God, the sense of satisfaction I'm getting from this versus that. I mean, this is all a piece of cake and fluff; you'd come back in off the golf course and sit there and have lunch and listen to everyone gossip. To this day, twenty to thirty years later, I can go there and those same women are still sitting there in those chairs, saying the same things about the same people, probably.

What did I bring from candystripping? Just that sense of accomplishment, that's all.

Oakland Ballet

Jacobson: Next you went to the Oakland Ballet?

Lois M.: Yes. They were starving to death. They had a board of about three. They had a manager who used to take all the bills and throw them in the bottom drawer and close the drawer, thinking that if she hid them far enough back they would go away. The place was ready to fall apart. It was absolutely lost when I first saw it, going broke, no board whatsoever.

The feeling I have now--it sounds like I'm bragging, and I don't want it to sound that way at all, because that's not the case; I'm not bragging, I'm just saying it really was in a state of utter chaos in 1975. People to this day will walk up to me and say, "You were the person who saved the Oakland Ballet, and today it's just a viable organization and has a strong board." And it does, and they're doing great things. And they're still looking for money. [laughs]

Building a Strong Board of Directors for the Oakland Ballet

Jacobson: What aspects of the foundation work that you did for the Oakland Ballet Company did you like the most?

Lois M.: Beefing up the board. I loved doing that. I loved getting a board that's strong and committed. There are certain things that board members have to have, and a lot of organizations don't run this way. They have to have intelligence, a tremendous sense of community, they have to feel the organization is really worth fighting for, and that they are doing good. They also have to have a financial commitment, either from themselves or by their working through the community to the board. But a lot of people are asked to come on boards just because they have a name, just to sit there with their name on the letterhead. That is so wrong; that is terribly wrong.

Teiser: Does it do any good for the organization to have a name on the letterhead?

Lois M.: No! Not if they're not going to do anything. The organization could be going broke, and you can have John D. Rockefeller's name. Unless he's giving money to it, it's still going to go broke; his name won't do a thing unless he picks up the phone and gets money to go to the organization. So just the name on the letterhead does not do a thing, nothing.

Representation of Diversity on Board

Jacobson: Would you look for different representatives of the community?

Lois M.: Oh, yes. You know, you need blacks on the board, but you can't have all blacks on the board, or you can't even have half the board be black. A lot of blacks don't have a sense of financial commitment to an organization, and these are blacks who can well do it. There are people who can give things to a board, maybe one or two percent of the board, that would give the board a sense of what is going on in the community, a feeder, that maybe people with wealth might not have. It's pretty hard to get everything into one person.

But to get a person just because he's got a color to his skin to sit on the board so you can say that--if they're not going to do the organization any good, you're wasting your time;

you are really wasting your time. They've got to have something they're going to bring to the board besides color.

Fund-raising Skills

Jacobson: How important are the fund-raising skills of board members?

Lois M.: Ha! Just about everything. And you can't get a board with a hundred percent good fund-raising skills, but they are really, really important. What people have to understand on nonprofits is that when they go out and ask for money, if they're told "no" it is not a rejection of them. That's what they're so afraid of. They're afraid of rejection, because they think if a person says no, they are saying no to them, and they're not.

Jacobson: How did you develop your fund-raising skills?

Lois M.: Trial and error. A lot of people think I'm very successful. For every time I get a "yes," I've probably gotten about eight "nos," so it's certainly not easy. It's probably one of the hardest things to do.

Teiser: It is a psychological attitude?

Lois M.: It has to be. And if you don't go in with it, you may as well quit. Then there's that guilt bit. Board members who feel guilty shouldn't be on a board; they should just say goodbye. There are people to find who enjoy the organization, are proud of it, and want to serve for it. Those are the kind you have to try to find. Just to grab people and twist their arm to come on the board is not good psychology, because you're not going to get a committed person. And anyone with guilt isn't going to do a good job. Our lives are all pretty short, and we shouldn't do things that make us feel guilty.

Longevity of Board Tenure

Jacobson: What about the tenure of a board member?

Lois M.: That's another thing--burning oneself out. I've been on boards, as I told you, for ten years. That's a long time, almost too long. When I say to these people that I want to get off, and they say, "Oh, no, don't," that's wrong. They shouldn't say

that, because you do get burned out. Three three-year terms is super long, super long. I'm going on my second three-year term with the foundation board, and I really should get off after six years. I really should. They'd die if they heard me say that, but I really should. Nine years is a terribly long time to be on a board. I found that with the ballet.

There's a way out for that. I told them what to do a couple of months ago. I said they really should form an honorary committee, and not hold on to people who have served long enough, because it's wrong. They're not there at their pleasure anymore. Have an honorary board--call it whatever you want, give it any name you want--where they still get any news pertinent to the organization. Send them a letter a couple of times a year, hold a reception once a year to keep the contact alive. Hopefully you'll still get some financial commitment from them, even if it's smaller, reduced. But they'll always be there, and they'll always speak well of the organization. But let them go.

Self-Evaluation of Organizations##

Jacobson: Do organizations evaluate themselves?

Lois M.: Oh, yes. At least when I'm chairman of an organization. We have a retreat once a year and have an evaluation. Definitely it should be done, and it should be done once a year, or at the very minimum every two years. But definitely they should evaluate themselves.

Jacobson: What kinds of areas would be covered in an evaluation?

Lois M.: What's running well with the organization, what is not running well about the organization. Now, that covers a multitude of sins. When you get down to what's not running well, then you do an elimination series and pick the three or four things that are not running well and focus your energy on turning them around. Because if what isn't running well with the organization is out of hand, then the whole thing is going to die. Unless you have this evaluation and this insight, it won't be healthy.

This is what happened with the Oakland Symphony. They never even knew what was going on! Everything that could be wrong with an organization was wrong. I think the healthiest organization I know of is one that looks at itself once a year

and evaluates, and makes changes to turn the wrong things around.

Jacobson: Do you make evaluations about things like board tenure?

Lois M.: Oh, yes. And financial commitments, the makeup of a board--oh, all the hard things. The harder the problem, the more it should be talked about.

Jacobson: What are some of the hardest things?

Lois M.: Well, it depends on the organization. You could say that about anything. Let's pick an organization that's run on a national, state, and local level. Usually they don't work well, and you get right into the nitty-gritty, the hard stuff. It'll be different with every organization.

If you have a performing arts group, what's the relationship between the artist and the board, the artist and the director, the artist and the manager? If all those things don't work well in a performing arts group, it's not going to be healthy. The minute there's friction going on anywhere along the line in a performing arts group, it's not going to work; it's going to fail eventually.

And then that cash flow problem--if that gets out of hand, you have what you had with the Oakland Symphony, and then everyone says, "How come? How come that happened?" Nobody knew it? There was something radically wrong with that board, very radically wrong. They didn't do any of those things.

Involvement in Other Organizations

Jacobson: I guess you were doing a lot of things simultaneously after the Oakland Ballet. How did you decide to move into another organization?

Lois M.: I never decided to. I was sort of bamboozled; I was coaxed. It's true, I organized my time well. At one time there I was chairman of the foundation, Easter Seal Society, and on the executive committee of the Oakland Ballet, all at the same time. And it was too much. I'm very active with the Oakland Cultural Art Council, and now we're going into this Oakland Plaza for the Arts, which is probably going to be a five-year commitment. That will be a big project.

And if I didn't do any of it, I would probably curl up and die, because my life would be meaningless. I really have to have value to my life. I really can't have days that are non-valuable. I wonder what I'll do when I'm ninety, because I can't be doing this kind of stuff when I'm ninety! [laughs] But I've got to have a valuable life, so I wonder what it's going to be? I don't think I'll call knitting valuable. [laughs]

I know one thing--I think I'm more satisfied with life now, at this late stage of my life, than I was forty years ago. I know I am; there's no question about it.

East Bay Community Foundation

- Jacobson: How did your involvement with the East Bay Community Foundation come about?
- Lois M.: It was strange. Dick Spees asked me to come to a breakfast, and that was the most fateful breakfast I ever went to in my life. I met Sandy Pyer and Barbara Donald, who was then the chairman of the foundation, never, never dreaming that I would get to where I am today with that--not really wanting to. I was trying to get her in touch with some real leaders in the community to build up that board, and I had a luncheon here for Stephen Bechtel, Bob Shetterly, Clarence Woodard, and a couple of other leading citizens in the community. Of course, they all had great sage words of advice, and none of them came on the board. I was trying to get them, and it ended up with me and not them. They've helped me a lot since. That's how it all started.
- Jacobson: Were you involved with organizations that had been funded by the foundation?
- Lois M.: Yes, but I really didn't know it all that well. The foundation was just sort of a vague thing out there that didn't mean much to me at all, really. In the early days of the Oakland Ballet we had such poor management in the office, way back when, that they kept missing deadlines. So it was like some organization that if you missed your deadline you didn't get money, and so therefore who were they? It was just this big monolith out there, and I didn't know at the time that they weren't all that big. They're not big at all. You have to be a lot bigger than they are to make a mark. That's one thing I'm committed to--trying to make this thing grow.

Hewlett Challenge Grant

Jacobson: How did the Hewlett Challenge Grant come about?

Lois M.: At that luncheon I gave, we had a fellow from Hewlett come and hear all these people tell him that, oh, yes, we could meet that challenge. Well, the persons who met it, really, were Sandy and myself. We met that challenge in six months instead of a year, and then we went on to a second challenge, which was a three-to-one. That's a lot harder than a one-to-one, much harder. We're on the last leg of that three-to-one right now, having a hard time. It's hard to raise money, because we're looking for \$100,000 gifts, \$50,000 gifts, \$25,000 gifts, but not \$100 or even \$1,000. Otherwise we'll never get there. So we have a big, big charge ahead of us.

Jacobson: Were the Founding Donor Named Funds that you and your husband, Tom, gave part of that Hewlett Challenge?

Lois M.: Yes. And we're not alone. There are other people who have done it, too. You ought to get the annual report and read it.

Projects

Jacobson: Did the foundation have particular projects in mind?

Lois M.: Right now we're working on teenage pregnancy, as far as focusing on something. But our focus is really community; that's why it's called Community Foundation. We have about five categories. We have a seniors category, youth, community service, health, and the arts. So we cover the gamut. We're focusing on the youth and the health aspects of teenage pregnancies, trying to work with the San Francisco Foundation. It's a collaborative affair, and of course it's tough.

Teiser: Do you feel conditions are worse in Oakland than in most other places?

Lois M.: No, and I get so mad when I hear that, that I could just curl up and die. San Francisco has as many problems as Oakland, only more. More, because there's more of it over there. They're having all kinds of trouble in their government with their mayor. They have problems that are just as many as we have.

Oakland is no worse than anywhere else. People keep talking about Oakland. Right now our biggest problem is commerce. Until we get a viable downtown center in Oakland that's a beauty--we've got to get a Nordstrom or a Macy's and make that thing open up. Bramalea Pacific Corporation has a wonderful plan for Oakland, if it will ever get off the ground.

And we need leadership. We don't have leadership right now in Oakland. Lionel Wilson is not doing it; he's not making it. He's old and he's tired. If Oakland could get a real vibrant mayor in the next election, one who's ready to go to bat for Oakland to make that commerce center work, get it off the ground--if that could happen, you wouldn't know Oakland in about fifteen years.

Because you know what? We're going to get tired of that bridge. Pretty soon it's going to be gridlock; it's gridlock about twenty times a week now, and it'll be gridlock every day of the week in five years. People will want to stay over here if we've got a city to offer them. I'm convinced of that. That's why I'm working on this Plaza for the Arts. I'm convinced that if we have a strong mayor, and he really works to bring Oakland alive and integrate the black people--there are a lot sharp black people who want to see Oakland succeed. Of course we have a drug problem; so has every other city in the country. Look at L. A., look at New York, look at all of them. We're not alone. The whole world has a drug problem.

I don't think our problems are any different than anybody else's. And I think we have a beautiful city. We have a beautiful lake, we have people here who are working their tails off to try to make this thing happen. When we get the right leadership to make it happen, then you won't know Oakland. That's how I feel about it. That's why I'm working so hard for the Community Foundation--because I believe in it. If we all quit and said, "Let's go to the country and get out of Oakland," and leave it, where would we be? We'd be in a horrible strait.

Jacobson: Has the focus of the Community Foundation's activities changed over the years?

Lois M.: No, we've always had these five categories. The only thing that's changed is that we're growing. Sandy Pyer is a great director; she's done wonderful work. I really believe in her. She's committed to the foundation a hundred percent. When we get this board really, really strong--it is growing; it is pretty strong now. It's quite strong, but it should be stronger, and it will be.

No, I wouldn't say it's changed its focus. The only thing we want to change is its corpus so we can give more money back into the community. That's the only thing we'd like to change about it: m-o-n-e-y, more of it.

Grant-making Decisions

Jacobson: How do you make decisions about who to give grants to?

Lois M.: This works through a whole grant process. Proposals come into the organization, and if they fit the category then they are looked at. A lot of them don't even fit, and they have to fall out--religion, for instance, hospitals, higher education. None of that fits. Or things outside of the realm of our geographical area, which is just Alameda and Contra Costa counties.

So you boil down the ones that fit, then we have a grants person who makes an investigation into the nonprofit. If anyone passes all of that, and they get a grant, they can rest assured that they're a very reputable organization, and they can go anywhere for money. Because our tests include a financial report, an investigation into the process of how the organization works--the board, the financial commitment from the board--all of that. There's a tremendous amount of scrutiny they go through.

Jacobson: Do you do a lot of one-time grants, or do you give continuing support?

Lois M.: Both. We don't have continuing support on and on and on. We don't fund two years in a row; we'll fund every other year. But when you say continuing, I would say yes, like the Oakland Symphony, the museum, the ballet. What else would get continuing support? Clausen House, boys' clubs, girls' clubs--I could go on and on. But it's not really by rote. They are investigated each time, and it's whoever is the most qualified.

Jacobson: How do you decide whether an organization is deserving of continuing support?

Lois M.: The viability of the organization.

Jacobson: Do considerations of, let's say, awarding a grant to another group that may be doing something similar but a little different come onto play?

Lois M.: Some of the choices are very hard to make. You might ask for ten thousand dollars, and we can't give that much money to each organization. We're lucky to give five, and usually it's three thousand or twenty-five hundred dollars. Because we want to cover all the bases and we only have so much money (we only give three times a year), so you can't give it all to one.

It's not easy. I can tell you that right now; it's not easy. The whole board passes on every grant that goes out, after all the scrutiny by the grantsperson and the staff. Then we pass on it. Of course, you also come home very fulfilled that you've done a great job, and that all that money in the community has gone out and is doing its work.

Spirit of Volunteerism

Jacobson: Have you noted a change in the spirit of volunteerism since you started?

Lois M.: People worry about that, and they talk about young people not volunteering. But let's face it: young people can't volunteer the way a person over fifty can. When I was thirty, I wasn't out in the world volunteering; I was busy raising a family. Most young people are busy holding room and board together. No, I think volunteerism isn't dying. Some people say it's dying, but I don't think it is. I don't think it is at all.

Impact of Reduced Government Spending

Jacobson: Are service institutions at all threatened by government regulations?

Lois M.: Oh, of course I wish the government would do more. You're talking about non-profits threatened? Sure, and I think that they should have more help. Instead of dollars for bombs, I'd like to see dollars for what's going on in our community. I'd like to see NEA have more funding for the arts. I'm not a Democrat, but I'll say that our heyday for the arts was John F. Kennedy and Jackie; that's when the arts flourished in the country--when they had Pablo Cassals coming to play at the White House and they had their little concerts. We knew it; people were aware of it.

And, of course, CETA was abused, and yet it was one of the greatest things that ever happened for non-profits. It was terribly abused, but it still kept alive an awful lot of actual work for people. I'd like to see the government do a lot more, a lot more. The city council here voted that one and a half percent tax for the arts--thank God they did. That was only because of our cultural plan, that we worked two years for. The amount of effort that went into lobbying the city council to pass that one and a half percent--nobody has any idea what went behind that. And it was a marvelous thing to happen.

Then I see Deukmejian cutting back on support in California, and I just want to curl up, I get so mad. I think I'll start an independent party--the hell with the Republicans and the hell with the Democrats--one for the arts, one for philanthropy, one to house all the homeless and give them showers and baths and make them go to work if they can. I'd run it with an iron hand [laughs]. There's no reason for people to sit on the streets in this country. It's a despicable disgrace; that's all I can say about the homeless.

It can be solved, but it can only be solved by someone who is as big and bureaucratic and monolithic as the government. If you have fifty organizations, all trying to do something here, here, and here, do you realize the energy that's wasted? Whereas if it were one, taking care of the problem right now--just pick them all up off the street and get rid of them right now, and put them in a house even if you have to put them in barracks. But do something now, because this charity and that charity, and this organization and that organization, these soup kitchens--they're not doing enough. They're giving them a bowl of soup and putting them right back out on the street. They're housing them for seven nights and then they're out again. That's no answer.

I really think that when they emptied the mental institutions--how many years ago was that? That's what started the whole thing. We never had them before that. That's when it started. So, you see, I think 80 percent of them are mental cases that were dumped out of the hospitals.

I'm going to Russia in about a month, and I'm going to see if I can find any homeless sitting around there. I'm not saying that communism is any good; I'm not a communist, I don't believe in it at all. I believe in democracy. But I wonder if Russia has any homeless. I know China doesn't. I traveled in China for one month. India does. Are we on the same scale as India? These human skeletons that pull carts in India and die of

leprosy on the sidewalk--is that where we are? Now, isn't that a horrible comparison?

When I get off on the homeless I get so mad.

Coordinating Grant Giving

Jacobson: Does the East Bay Community Foundation try to coordinate the grants it gives to various organizations to attack a problem that way?

Lois M.: Our focus right now is teenage pregnancy. It's not the homeless. There are organizations that are trying to attack it. I still say it's too big for all of them.

Jacobson: Take a problem like teenage pregnancy--

Lois M.: How is that happening? That's happening through the Ford Foundation, Clorox Foundation. You'd have to ask Sandy, because I'm not really up on exactly the collaboration, but there are different groups working on the same problem and working together. And they're doing it a lot through the high schools and education. But I'm not an authority on it. I hear a little bit of it, I read a little bit of it, but I'm focused on so many things that I haven't got that one hundred percent in my head to answer your question properly. They are working together.

Changes in Grant Recipients and Types of Projects Funded

Jacobson: Do you see the basic mission of the foundation's community work having evolved over the years?

Lois M.: You see, I've only been involved in the East Bay Community Foundation for about five years. So I can't tell you about any long length perception. I don't have it.

Teiser: I'm thinking back to my mother's generation, which was some time ago. At that time volunteer efforts were likely to be focused on the blind, the deaf, ill children. Has the government more or less taken up the basic responsibilities towards groups like that, or have other problems just gotten worse?

Lois M.: The blind I think are well taken care of financially by the government, because I know somebody who is almost blind, legally blind, and they must receive fifteen hundred dollars a month from the State of California. So to that answer, I guess the blind are taken care of. The deaf, I'm not sure; I don't have any first-hand information. Maybe so. Ill children--well, that's Children's Hospital, isn't it?

Teiser: But the problems that you are speaking of--

Lois M.: --are all different, aren't they, today?

Teiser: They do seem to be different. They seem, perhaps, to be problems affecting larger groups of people.

Lois M.: Yes, they are different. We have a tremendous Asian society here in the East Bay, and I know we do a lot of funding for Asians in the East Bay. We don't focus on it; it just simply comes through. There's one about teaching Asians about their voting rights. There's a whole school for teaching them about voting and language--and when I say language, that should be part of the adult education.

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Lois M.: We do a lot of funding with drugs, with rehabilitation, teenagers. You'd have to read the book, because I can't pick it all off the top of my head. There's so much.

Jacobson: Have you seen a great rise in the number of applicants?

Lois M.: I'm sure of it, but I don't see the applications come in. I only see what's already passed and they come to the board for voting on. We don't see the initial applicants, because they're screened. I'm sure there's a rise; there must be. And the foundation is getting a greater visibility in the community than we've ever had before. There are still a lot of people who, if you asked them what the East Bay Community Foundation is, wouldn't have the vaguest idea.

Jacobson: When the applications are presented to the board, is it basically for approval? Is there a debate?

Lois M.: Sometimes we'll debate some of them, but it's mostly approval. If they've gone through that much scrutiny, it'd be pretty hard to nit-pick them apart. What we might do is, if we have more funding and we see that they really look worthwhile, we might boost the amount that was recommended. We've done that before.

Impact of Tax Changes

Jacobson: What about the tax changes? Have they helped?

Lois M.: It's hurt a little. It shouldn't, though. You know why? People have more money in their pockets now than they had before, because taxes are lower. When taxes were seventy percent, they were paying the government seventy cents of every dollar they earned and were keeping thirty. Now they're paying out to the government thirty percent and keeping seventy.

So they've got a lot more money, don't they? But they don't read it that way. The way they read it is, "My tax write-off on my tax report is going to be lower now." They were a lot more generous with their dollar when the taxes were abominably high. Now they have more money in their pockets, but they feel like the bite is harder. And it isn't; it's simply the perception. So the tax law actually hurt us. It helped everybody in the community, but it hurt us.

Jacobson: Has it changed your fundraising pitch?

Lois M.: Yes. You can't talk about how much they're going to write off, of course. You don't even mention that anymore, because it doesn't mean a thing.

Jacobson: Is it at all harder to motivate people?

Lois M.: I always like to tell people, "You're only giving because you want to give, and I know that," and just stop right there.

KQED Board Members

Teiser: How did you happen to become a board member of KQED? It seems a little different from the others.

Lois M.: Yes, it is different from the others. Of course, somebody recommended me. I certainly didn't pursue it at all. Someone had called me, and I had said no for three years while I was still chairman of the Easter Seal Society. I said that when I was off of that to give me a call.

And I have always loved KQED; it's the only television station we watch every night of the week. I wouldn't watch commercial television. I have given to KQED for about twenty-five years, so I've been a contributor. And I love it dearly; I adore it. I love the way it's run, and now that I'm on the board I'm eating it up. It's a totally different experience.

They've just gone through a \$7 million capital campaign for a new building. They have twenty-seven board members from all over the Bay Area, so it's so diverse. I mean, we have a professor from Stanford, we have people from Marin County, San Francisco, the East Bay. And they are so committed. Talk about a committed board--it's a wonderful experience. I've only been on since April, and I'm now on two committees. I'm giving a lot more time than I ever thought I would have. I love it.

I went through an election process. I didn't think I was going to have to do that, and I didn't want to do it. I put out a statement, and I think I polled two hundred votes less than the highest vote getter, which was eighteen thousand votes. I said to my husband, "My God, I didn't know that eighteen thousand people knew me," but of course a lot of them just vote for whomever.

But it's an experience, and I love it. I love KQED. I like everything they stand for. And I'll make my voice heard; I'll make sure there are no commercials on it--the less the better. That's a good experience. I like to be involved with quality.

We sure didn't talk about pasta very much, did we?

Teiser: We found out the essential facts about pasta, and something of the way the family works.

Lois M.: My work with the community is a much bigger part of my life than pasta.

Teiser: I see why Dennis is so apparently well organized, too. You must have taught him that.

Lois M.: I hope so.

Transcriber and Final Typist: Judy Smith

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Dennis T. DeDomenico

A PROGRESSION: GOLDEN GRAIN, GHIRARDELLI CHOCOLATE
COMPANY, AND QUAKER OATS

Interviews Conducted by
Ruth Teiser and Lisa Jacobson
in 1988 and 1989

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DENNIS T. DeDOMENICO

Dennis T. DeDomenico, a grandson of Domenico DeDomenico and the son of Thomas DeDomenico, was born in San Francisco in 1946. That was approximately five years after the fire in Golden Grain's San Francisco plant that resulted in the establishment of a northwest division of the company, and approximately five years before the construction of the headquarters and manufacturing facility in San Leandro.

Dennis's first-hand knowledge of the company dates from his childhood, when he would go to his father's office with him on weekends. When he was nine or ten, he began working in the plant himself on Saturdays. Unlike his father and uncles, he did not continue as an employee but pursued a higher education in academic subjects and the law before establishing a private practice. When in 1977 he applied for a position with the family company, he was given responsibility for the Ghirardelli division and a year later was named secretary-treasurer of the corporation. He carried both responsibilities until the 1986 sale to Quaker Oats. He continued in charge of Ghirardelli for three years longer, and it was during that period that he was interviewed.

He had earned an MBA in finance in 1985, and before his retirement in 1989 he considered buying the Ghirardelli company. After that proved impossible, he turned to developing a long-time interest in creative photography. He has also been active in community affairs, particularly work toward the successful establishment of a permanent home for the California Shakespeare Festival.

Although Dennis DeDomenico was never a major company decision-maker like his father and two uncles, he sat in on board meetings from 1977 to 1986. Thus he added to his family knowledge and, because of his long-time familiarity with the company, a view of its decision-making processes.

In this interview he shows himself to have an intelligent analytical interest in how and why things happen, and the ability to articulate his ideas. Recalling events from the viewpoint of the third generation in America, and as one whose education and professional experience as a young man was more varied than those of other family members interviewed, Dennis places in broader perspective the history of the highly successful Italian-American family that his grandfather established early in this century in California.

Ruth Teiser

January 26, 1992
Regional Oral History Office
The Bancroft Library
University of California, Berkeley

BIOGRAPHICAL INFORMATION

(Please write clearly. Use black ink.)

Your full name DENNIS THOMAS DeDOMENICO

Date of birth 12-4-46 Birthplace SAN FRANCISCO

Father's full name THOMAS DeDOMENICO

Occupation Retired Birthplace SAN FRANCISCO

Mother's full name LOIS MARION BRUCE

Occupation _____ Birthplace ALBERTA CANADA

Your spouse DIVORCED

Your children ADRIAN DENNIS DeDOMENICO

Where did you grow up? SAN FRANCISCO & SAN LEANDRO

Present community OAKLAND

Education BA European History SF STATE UNIV. 1972; JD Golden Gate UNIV. Law School 1975
MBA-FINANCE Golden Gate UNIVERSITY. 1985

Occupation(s) Lawyer Private Practice 1975-1978, General Mgr Girardelli Chocolate Co 1977-1978
Secretary Treasurer Golden Grain Macaroni Co 1979-1986

Areas of expertise Corporate Law, Chocolate and Pasta Manufacturing

Board Memberships
Other interests or activities Community Arts ~~Arts~~ ORGANIZATIONS (Berkeley Symphony Or
(Berkeley Repertory Theater) Photography, hunting, Fishing

Organizations in which you are active CALIFORNIA SHAKESPEARE FESTIVAL

I DeDOMENICO FAMILY HISTORY AND EARLY YEARS OF BUSINESS

Domenico DeDomenico Comes to America

[Interview 1: 16 November 1988]###¹

- Teiser: Perhaps you can, on the basis of family tradition, tell us something of earlier generations.
- D.T. DeDomenico: I had heard that my grandfather, Domenico DeDomenico, came to North America from Sicily late in the eighteen hundreds. I don't have a date.
- Teiser: Your uncle Anthony Victor DeDomenico thought he went from Italy to Boston in 1888, then to San Francisco in 1889.
- D.T. DeDomenico: He came to Boston first, and I believe he was in his late teens or early twenties. I know when he died he was seventy-two, and that was in '42. That would mean that he was born in 1870, approximately, and if he came in the late 1880s or early 1890s he would be approximately twenty years old, give or take a few years.

I understand he was a barber in Boston; that's what he did, he apprenticed to a barber or opened a barber shop. I also believe he was married in Boston. Whether he had any children by that marriage, though, is a deep, dark secret. No one has ever mentioned it. I told my father that I had heard that there were DeDomenicos in Boston--of course, there are a lot of Italians in Boston anyway--and he told me that if I ever went to Boston

¹This symbol (###) indicates a tape or segment of a tape has begun or ended. For a guide to the tapes, see p. 351.

never to look up any of the DeDomenicos there. That may be some clue.

He apparently divorced the woman that he married and came to California, apparently in the early to mid-1890s. What he did here was to set up--I never did get this straight, whether it was a fish and poultry, poultry and produce, or fish and produce--some kind of a food shop, small, and that it prospered and grew. Eventually he had three locations in San Francisco, presumably in the Mission district, where he lived. Although I'm not sure he lived in the Mission district; I just assume that he did, because that's where the family eventually settled, on Bartlett Street off of Twenty-fourth.

By the time that I was aware--I was born in '46, four years after his death--I can always recall the family living at the apartment house that he owned on Bartlett Street. It was a four-unit building. That's where my father was born, in that building, and apparently the other children as well were all born there.

It's my understanding that he met someone or knew someone in San Francisco who knew of the Ferrignos in Italy, around the area of Naples. This is how the story goes--that he was shown a photograph of this young woman who lived there. As was not uncommon at the time, he wrote to her and suggested that she come to America, that he would pay her passage and that he would marry her. The story then went on to say that she wrote back and said she would not leave Italy without her brothers and her father. So he wrote back and said he would pay for the passage for all of them.

Domenico's Father: Pasquale DeDomenico

D.T. DeDomenico: So they agreed to come over. Now, I don't know when he brought his own father over, but his own father, Pasquale DeDomenico, who would be my great-grandfather, was, indeed, brought over at some time. I understand that he lived to the ripe old age of 106, if I may digress into that story for a minute before I finish. He always had a cane. Paskey [DeDomenico] once told me that he lived at the apartment house on Bartlett Street with the family, that he was a very strong-willed man, and was not unknown

to use his cane in a manner to coax other people around to do things for him. [laughter] Paskey is Pasquale, of course, and he was named after his grandfather.

Paskey told me that great-grandfather had a habit of getting up at two o'clock in the morning, walking into Paskey's room--perhaps they even slept in the same room--waking him up, and ordering him off to the kitchen to make him a couple of fried eggs. Paskey seemed to indicate that this was a phenomenon that occurred every night, as long as he could remember. In spite of the fact that he ate two eggs every night, he lived to the age of 106. [laughter]

Great-grandfather, towards the end of his life, was moved to Laguna Honda, the old folks home in San Francisco, and continued to plague the nurses there much as he had done the family at the house. He kept his cane at the side of his bed during his entire stay there, and it was also not uncommon for him to use the cane on the nurses, should they ever become disagreeable. [laughter] I'm not sure of the date that he died.

Teiser: It was 1929.

D.T. DeDomenico: He apparently died there at Laguna Honda and is buried in a cemetery in South San Francisco, which is the family crypt. It's where I think Pasquale is buried, Domenico DeDomenico is buried, and Maria is buried.

Teiser: Which cemetery is it?

D.T. DeDomenico: I don't remember, but I was there when my grandmother was buried. It struck me, because no one had ever taken me there before. It was rather moving to see my grandfather's name on the tomb there as well. It's not one of those things that's big above ground, but it's a large granite or marble-slabbed area where, if the slabs are taken off, you can look down inside the crypt. It's a below-the-ground crypt, and you can see shelves on the sides where the different caskets are put. So it's not a traditional grave; it is, indeed, a tomb or crypt kind of thing.

Someone else said once that in Sicily he worked in a salt mine. Oh, he was a tall man, as well; he was not short. My grandmother was short, and I don't know that my grandfather was very tall. But they said that great-grandfather was over six foot. That's one of the stories

I remember being told. He was very tall and very strong, and he used to carry these big bags of salt on his back. There was also something about them going off on a midnight raid, back in Italy, to obtain salt out of the mine, that they later sold on their own, or something like that. I can't remember who told me that story.

Maria DeDomenico and the Ferrigno Family

DeDomenico: Back to grandmother [Maria], then. Domenico DeDemenico wrote back and told her she could bring her brothers and her father; apparently her mother had already died. The story also goes that their family, the Ferrigno family, had indeed manufactured pasta in Italy, in the area of Naples, and something had not gone well or something had happened, and they were no longer in the business. But I'm not sure. In any event, that's where the expertise for pasta-making came from, from the Ferrigno side of the family, not from the DeDomenico side.

When they arrived in this country, I'm not sure that they lived with Domenico immediately, perhaps not-- perhaps down the street or something. But when it came time for the wedding, Maria found out that he had been married before, and of course she was Catholic. He was a Freemason and had broken away from the Catholic church and had belonged to the Italiana Speranza (Hope of Italy) Lodge in San Francisco. I know this because of a man named Vito Bruno, a Mason who married a woman named Geraldine that my grandfather and my grandmother had more or less adopted into the family. She worked in the house for my grandmother but was treated almost as a family member. And Vito married her. He was a wealth of information about the family, and so was she. She is still alive, but he is dead.

He was a Mason and was a member of the Speranza Lodge as well. He introduced me to Masonry, and I later joined the lodge that the Speranza Lodge merged into. The Speranza Lodge went into the Golden Gate Lodge. They merged together, and the lodge is now on Taraval Street and is called the Golden Gate Speranza Lodge. I became a Mason and became a member of that Masonic temple location. So there was a lot of history of my grandfather there. I eventually got his pin from my Aunt Catherine.

When Maria found out that Domenico had been married and divorced, she refused to marry him. The story goes that this occurred on the church steps. The story further goes that he got down on his knees and begged her and pleaded with her to marry him, swore that he was really a true and good soul, and that he would never attempt to divorce her. Somehow it ended up that she agreed. So they married, and I am unsure of the date of their marriage.

Beginnings of Gragnano Macaroni Factory

D.T. DeDomenico: I know that later her brothers and her father began trying to convince my grandfather to raise the capital so that they could start a pasta business, and that he eventually sold the three markets that he had in order to raise the capital to buy the first equipment to make pasta. My recollection is--and I'm not sure of the factual basis of this--that the first pasta-making operation was on Valencia Street in a storefront or the equivalent, and that it was known as Gragnano Products¹ when it was started, which I think means "grain" in Italian, although my Italian is a zero.

Teiser: Someone said it was named after a town famous for pasta.

D.T. DeDomenico: Oh? In any event, the way the business began was that the Ferrignos were in charge of all of the production of the pasta, and my grandfather was the salesman. He drove around Northern California and San Francisco and whatever communities existed at the time in the Bay Area--there weren't many--and sold the pasta. They couldn't be driving in the early 1900s because there were no cars, so presumably they used a wagon or something of the sort.

The business began to prosper and was originally incorporated on February 17, 1916. I know that because I have copies of the bylaws and the original incorporation papers. When it was incorporated, Domenico DeDomenico did not have a majority share control over the company; the Ferrignos did. That ended up creating the seeds for a tremendous conflict that surfaced later on.

¹Earlier: Gragnano Macaroni Factory.

I'm not sure where they moved after Valencia Street, but I remember being very, very young and seeing the plant in San Francisco at Eighth and Bryant. There was at least one other location where they were, where they were burned out. I don't know where that was located.

Family Struggle for Control of the Business

D.T. DeDomenico: Sometime in either the late twenties or the early thirties--this is by the time Paskey is already old enough to be in the business as a young man--a conflict began to develop between the Ferrignos and the DeDomenicos over control of the business. The story goes--this is from my father--that the Ferrignos attempted to take control of the business away from my grandfather, and that my grandfather sought the counsel of an attorney in San Francisco whose last name was Lazarus (who later became a judge in San Francisco).

Teiser: Sylvain Lazarus.

D.T. DeDomenico: During this time, apparently, there was a dispute. Paskey told me this story, about how the DeDomenicos wound up wresting voting control over the corporation away from the Ferrignos. And it was a fluke, one of those strange things in history, because it could have all turned out very differently but for this fluke. One of the Ferrignos, and there were a number of them by then, who was the manager of this little plant that they had, was supervising a nephew of his who was also a Ferrigno, the son of a daughter or wife of some other Ferrigno.

The nephew, for one reason or another, got into trouble with his uncle and was fired; he was told he couldn't work in the plant anymore. Apparently this so angered the mother of this boy that she said, "I've had it." She had stock, and she sold it to Paskey. It was this little bit of stock that she owned, once sold to Paskey, that tipped the scale. So that now my grandfather and the DeDomenico family had possession of over 50 percent of the stock. Apparently after that things began to break apart for the Ferrignos. Through the help of then attorney Lazarus, the ownership of the company went, through purchases of stock, I understand,

totally away from the Ferrignos. They got some amount of money for the stock from the DeDomenicos. There was only one Ferrigno who retained or was given some stock, and his name was Donato Ferrigno, a senior Ferrigno who is still alive today; he's in his eighties now. Have you talked to him?

Teiser: Yes.

D.T. DeDomenico: Well, Don Ferrigno worked for the company after all of this changing of control. He ended up with two shares out of a hundred.

So Don Ferrigno was given two shares and continued to work for the company, I think until well into the 1970s. But he was the only Ferrigno to hold stock in the company after that. And from that time on, at least one of the Ferrigno brothers--I can't remember if it was Mike or Tom--refused to talk to any of the DeDomenicos, including his own sister, who was my grandfather's wife, until the day he died. There was a tremendous amount of ill will between the two families. It must have made it very, very hard for Maria to know that she had virtually lost contact with most of her family, or at least a portion of her family. And there was a lot of resentment for many, many years.

There were, however, several family reunions that were held in the seventies, two of which I attended, where the Ferrignos and the DeDomenicos got together. The Ferrignos, in fact, organized it and invited us all. There were family portraits taken of the different extended families and everything. It was a huge gathering; there must have been 150 people there. Oh, it was huge!

Teiser: Do I remember that the Ferrignos started a macaroni company of their own then, the Sorrento Macaroni Factory?

D.T. DeDomenico: I had heard that, that the brothers did afterwards.

Teiser: That must have caused resentment, also.

D.T. DeDomenico: Yes, because my grandfather and his sons apparently competed vigorously with them and tried to make sure that they got no foothold into the market. And in the end it did not succeed. So if one would consider that success, the attempt to keep them out of the market was successful. Very bitter; very, very bitter. The

recollection is one of feeling, not one of actual events--just the feeling of the families.

Domenico DeDomenico

Teiser: Do you have any inherited knowledge of what your grandfather was like, what sort of man he was?

D.T. DeDomenico: Only through the little fragments of information I was given and the few photographs that I have. The fact that he was a Mason obviously meant that he was an individualist at the time; he was a very strong individualist who was willing to break away from the Church at a time when it was very strong, and he lived in an Italian community where I assume the pressures to remain part of the Catholic fold were very intense.

I know that he was not a very kind father at all times, that he had a practice of taking his belt off and strapping his children. My father told me it was even with the end that the buckle was on at times. I mean, he was pretty hard. He was a very, very hard taskmaster. The boys themselves were rather rebellious--well, at least three of them, and in particular, I understand, my father. He was the baby of the family.

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D.T. DeDomenico: I know that my grandfather was an avid hunter. He was a heavy drinker, a big eater. I know he was a big eater because I've seen photographs of him at the end of his life when he looked like a pumpkin on two sticks. He was really large of gut. I remember seeing a photograph of him sitting with a shotgun and a rabbit. I think he had suspenders on, and they created this dark, curved outline as they went down to the pants. I think he smoked cigars.

In his youth he was a very handsome man. We've got photographs of him that you'll want to include. Something changed as he got older; he began to not care so much about how he looked. But he obviously cared about how he looked when he was younger.

Teiser: He was the salesman for the company?

D.T. DeDomenico: That was his primary responsibility. Later on, after the Ferrigno change in power, I understand Vincent in particular, but also Paskey, took over production as time went on. My father and grandfather became the salesmen. My father eventually went into sales, selling products for the company, and my grandfather did as well. My father tells me stories of traveling with his father on the road in Sacramento.

Maria DeDomenico and Her Sons

D.T. DeDomenico: There are some cute stories that I can tell you about the boys and how they would help grandmother Maria. She was always very protective of her children and attempted in some ways, I suppose, to shelter them from her husband's wrath. I know that there are stories that at least Vincent, Paskey, and Tom would regularly get up at night after the family had gone to bed--this was on Bartlett Street--climb out the back window and leave it unlocked, walk along the ledge to the porch, climb down the stairs, go into the garage, open up the garage, undo the break on the car--this was grandfather's car, now, and he always had a big car because he was driving a lot--roll it out of the garage into the alley behind the house, roll it down the alley a great long way, and then start it and go off and joyride for the evening. [laughter]

Then they would come back and do the same procedure. They would shut the car off before they got within half a block from the house, push it down the alley and back into the garage, walk up the stairs, climb across the ledge, and go in the window. The story goes--I think this is something that Kay [Katherine DeDomenico Reichert] told me one time--that someone locked the window one night, and they had to get somebody in the house to open up the window so that they could climb back in again. They were deathly afraid that my grandfather would wake, so apparently they woke my grandmother somehow, and she came to the window and unlocked it and let them in, and said nothing. Not a word. The boys went in and went to bed, and she closed the window and went back to bed herself.

Teiser: Maybe these stories are a clue to how they got along so well together as they matured.

D.T. DeDomenico: Perhaps. I'm telling you family snippets. It doesn't have much to do with the business, but who knows?

Thomas DeDomenico

D.T. DeDomenico: There's another story--maybe this better be printed posthumously [laughs]--about my father that to this day he refuses to acknowledge, and yet the family knows it. It's one of those wild maverick stories. He was in Sacramento traveling with my grandfather, and they were staying at a motel or a boarding house in Sacramento. For whatever reason, and it remains unclear as to why it happened, my father, in the middle of the night, got up and took his father's wallet out of his pants (or off the dresser, or out of his coat), took the keys to the car, got into the car, and disappeared for three weeks, stranding my grandfather in Sacramento.

Finally they found him in Los Angeles. There was an all-points bulletin out for the car. I don't remember what year this was, but my father was eighteen when he went into the service in about '42, so it had to be in the late thirties or early forties. They finally found the car in Los Angeles, and once they found the car they found him. He was living with a young woman at her parents' house in Los Angeles. They brought him back, and I'm not sure what the penalty was, but it must have been not too traumatic because he managed to go on from there. I can't imagine what my father would have done to me had I done the same thing to him. I tell you, I think the world would have come apart. This was quite a story for the time, to have abandoned his father up there. I think Paskey had to drive up and pick up his father in Sacramento and bring him home.

More on Domenico DeDomenico

D.T. DeDomenico: What else can I remember about him? I remember one time I went to the county record office in San Francisco and looked up his death certificate. It said there that he had had a history of coronary trouble for some ten years prior to his death, but that didn't seem to affect his eating and drinking, and apparently smoking as well. I

can't imagine, if he had actually taken care of his body, how long he might have lived. His own father had lived another thirty-four years. There's a tremendous hardiness in the family that apparently takes a great deal of abuse and still lets them live to great ages.

Reorganization of Business Responsibilities Following Domenico's Death

Teiser: Do you have any idea whether at the time of your grandfather's death there was a big reshuffling of power or duties?

D.T. DeDomenico: No, apparently not. Because by the time he died in '42, Vincent and Paskey were already actively running the business. You'd have it in stock records, but I don't know how the stock was held between Maria, Paskey, Vincent, Victor, and Tom, but it was in descending order. There was still a great deal of "first son rules the roost," and Paskey had the greatest percentage of ownership. Maria, my grandmother, also held stock on his death; apparently some stock passed to her. She remained an officer of the company for quite a few years, but really in name only. The boys ran the company.

Something happened while my father was away at war. He was the only brother to go into the service. Something happened to Victor, and I don't know what happened. I don't know if Victor told you or not, but apparently he had an auto accident where he injured somebody very badly. As a result he had to sell his stock, or something of that nature occurred and he was forced to sell his stock. That happened while my father was in Europe. Vincent and Paskey bought all of Victor's stock between the two of them, which then gave Paskey a very dominant position in terms of stockholding, and Vincent as well. Paskey had, I believe, over 40 percent of the stock, and Vincent had over 30 percent of the stock, once they bought out Victor.

When my father came back from the war he found out what had happened. Because he had so little stock of his own, he went about buying up whatever stock was available from his aunts. Some of the Ferrigno aunts still owned some stock, apparently. I'm not sure exactly how it happened, but there was other stock for sale, and he

bought up seven or eight or nine shares from these others. He eventually ended up with seventeen or eighteen shares, and that was the maximum he ever owned. That always created a little resentment on my father's part, that when the stock was purchased from Victor the other two never gave him an opportunity to buy some of that stock. That's one of those family things that you read about in every family.

Teiser: But they went on working together?

D.T. DeDomenico: They went on working together in spite of all that. When my father came back he immediately started working for the company as a salesman again. The war was a big boon--that was another thing that I was told--for the pasta company in San Francisco, because they were able to sell pasta to the government for rations to feed the troops. Military purchases were running very high. Vincent told me that they had managed to get a number of military or government contracts to supply pasta to the government, which helped quite a bit.

1941 Plant Fire and Beginning of Northwest Operations

D.T. DeDomenico: At some point during this time, though, the plant burned down in San Francisco and they had to build a new plant. What I remember about that is--once the fire occurred, it was total destruction. I think there were only a few pieces of equipment that they were able to rescue out of it. They bought pasta from other companies in San Francisco and sold it under their own name. That's how they stayed in business. Someone who had a building next door that was available let them use it, and they started up the pasta factory again. I can't remember when this occurred.

Teiser: We have the date 1941 for the fire, and in '43 they rebuilt a factory next door.

D.T. DeDomenico: Oh, is that it? Do you have anything there for Mission Macaroni Company in Washington state?

Jacobson: Yes. It first appears in '56. That's when they bought it.

- D.T. DeDomenico: But did they operate another pasta company up there before that?
- Jacobson: Yes, the Ghiglione Macaroni Corporation, in 1941.
- D.T. DeDomenico: Well, Paskey went to Seattle at some point at that time and stayed there. He ran the northwest operations, and Vincent ran the San Francisco plant. Paskey also not only ran the operation but controlled the sales force up there.
- Teiser: They bought the Ghiglione Macaroni Corporation just after the San Francisco fire.
- D.T. DeDomenico: That's it. They sent pasta down from the north, too, to supply the San Francisco operation. That rings a bell. Paskey went up there to run it, and Vincent stayed down here to rebuild the old plant. I don't think Paskey ever came back as a resident; I think he established residence in Washington State and stayed up there.
- Teiser: I think your father said he went up there for a time, too.
- D.T. DeDomenico: Yes, he did. But that would be before the war, I think, not after.
- Teiser: From Seattle, did Paskey maintain a dominant position over the whole organization thereafter?
- D.T. DeDomenico: Paskey was the president of the company,¹ and Vincent was the secretary-treasurer. In 1978 Vincent went from being secretary-treasurer to being president, and Paskey went from being president to being chairman of the board. That was part of a corporate reshuffling of officers, where I was admitted in as an officer, as secretary-treasurer.²

The DeDomenico Troika: Cooperation Among the Brothers

- Teiser: Paskey was the leader both nominally and actually, then?

¹He became president in 1943.

²See also p. 278.

D.T. DeDomenico: I guess so. But Vincent was always very influential, always. My father keeps telling me over and over that the three of them truly ran the business as a troika, that there was no one person who dominated everything. There were often disagreements among the three at a meeting, about what should be done about this or that, but the meeting never ended until there was a consensus. They would not leave a meeting being angry at each other or disagreeing with each other. I mean, they may have had their own views about something, but once they had come to a decision, then they all went with it. It was truly a process of the three of them hashing it out.

I know that from first hand. I witnessed that occurring from 1977 on, because I always sat in on the board meetings after 1977.

Teiser: Unusual.

D.T. DeDomenico: Yes. Vincent was always the dollars-and-cents man. He always controlled the budgets, although we didn't operate on a budget system. But he controlled the funds and was always very shrewd about how we spent money. He always had a policy of buying everything and never leasing things, carrying a very low debt load, and internally financing almost all expansion. There are some exceptions to that, but the company never took on the kind of debt burdens that companies are taking on today in the LBOs, for example. Never; that was just unheard of.

Anthony Victor DeDomenico's Role in the Company

Teiser: All this time, as I recall, Anthony Victor, known as Victor, continued to work for the company and was a purchasing agent.

D.T. DeDomenico: Yes. Victor was given a job in the company after this problem that he had had. He had always had a place in the company, but he was never part of the management group per se. I know that Victor was the only one to have ever gone to a school of higher education. Well, that's not entirely true, because Vincent took some classes at Golden Gate University in business during the late forties or early fifties, I understand. But Victor

was actually admitted to and attended his first year at Stanford University.

But Victor ran into a very serious problem with my grandfather because he ended up getting married without my grandfather's permission. When he did that, my grandfather pulled him out of school; he did that in his first year at Stanford. He pulled him out of school and refused to pay his tuition, and told him he was on his own, virtually. I don't remember when that was, but it was sometime, I guess, in the thirties. My grandfather was still alive, so it had to be before '42. In fact, I understood that Victor was actually studying law or something like that, because he wanted to become a lawyer. I'm not sure about that. I don't know if Victor mentioned anything to you about that? No.

Relocation of Plant to San Leandro

D.T. DeDomenico: After the war the company continued to expand where it was, there on Bryant Street. There was only a small number of access roads to the Bay Bridge when it was first built, not the kind of complex system of getting on and off the bridge that you see there today. Some government agency decided that they wanted to put an entrance to the bridge at Eighth and Bryant, and that it would pass right through the old plant on Bryant Street. So they took the property by eminent domain and paid the company for the land and the building. But we had to move!

There's a little story of a banking relationship here. The company had always banked with the Bank of Italy, later known as the Bank of America. This banking relationship went on for decades. In 1950 or thereabouts, when this property acquisition by the State took place, Vincent first had to find a new site, and he found the site in San Leandro, which in 1950 was nothing more than a collection of a few houses and a significant number of cherry orchards. He found the property that we are sitting at today, back then, and I think he bought it from a railroad company--Western Pacific.

In any event, he went to the Bank of America to obtain financing to purchase the property and build a new plant. Now, in the late forties or very early fifties,

the Bank of America had made a strategic decision to expand its retail banking business, direct to consumers, and was embarking upon a rather significant expansion of branch banking--not just a single bank in a city, but having branches throughout a city and throughout an urban area. It was taking a great deal of capital on the bank's part to do this. As a result it backed away from its commercial loan business, because it was working on personal loans and developing the consumer base that it enjoyed later on.

When Vincent went to ask them for a loan, they refused to loan him the money, even though he had been a customer of the bank for several decades. There are officers still in the Bank of America who know this story and are rather sad that it occurred. I spoke to one or two of them about five years ago, so I don't know if they are still there or not. In any event, he went to United California Bank, which I think later became First Interstate. United California Bank agreed to loan him the money. So we changed our banking relationship from the Bank of America to United California Bank.

He bought the property here and built the first phase of the factory, which was for pasta production only. Well, that's not entirely true, because we had other products by that time, even then. We were selling a great amount of beans. We were buying dried beans in sacks and re-bagging them into consumer-sized packages of twelve ounces, one pound, and five pounds. We also had quite a business in selling dried nuts--walnuts, almonds, filberts, and peanuts--that again we bought in sacks and re-bagged. By the way, that's what Victor worked principally on, the buying of the beans and the nuts. I think that as early as this we were buying a great deal of bulk candy and re-bagging it under the Golden Treat brand. Victor was in charge of buying the candy.

The flour buying and the packaging buying I think was all done by Vincent--all the flour buying for sure. I think Paskey bought flour for the northwest operation all along, as long as he was up there, but Vincent bought all the flour for San Leandro and later for the Chicago plant.

II DENNIS DeDOMENICO: CHILDHOOD, EDUCATION, AND EARLY PROFESSIONAL LIFE

Childhood Trips to the Office at Golden Grain##

DeDomenico: My father always was a workaholic. They all were. My father would frequently come down here on a Saturday morning, and I would come with him as a young boy, just a kid--I mean, even younger than ten--and play in the front office while he worked in his office. I would run around to all the secretaries' desks and go to the stationery supplies and pull out pads of paper and erasers and pencils and staples and staplers, and just have myself a good old time. I never ran out of stationery when I was in grammar school; I always had enough pencils and paper. [laughter]

I'll never forget being here and discovering the Pitney Bowes automatic mailing machine. I played with that thing--it would just send chills up and down Vincent's spine if he knew this--and stamped out stamps on pieces of paper and just threw them away, not knowing at my very young age that I was spending money and throwing it into the waste can. Of course there is some salvation, and that is knowing that the postage at the time was only four cents and not a quarter. You see, I was able to dial up whatever amount I wanted, just to see how it worked. I didn't know that was real money.

Jacobson: Did your father ever try to get you to do some real work when you were a little kid?

DeDomenico: Well, not when I was just a kid. I just ran around the office, and the office was my babysitter, if you will. There were enough things in the office to keep me busy

while my father worked. He always knew that. I'd be in and out of everybody's desk. But eventually I did want to work. I wanted to earn some money, so he suggested that I work on Saturdays. When he came to the office to work, he would bring me in and I could work here.

The plant manager in San Leandro at the time was a man named Frank Viola. He played a pretty significant role in the company's history. I don't know if he was a plant manager in San Francisco before the move, but I know he worked there before the move. He could easily have been either a chief supervisor or, indeed, the plant manager in San Francisco. Frank was a wonderful man. He and Vincent worked together for several decades in the plant.

I have to go back for a moment. When the plant was built here in 1950-51, I was only five years old. Yet I remember the construction of one of the big dryers here. I don't know who we bought it from; I think it was one of the Italian pasta equipment manufacturers. I know that Vincent worked directly on it, with wrenches and hammers and screwdrivers in hand. I remember being told that he slept in the plant during the construction of the dryer, he was so wedded to it. Vincent and equipment are almost synonymous. He has a great, great love of machines and always had a great deal to do with the design of equipment installations, always picked the equipment himself, and oversaw pretty directly its installation.

Eventually he had a chief engineer he worked with that I knew, a man named Mas Otani. His first name was actually Masato, but everybody called him Mas. And Mas still works as a consultant for the company today. I remember Vincent sitting for many, many hours with Mas, talking about equipment installations, with blueprints all over his desk and making pencil marks on the drawings about where things ought to be and where they ought not to be.

Anyway, the story went that Vincent was virtually living in the plant during the time that this big dryer was being installed, to make sure that it got up on line and on time. Because there was a big push, apparently, to get the plant built and serviceable and turned on in time for the old plant to shut down.

Early Jobs at Golden Grain

D.T. DeDomenico: I started working here on Saturdays in about 1955 or 1956, when I was nine or ten.

Teiser: What did you do?

DeDomenico: The first job I had, Ruth, was a job that Frank Viola gave me. Remember that I am literally just a kid of ten or maybe eleven. In those days we would take the macaroni off of one of the dryers after it was finished and put it in boxes of twenty-five or thirty pounds, close it up--it was a cardboard box--seal it up with tape, put it on a pallet, and put that in the warehouse. We didn't have the capacity to store it in silos, and we were inevitably running something that we couldn't pack because we were packing something else. This was probably because we could produce more at one time off of the dryer than we could pack at one time--maybe, and maybe not; I'm not sure. Or we only had so many packing machines and we had several dryers, and they were taking everything from one and couldn't take anything from the other, but we had to run the other to be efficient.

Anyway, we would take this macaroni and put it in the warehouse in these bulk boxes. Later on we'd bring it back into the packing room, dump it up into the packaging machines, and feed it in and package it off. So it meant double handling it, right? Then we had all these boxes left over from dumping the macaroni into the packaging machines.

My job was to take those boxes, break them down, and tear the tape off of the edge--the gummed tape that was sticking to the edge of the box. Maybe they'd even break them down ahead of time, but I got the boxes and had to tear the tape off, bundle them up in bundles of twenty-five, and wrap them with twine. Then we would recycle them. They'd go back into the plant later on and be used again. I got paid by the bundle. It was piece work, and I got paid a penny a carton, twenty-five cents a bundle. That was the first job that I had here.

Later I got a promotion, and I started sweeping floors in the warehouse. [laughter] That was a much cushier job, because I got paid by the hour rather than by the square foot that I had swept. In the old warehouse--actually, it was then the new warehouse--where

we kept our work in process, there were large rows of pallets full of beans and rice (rice by this time? Maybe, maybe not. But at least beans for sure) and nuts that came in these big burlap bags. These stacks were three or maybe even four pallets high, so they were quite high, maybe twenty or twenty-five feet high. At least for my age it was high.

At times during the day, when no one was around and I had swept most of the warehouse and still had a little left to sweep, I would take my broom and walk down in between the stacks, which is very narrow; really, only a child could get into it, because they put the rows of pallets very close together. I would snake my way down through these stacks, leaving the broom in the back of the stacks so no one could see it, and climb up the stacks--much like climbing up a crevasse in a rock crevasse--to the very top in the back. I would pull a couple of sacks off of one of the top pallets and line them around kind of like a bunker, which made a depression in the back that no one could see from the floor. I would curl up there and fall asleep in the afternoon. [laughter] Then I would come back down after I woke up and finish sweeping. No one could ever find me in between. That's why I say it was a cushier job.

Frank Viola managed to catch me at it, though. I don't know how he knew, but he knew, apparently just because I had disappeared from the face of the earth for a while, and actually figured out where I was. It was amazing. He was an uncanny man and a very good judge of character. He knew that I was an errant young whippersnapper. He climbed up one day to the stacks, woke me up, and got me down out of there. He said if I ever did it again he was going to fire me. Believe me, I never did it again. He was the kind of man who would do it, and my father was the kind of man who would let it stand. So I didn't do it.

Relationship with Frank Viola

D.T. DeDomenico: Frank and I had a great working relationship. He used to yell at me a lot, and I listened a lot. That was the working relationship until I got older. When I was in my twenties, I remember once I went into his office, and the two of us were yelling at each other so hard that the

walls were shaking. Before it was over, both of us had tears in our eyes and we were making up, and I was on my way again. But it was a close relationship, to say the least, because he supervised my work the entire time that I was here as a youth, before I started working in management. By the time I started working in management, he had retired and, in fact, died. He died of a coronary heart attack, I think, several years after he retired. He always gave everything his all. He was quite a fellow.

Mechanical Inclinations and Related Job Duties

Teiser: Were there several key employees like that?

DeDomenico: Oh, yes, absolutely. I would almost be remiss in starting to name them, because I couldn't name them all. You see, because I had a love of machines myself and was very mechanically inclined, I asked to work and started to work in the machine shop. Actually, I had started working sweeping floors, and later I started helping the mechanics when they were out on the lines. I got into the shop and started being just the cleanup kid in the maintenance shop. I would straighten up all of the bins of parts, sweep the floor, clean the lathe, clean the drill press and the mill, straighten up their scrap heap where they kept all the pieces of pipe and steel that were left over from jobs that they had ordered in. I did that for a long time. I was kind of a janitor when I started as a kid, going from sweeping floors to cleaning up around the maintenance shop.

There was a man who was the engineer here, John Creighton, who ran the maintenance shop and did the drafting. He also ran the lathe. I eventually did nothing but clean up around the maintenance shop and started helping out the guys on the jobs that they would go out and do in the factory--building jobs and construction in the plant. I kept bugging him for a job as a mechanic or as an assistant. Eventually I got it.

Oh, I had done other things, too. I used to drive a forklift on Saturday afternoons, and I loved that because I didn't have a driver's license; I wasn't sixteen yet. But inside the plant I could drive a forklift, picking up pallets and moving them off of lines. I did that a lot

on Saturdays and enjoyed it a lot. I also used to "tail off" at the end of a production line. When finished cases were coming out after the women or men have packed them up, somebody needed to palletize them. So I would take it and put it on the pallets. I did that a lot, too, around different lines, and learned how the lines ran.

But my real love was to work in the shop. I eventually pressed the manager of the shop to teach me how to run the lathe, because he was the one who always ran the lathe. He taught me how to do it, and eventually when he had little jobs to do, he would give them to me. That grew from just doing that to doing an awful lot of lathe work when I was there on Saturdays.

In summertime I would work every day, Monday through Friday. I can't remember how old I was when I started doing that, but my summers were full of working in the plant. I made a large amount of money for the time. Just being a teenager and having a job in a factory, being paid the then existing minimum wage was quite a lot of money. On top of that, I had gotten myself a paper route when I was ten or eleven and had that for three years or so before I went to junior high school.

Teiser: You were an industrious youngster.

DeDomenico: Yes. So I was making money from the plant and from the paper route. I used to deliver the Oakland Tribune. My mother used to tell me that I could spend one of those wages, but I had to save the other one. So I put all of my plant earnings in a savings account and took my paper route earnings, which were about a dollar a day, and used those to do whatever I wanted to do. It was quite a lot of money then.

Parents--Courtship of Tom and Lois DeDomenico

Teiser: Maybe I should take you back at this time and ask you when and where you were born.

DeDomenico: I was born on December 4, 1946. The reason I was born in December of '46 was because--oh, we never got back to my father and how he met my mother, so I should probably take you back to there. He was on leave in San

Francisco, and he used to hang out at a grocery store there that was either owned by a friend of his or his friend was a clerk there. I'm not sure if it was actually a friend; it might actually have been a cousin of his, Guido Bizzaza. I thought my father told me that Guido had introduced him to Mother, but I'm not sure if that's the case or not.

Oh, I've neglected my mother's side of the family.

Teiser: We will be talking with your mother.

DeDomenico: Anyway, she had been born in Edmonton, Alberta. Her mother moved to Vancouver, and that was where they were living. She had gone from Vancouver to Seattle to work as a secretary at a very young age, like sixteen. She'd gone on a visit to see her uncle, who I think was living in San Francisco, and met my father there. It was when my father was on leave.

My mother told this story once, and it was so cute. She said that she had to go to the grocery store to pick up something. She walked in, and there was this very tall--well, not very tall; he's five feet ten or eleven--very good looking young man. At the time I think he was twenty-five or twenty-six, because he's nine years older than my mother. He was in uniform, standing in the store with his leg up on a carton and his elbow resting on the one knee that was up, kind of bent over. She said he looked like a movie star or something. I think he just swept her off her feet.

Apparently they started dating, and they dated for a while there, while he was on leave. Then he had to go; I think he left in '44. When he left he promised to write her. I once went into this old cedar chest that my mother used to keep in the house in San Leandro, and in the bottom drawer were these stacks and stacks of letters from Europe and from a base that he was at in America. They were love letters that went on and on and on. At the time I really didn't understand all of the love letters; I was more interested in the stamps, and I went about cutting the stamps off of all these envelopes in her hope chest. [laughter]

They corresponded during the entire time he was away, and when he came back he met up with her again, right away, and proposed to her. And she accepted. They got married March 15 of 1946. I must have been conceived on

the wedding night, because I was born eight and three-quarter months later, on December 4. So that's why I was born on December 4.

Childhood Residences

D.T. DeDomenico: I was born in San Francisco at St. Francis Hospital. In between the time they were married and the time that I was born, they lived in an apartment house in the city, and I don't know the address. But I do know that there was a Mrs. Kaptanian, an Armenian woman who lived in the house. I think she was the landlady or the manager of the apartment house. They either lived with her in the same apartment or in another apartment in the same building. This woman taught my mother how to make pilaf with rice and vermicelli.

After they left this place, after I was born, they moved into an apartment building on Buena Vista Terrace in San Francisco, right up at the top of Duboce. That building was owned by Vincent, and Vincent lived in the building as well with his wife at the time. We lived there from either late 1946 or early 1947 until 1950 or '51.

Right about the time the company was relocated from San Francisco to San Leandro, my father bought a house in San Leandro at 1095 Begier Avenue. That's where they moved, and I remember the day we moved. I think we owned then an old green Oldsmobile, the kind with the big nose in the front, and I remember Father getting me in the car. It was just him and me, and I asked him where we were going. Apparently I had been totally oblivious to the fact that they had moved the contents of the apartment out, and I was one of the last things to move. He put me in the car and said we were going to go to a new house, across the bay in San Leandro. I remember watching the city go by the window, and the playground I used to play at go by the window for the last time, as we drove down Duboce towards the bridge. I'll never forget that. It's funny how things stick.

Teiser: That would have made you just about old enough to begin school?

DeDomenico:

Yes. Because I was born in December, they started me early; I was four and a half. So we must have moved in the summer, when I was just over four. I do remember that there was a gang of kids on Buena Vista Terrace that I used to hang out with. These were days kind of remote from now and yet not remote from now. The corner grocery was no bigger than this office, practically, or maybe two of these offices. The proprietor there knew my mother on a first-name basis. My mother never worked outside the home. She was a very active housewife with one, and then two years later a second, and two years later a third, and five years after that a fourth child.

One time when I was up there I got into my piggy bank, and I got all of the change out of it, which amounted to about five dollars. In the late forties that was a handsome sum of money for a young child to be walking around with. I walked into the grocery store less than a block and a half away and bought five dollars worth of licorice. At the time that was a huge amount of licorice, considering that you got two pieces for a penny. The shopkeeper asked me if my mother knew about this, and I said, "Oh, sure." I hadn't even made it back to the house before he had called her and told her that I had just come in and bought five dollars worth of licorice. Oh, God, did I get a scolding. [laughter] Different times than now, I guess.

There was a grammar school that's still there today, just down the street from where we were on Buena Vista Terrace. At about three years old I followed this gang of kids that I knew--they were almost all older--down to the school. They were all going to school, and I wanted to go with them. I followed them right into the classroom, with one who was nearest in age, and sat down at a desk. But I was obviously younger than the rest of the kids, and the teacher knew that I didn't belong in the class. She asked me who I was and where I came from and eventually had to call my mother, who was frantically searching for me. That's about all I remember.

Education

Teiser:

When did you start grammar school?

DeDomenico: When I got here. I went to Roosevelt grammar school on Dutton Avenue in San Leandro. Upon graduation from there I went to Bancroft Junior High, and upon graduation from there I went to San Leandro High. So I spent all of my schooling through high school in San Leandro.

Teiser: What was your further education?

DeDomenico: I went first to American University in Washington, D. C. I had decided by the time I was in high school that I wanted to become a lawyer and practice international law. American University had, and still does have, I understand, a very fine school of international relations. I thought if I got an undergraduate degree in international relations and then went on to law school, that would prepare me for an international scope to a legal practice.

After I got there, within three days I fell in love with a young woman whom I eventually married. My attention was really not on the books; it was more on the romantic side of life. So I didn't do as well as I should have, to the extent that I had to drop one of the classes that I was taking during the second semester of my freshman year. Besides that, my grade point was not that hot, and I was on the dean's "other" list--there was the dean's list, and then there was the dean's other list. I got told that if I didn't get my grade point average up, I was going to have to leave.

No sooner did that happen than I went back to California for the summer, the first summer after freshman year. I entered American University in September 1964, so it was the summer of '65--remember the time and place in history--that I got a notice from the Selective Service that said they were taking away my 2-S classification because I had only taken twenty-seven units instead of thirty in my first year.

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DeDomenico: So I lost my 2-S classification that summer. I pleaded with them to let me take a course over the summer to get my total number of credits up to thirty, so that I'd be going into my sophomore year with thirty units under my belt. They refused and said I was 1-A. One-A didn't mean that anything happened immediately, but it meant it was going to happen inevitably. So I went back to

American University in the fall, kind of on pins and needles.

Air Force Service, 1966-1970

D.T. DeDomenico: I went through my first set of classes for the first semester and did a little better than I had done the year before. But, lo and behold, I think it was in November that I got a notice to appear for a physical at the Bethesda army installation. Fear struck deep and near into my heart. I went and took the physical, and I quickly began to search for an alternate service to the army. Because I knew if the army took me I was going to be a land troop in Vietnam. All of the services, with the exception of the air force and maybe the marines, had waiting lists to get in. A lot of young men were trying to get into these other branches of the service, even though it meant a four-year enlistment as opposed to a two-year draft. Because if you were drafted it was for two years; if you enlisted it was for four.

Well, the air force had openings. I took the examination for the air force, and I scored a ninety-nine out of a hundred on the mechanical aptitude. Wouldn't you know it, having worked in the shop here for so many years and later in the truck garage and elsewhere throughout the plant. So they knew I could be a mechanic, and they decided that's what I should be--an aircraft mechanic. And they needed them.

So I enlisted in the air force, right around Christmastime. The date to appear was sometime around the twentieth of April. I finished the first semester of my sophomore year and didn't enroll for the second one. Or maybe I did, because I didn't know quite when it was all going to happen. In any event, I left for the service, joined the air force, and spent four years with them. There were something like 46,000 men a month being drafted at the time, in the spring of '66; that's how many were going in, and that was the army. That didn't even count the enlistees. So there was no hope, no way to get around it.

When I joined the air force I didn't tell my father or my mother that I was contemplating all of this and in fact signed up without telling them. I told them later

on that I was joining, and my father was so mad that he told me he was going to disinherit me. He was afraid that I was going to die. I mean, that's kind of a normal reaction for a father. I suppose I'd have the same one. I don't know if I'd say that I would disinherit you, but--.

At the time the air force had a relatively small commitment in Vietnam. But, wouldn't you know it, while I was in the air force they decided that they ought to have a bigger commitment. At first I went down to Texas for training, and then I went to McClellan Air Force Base in Sacramento. It was interesting, because I joined on the East Coast, and they sent me to the West Coast. That happened a lot. A lot of people who joined on one coast or the other were sent to the opposite coast. Here I was, sent back to Sacramento, ninety miles away from where I was born.

Marriage

D.T. DeDomenico: I was stationed there for about fourteen months. I got there in September, and the woman I had fallen in love with at American University came to California in January. She flew out, after one of her last semesters there, and we eloped. At the time I was only twenty years old, so I had to find a state where I could be married without parental consent, because I wasn't twenty-one. There was only one in the west, and that was Idaho. So we got in the car and drove to Idaho and got married in Twin Falls.

We came back and stopped in Sacramento--I'd gotten an apartment there--slept for a few hours, and then drove back into San Leandro, and I showed up on my father's doorstep as a married son. Well, you can imagine, after having joined the military, for one thing--leaving school was bad enough, joining the military was worse, and now I'd gone off and eloped. I tell you, this was the clincher. Needless to say, my parents were not excited about the event. They thought I was much too young. But I managed to stay married for fifteen years and have one son from that marriage. The marriage ended in 1980. We were separated in late '81.

Teiser: You managed to not get disinherited--

DeDomenico: I managed not to get disinherited after all.

So I got married, and about eleven months later I was shipped off to Vietnam for a year. I spent a year in Cam Rahn Bay as an aircraft mechanic, and came back to Mather Air Force Base, also in Sacramento, and did about a year there. I got out three months early for school, because the Air Force allowed you a three-month early out if you would sign up for full-time course work at a college. And I did, in Sacramento.

University Education and Law School

D.T. DeDomenico: I finished up my first two years at American River College, and then I tried to get into UC Berkeley, but they wouldn't let me in because my grade-point average from American U. was really very bad. But I had almost straight A's at American River. By then I had a thirst for knowledge and a thirst for education that was unparalleled in my earlier years. I was ready to go to school with a vengeance. In spite of the straight-A average there, it wasn't enough to bring up the grades from American University. I tried to take a summer program at UC Santa Cruz, in an intensive language school, to bring up my grade-point average. Well, that was a mistake. It was very hard for me to get A's in an intensive language program over the summer. I took three semester quarters in eight or ten weeks, six days a week for eight hours a day. It was intense. I learned German, but I didn't get a B average.

So I transferred to San Francisco State, where I finished my last two years, majoring in European history, and then I applied for and was admitted to Golden Gate University Law School upon graduation. I went to school there for three years, took the bar exam, and passed it the first time. I started practicing in San Rafael, where I practiced for two years in a solo practice. By that time I had turned thirty.

Decision to Join Golden Grain

D.T. DeDomenico: I had gone through a lot of soul searching, because my father had always wanted me to work for the business for many, many years, and I always wanted to do something on my own. I told him I didn't want to do it. Finally, when I turned thirty, I was starting to make money in my law practice, enough to support myself, and I realized that if I didn't try it I would never know whether I would want to do it or not. It was also one of those crossroads, not only of age but also in terms of the practice. If I kept doing the practice, it would get too successful and I wouldn't want to leave it. If I tried the business and didn't like it, I could keep my practice; there was no issue there.

So I went to Vincent and told him I thought I wanted to work for the company. He looked at me straight in the eye and said, "When you've made up your mind, come back." [laughter] I said I did want to work for the company. I very deliberately did not go to my father and ask for a job. In fact, my father encouraged me to do that. Vincent looked at me and said he would have to think about that for a while, and he suggested I come back in a month.

I came back a month later, and he said he needed help in the chocolate company. When he said that I almost fell off my seat, because I didn't know anything about chocolate. This is December of '76 or January of '77. I had never worked for the chocolate company, ever. Because when I left to go to American University in '64, it was only a year after they had bought the chocolate company. It was still in San Francisco, and I was in high school during that year, and then I went out of state. So I never ever knew what was going on at the chocolate factory. And I was out of the state a lot, until I came back to finish my higher education, the last two years of undergraduate school and graduate school.

Vincent recounted that Paul DeDomenico had run the business and had left in '75, and that he had been handling the business more or less himself. And he said that if anything ever happened to him, it was important that somebody in the family know how to make chocolate so that they would always know whether reports that they were being given about the plant were correct or not. I said, "Well, I'll have to think about that."

So I thought about that for a while, and then I suggested to him that perhaps it might be best if I found out whether I wanted to do this or not. I suggested that I work two days a week in the plant and remain three days a week in my law practice in San Rafael. At the time I was living in the city. He thought that was okay. I told him that when I had learned what I needed to learn, I would make a decision about whether I would do it full time or not.

I started, I think, in February of '77, and I worked Tuesdays and Thursdays here. I spent Monday, Wednesday, and Friday in my practice in San Rafael. I did that until mid-May, when I made up my mind that I could work for the family and that I liked the chocolate business. I had figured out what needed to be fixed, pretty much. I started working in the lab with the director of the lab, who was Yukio Takahashi. That's where I spent my two days a week, in the lab learning about chocolate production from the man who was in charge of overseeing all of its aspects.

There was a man named Phil Girmont, who was the plant manager at the time, and another man, Ernest Straight, who was the assistant plant manager, and Yukio was in the lab. Yukio was the one who had selected all the equipment for the new plant. He used to work for Guittard and left there, and was hired by Vincent when the plant was still in San Francisco. So he had come over from San Francisco.

In May I made that decision, and I told Vincent that I would be prepared to start in September full time. Between May and September I wound up my practice in San Rafael. I originally thought I was going to start September 1, but I didn't quite get it all taken care of until the fifteenth, so I started September 15, 1977, full time, without a title.

The first thing that I did upon finding a desk somewhere down here to work was to give myself the title of general manager.

III GHIRARDELLI CHOCOLATE COMPANY

[Interview 2: 13 December 1988]##

- Teiser: How long a gap was there between your signing on and becoming general manager?
- D.T. DeDomenico: I think it was over the summer that I hired a secretary, before September 15; or was it after September 15? It's a long time ago to remember that. But I think it was right after I hired a secretary and started establishing myself in dealing with the various personnel in sales, purchasing, and production that I also needed a business card. I don't even remember if I had a first business card. Anyway, when I first had a business card printed, it said general manager on it. I'm not sure how long the time was between.
- Teiser: In any case, you took over management quite rapidly, I gather.
- D.T. DeDomenico: I did, yes. Vincent was still very involved in the chocolate company--not on a day-to-day basis, but I would have to tell him things that I wanted to do.

Paul DeDomenico's Tenure at Helm of Ghirardelli, 1969-1975

- Teiser: I should ask you to go back and tell what you know of Paul DeDomenico, Paskey's son, the cousin who was in charge of the chocolate company until 1975. Then there was a gap, in which you said your father and your uncle Vincent ran it.

D.T. DeDomenico: I'm not sure when Paul started. I think it was about '67 or '68 that he asked his uncles if he could become president of the chocolate company. Apparently they agreed. Although the chocolate company didn't have a separate corporate existence, and the president of Golden Grain is the president of Ghirardelli, he managed to appoint himself president. He was much stronger in sales and marketing than he was in production. I don't think that Paul really ever fully understood the production side of the business. At least that's the inference that I got when I came in, that he was much more interested in selling the product, doing packaging revisions, and creating new products.

I also know that during his tenure there was an attempt--I don't remember which year it was--to take the company on a national basis by opening up an eastern market. I remember hearing stories of having a number of brokers appointed in the East, and having products shipped to eastern warehouses in large quantities. And that the sales effort was way below expectations, and the product sat in warehouses. Some of it was eventually destroyed, some of it was returned. But it was not a very successful eastern introduction.

Packaging and Product Innovations

D.T. DeDomenico: Paul did introduce the stained glass concept to the line--the stained glass packaging, which I think started sometime in the very early seventies, maybe around 1970 or '71--which gave it that Tiffany stained glass look. That was a radical departure from the earlier designs, which were very simple and basic. He also brought out--well ahead of his time, actually--a line of natural grain or seed type products. For example, there was a chocolate with granola mixed in, a chocolate with sesame seeds mixed in, a chocolate with wheat germ mixed in. There were several, and many of them were sold in natural food stores, which were the rage in the early '70s.

He introduced what we call the South Sea bars, the chocolate with macadamia nut bar, chocolate with coconut bar, and the mixture of the two together, chocolate with macadamia and coconut. Of all of those products that

were introduced, the South Sea bars remain. The nature bars, if you will, were eventually discontinued.

I think it was Paul who created the five-pound bar, what's called the world's largest chocolate bar. It had a rather attractive stained glass design of Ghirardelli Square with the sun rising over it. That continues to be a rather successful novelty item for the company.

I don't have the numbers, but you do now (they're in the minutes), about the chocolate company's annual sales. I think they would be reported in the annual minutes each year. I'm not sure how much the company grew under him, but I think it was fairly substantial. I know when the company was first acquired the sales were in the low millions--two or three million. By the time I took over in 1977, they were nine and a half million.

Hawaiian Holiday Macadamia Nut Company

D.T. DeDomenico: Paul used to run into (at least this is how I've heard it recounted) differing opinions about how the business ought to be run from Vince and Tom. Eventually he got tired of having to deal with these differences of opinion and wanted to strike out on his own and do something where nobody was telling him what to do. He found a macadamia nut factory in Hawaii, called The Hawaiian Holiday Macadamia Nut Company, that was not doing very well. I don't even know if it was in operation, or if it was just marginally operating, or what. But it was a shell that he completely changed and breathed a very different life into and created this rather tourist-oriented product company on the big island of Hawaii. It was relatively successful, and he still owns and operates that today.

Teiser: Wasn't there a suit or some kind of dissension between Golden Grain and Paul's macadamia nut company over an arrangement with the Vernell candy company and Ghirardelli?

D.T. DeDomenico: Oh, yes.

Expansion of Chocolate Chips and Flickettes Business,
1974-1977

Teiser: I have that Paul was in charge from 1969 to 1974. From 1974-1977, then, when your father and uncle were in charge, did they do any innovative things?

D.T. DeDomenico: Not to my knowledge. It was pretty much a steady state sort of thing. There was, during those years, an expansion of sales of the chocolate chip business, in particular the Flickette business, which is a compound product. The company produced both semi-sweet chocolate chips and Flickettes. Flickettes were a product made with cocoa powder, vegetable oil, sugar, and milk solids. That's called compound chocolate in the industry. It's a chocolate-flavored product; it's flavored with cocoa powder, but has very little cocoa butter in it.

Tom especially, I think, and the sales force which Tom ran, had decided that it was easy to sell the Flickettes, that there was a market niche for them. Prices of chocolate were rising, and the Flickettes, because they were compound chocolate, didn't cost as much as chocolate. So the consumer could buy a chocolate chip-like product for less than the price of chocolate chips. And for many purposes it holds up fairly well. It doesn't compete in terms of taste and flavor, but it's close, and children don't really notice the difference.

It was a strategic thing that they decided to do. I don't know if they decided to do it calling it a strategy, but it didn't work well for the company's later reputation. Because they started selling this compound product in great quantity, and people began to think that all Ghirardelli products tasted like this stuff. And if you ate it out of the bag, it didn't taste nearly as good as chocolate. So we began to get a reputation as having a product profile that wasn't the best. But it was easy to sell, and they made money on it.

So they decided to expand the sales of it. I think within a year or two of my coming aboard, the sales of that item alone exceeded 200,000 cases of twelve packages per case, just in the West alone, which is a lot of product here, at least for the time and for our company. They had decided to buy a piece of equipment to make more chips, high volume.

Industrial and Retail Business for Chocolate Chips

D.T. DeDomenico: Warren Cabral sold industrial products--that is, the same sorts of products that go in consumer-sized packages, only in bulk packages for large contract buyers. We would pack Flickettes and semi-sweet chips in fifty-pound boxes and sell them to large customers, like the large cookie manufacturers or large bakeries and dairies. Warren was in charge of that group of business. I remember him telling me how in the fall the business for chips really peaks in terms of seasonal demand.

My father and a man by the name of Will South, who was the Ghirardelli retail sales manager who reported to my father, sold the consumer-sized packages of these goods. Warren told me how in the fall my father would come down to the production room--I think at the time it was Jim Myers who was the plant manager--and tell Jim that he couldn't run any fifty-pound bulk items of chips, that it all had to go in twelve ounce bags for consumers. What that meant was that Warren had no product to sell to his customers during the busiest time of the year. [laughs] It was not a question of allocating between the two; it was all or nothing. And because my father was a retail salesman, and that's where his orientation lay, that's where he wanted the product to go. Because they only had a limited ability to produce it, with the very old machines that were brought over from San Francisco. We had three of these old machines; one of them was making Flicks, and the other two were making chip items.

They finally decided to buy a large, modern chip-making machine which could produce quite a bit of chips, enough for both the industrial and the retail businesses. That decision to buy the piece of equipment was made just before I came in. So when you ask what innovations they made, they did do a little bit of equipment additions, but it was all tied to this chip business that they had.¹

Teiser: Over the years how has the portion fallen between retail packages and bulk?

¹For more on the chip business, see page 283.

D.T. DeDomenico: We have kind of fluctuated. Ever since I came here we've been doing private label business for the chains in the West, on semi-sweet chocolate chips only. If we count that business with the retail business, because that's retail package size, then a little over half of our business is retail, and a little under half is industrial.

Teiser: For the industrial, is that all remanufactured?

D.T. DeDomenico: No, not all, but the vast majority is remanufactured. There are a few people who buy it who merely re-bag it in a different size and sell it. But that's not very common.

Streamlining the Product Line, 1977-1982

Teiser: When you came in did you broaden the product line or change it?

D.T. DeDomenico: No, I did just the opposite. I tried to pare it down. I thought we had too many products. It's something that Quaker did, too, when they came in. I think it's a common new management response to a company, to look very hard at its product line to see if it's profitable in all of its lines. I didn't have the ability to cut products myself at my own discretion; I always had to work with the retail people. Because my father was always in charge of the retail sales force, I never had authority over it during my entire tenure, except after the acquisition by Quaker; that's when I had authority over the retail sales force. I always had authority over the industrial sales force.

Bag Candy

D.T. DeDomenico: We were producing a line of bag candy items. We were a re-bagger under the Ghirardelli brand. This is something that started with Golden Grain, under the Golden Treat label that my father had set up many years ago. Back in the fifties they were buying candy from local candy houses and re-bagging it in consumer-sized packages and

selling it through the Golden Grain sales force under the Golden Treat brand.

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D.T. DeDomenico: Eventually Golden Grain changed it from the Golden Treat to the Ghirardelli brand bag candy line. We bought Vernell's in 1973, and we were making hard candy in the north and bagging it under the Vernell brand. Well, I saw no reason for that work to continue here when we owned a candy company in Seattle which could bag everything we wanted to bag and ship it down if father and his sales force wanted to continue to sell a bag candy line. Why not sell Vernell's instead of the Golden Treat line or the Ghirardelli line? This is bag candy, now--hard candies, gums, chews, and that sort of thing.

I argued and argued that one for years before they finally acquiesced and Vernell became the only bag candy line. It was ridiculous for us to be doing that work down here, a waste of time and a waste of attention and focus. And there were probably over sixty items in the bagged candy line alone.

Gelatin Desserts

We also had a line of gelatin desserts, called Jells Best, that competed with Jello Brand Jello and Royal Brand Gelatin Desserts. Well, there's no way that we, as a little tiny manufacturer, are going to compete with General Foods in Jello. There's no way, and yet we persisted in it. I argued and argued that that ought to be dropped, and finally we did. It was not profitable at all, and there were big hikes in sugar costs during a couple of the years (and that product is mostly sugar with a little bit of flavoring and gelatin in it). There was just no way for us to survive. We couldn't promote it effectively; we had no money in it to speak of. So we finally discontinued that.

Nature Bars and Fund-Raising Bars

D.T. DeDomenico: We also discontinued a number of those nature bars that I mentioned that Paul had created, because they were

creating a tremendous amount of problems. We didn't sell enough to warrant the kind of production runs that we were capable of. I think we also had a series of fund-raising bars, different kinds and sizes and everything else. I've pared that down now, finally, successfully to two items. Fund-raising items are the kind of items that are sold door-to-door by Little Leagues and Boy Scouts and that sort of thing.

Teiser: That's just private label packaging, in effect?

D.T. DeDomenico: No, the Ghirardelli name and identification is on the bar, but we were in the business of having labels printed up for as few as fifty cases of goods that would go to an individual club. The waste in labels, the waste in time, and the extra cost was just insane. We finally pared it down to having a generic label that says, "Thank you for supporting our fund drive," and we're selling as much of it as we ever sold before, and we don't have the headaches. But that took quite a period of time to get down.

Development of Ghirardelli Mint Chocolate Squares

D.T. DeDomenico: What else did I do? When I first came in Vincent had been toying with the idea of creating a small chocolate piece. This was during the time that Hershey was working on their big block. I don't know if it was in the market yet in the late seventies, but it was in the early eighties. I was convinced that the big block was too much chocolate. It's two and a half ounces of chocolate, and I thought it was too much of just ordinary, common chocolate to be consumed at one sitting. I thought it would be better to have a smaller consumer size--a taste size, if you will--and that it would have a greater volume opportunity.

Vincent had created this product using a mold that they filled not even a third full. When it demolded, the sections that formed the top of the large bar that goes into this mold actually broke up into little squares--not quite squares; they were rectangles at the time. He had called them Ghirardelli Mint Chocolate Squares, and the packaging was a simple repetitive design that didn't need to have eye registration. It was just a random repeat,

so it was randomly wrapped. But the idea was very good.

What I did when I came in was to take his idea for the mint square and dress it up. I changed the format to a perfect square, got some very nice attractive molds ordered, managed to convince the board that we should buy a wrapping machine just to wrap it, because the sales were going very well. In fact, we couldn't supply the market at the time; we couldn't make enough. We eventually expanded the line and now have a separate molding line just running squares today. But that took me a couple of years to convince them to do. I don't know that they really saw the sales potential in it until it got quite a bit bigger than it was when I originally presented the idea to them.

Efforts to Improve Brand's Prestige

Teiser: Was there a general effort on your part to improve the prestige of the product? You said that it had fallen with the Flickettes.

D.T. DeDomenico: When I walked in there were stories circulating in the industrial trade--Warren Cabral, the industrial sales manager, used to tell me about this--that we were going out of the industrial business altogether, that we weren't going to be supporting it, and our customers ought to go with our competitors. I suppose some of that grew out of the fact that during the fall months stories had gotten out about how all of a sudden we didn't have product available for customers because it was all going to the retail side. Obviously, competitors will take little bits of truth and exaggerate them to their advantage without lying.

Upgrading Product Quality

D.T. DeDomenico: So there was the rumor that we were going out of the industrial business, and on our consumer side there was a tremendous history, but the current products didn't fulfill the expectations of the past. At the time we were producing--and I'll give you this in percent: of 100 percent of the products that we produced, only 24

percent were chocolate and 76 percent were compound, of total tonnage in a year. Maybe it was a little bit less compound, but it was certainly skewed to the compound side. I set one of my goals to be that not only would we shift that balance well over to the chocolate side and reduce the compound side, but in the process we would upgrade the formulas that we were making and make them better. I didn't care whether it cost more to make them.

I wanted to take sugar out and put more chocolate in, put in vanilla instead of vanillin, put more milk solids in the milk products or more cocoa solids, depending on what we were trying to achieve. I worked on the labeling to change the labeling, which I finally did over time over several successive changes. We got away from the stained glass design altogether, which I thought was kind of dated in the 1980s, even though I had a lot of resistance on that from my uncle Vincent.

Plant Renovations

D.T. DeDomenico: So we began that process right after I started. The other thing was that I wanted to clean the plant up. The plant wasn't up to my expectations of how it should be run or should look. The equipment was old and tired and had been kept together with baling wire, so to speak. There had been very little money spent on equipment or on upkeep of equipment. The other thing was that we were shorting about 20 percent of our orders, which meant that for every hundred orders that came in, twenty went out short of product. That's not to say that at some point we didn't fill the order fully, but that's a very bad thing to do to your customers.

The first thing I did was to start rebuilding the equipment. That was the very first thing, because if we couldn't produce it, there was no need worrying how to sell it. We spent a great deal of money rebuilding a lot of the major pieces of equipment in the plant, and I instituted on a regular basis thereafter annual shut-downs to rebuild equipment and to bring in technicians to deal with the equipment on a regular basis and to teach our maintenance staff how to do certain things so that we could do some of it ourselves. I spent a great deal of money rebuilding the plant.

Then, in the process, I started cutting out some of the products that I could cut out on my own, making recommendations about cutting out others. After we got the problems of the equipment resolved, I started dealing with the packaging and formulations. I can say that over the eleven years that I ran the company, the resulting shift was that about 28 percent of our products were now compound and 72 percent were chocolate. I mean, it got to be that radical a change; we did rather a complete flip-flop.

Teiser: What's the percentage in a company like Hershey?

D.T. DeDomenico: Well, Hershey doesn't make very many compound products at all, so it may be primarily chocolate. And then the cocoa and the cocoa drinks that they sell--you know, there's a Hershey chocolate drink, and there's chocolate syrup, which is essentially a compound product. The Hershey syrup is corn starch, syrup, and Coca, not really a chocolate product.

Finding a Niche in the Premium Chocolate Business

Teiser: I wonder how a regional company like this can compete against Hershey any more than it can compete against Jello?

D.T. DeDomenico: It can if it can develop a niche in the marketplace, if it can occupy with its products, and in the consumer perception of the company, a different place in the market than Hershey occupies. That doesn't mean that you have to be in a different place in the store, but it depends upon the product perception. Early in my time with Ghirardelli I realized that there was a huge hole in the marketplace for American chocolate producers. The sales of European chocolates were growing, and I saw a tremendous opportunity to fill that potentially vast hole in the market between Hershey--which was THE American chocolate, but the basic American chocolate--and the Europeans, which were considered to be premium imported chocolate. I thought there was a huge hole for a domestic premium chocolate that sold for more than Hershey but less than the European, with a product that delivered everything that a European chocolate could deliver to the consumer but catering a little bit more to American tastes. So that's where I pushed the company.

That's what I kept trying to develop formulas for and to develop packaging for--something that set it somewhat apart.

The history of the company was something that played into that strategy, because it had always touted itself as being a producer of the highest quality chocolate. And it's amazing how well that message got across. Because from being a little-known western company in 1977 and '78, it got to be known nationally as producing very high quality chocolate. And we started getting recognized.

Consumer Reports rated our ground chocolate as the best milk-additive powder made in the United States. And there was no other that they tasted that was better. That report started early, even before I was here, maybe; or maybe it was a little bit after. Then in 1981 or so, People magazine did a chocolate tasting, and they picked our chocolate as the best milk chocolate over all the European and American chocolate. Again, it was this effort to try to make the chocolate taste better. I was fooling around with formulas and fooling around with packaging, which gives the first impression of quality. We would participate in as many competitions as we could get our products into, deliberately. And a lot of them we had no idea whatsoever that it was going into competition.

This was during the time of the chocolate craze. All the chocolate festivals were going on, and a lot of attention was being drawn to chocolate, which had kind of fallen out of favor in the early seventies because it contained sugar, when there was this whole rebellion against junk food. Chocolate was perceived as junk food because it contained a lot of sugar. Later on people decided that that wasn't true, that it was not a junk food even though it contained sugar, that it was okay to eat it in moderation. People switched from tofu and brewer's yeast to things that tasted a little bit better and still were nutritious.

The Chicago Tribune did a tasting, and our products succeeded in winning first, second, and third places in that tasting. There was a tasting in People magazine again a year or two later when they were doing chocolate chip cookies, and Famous Amos won the competition, and they only use our chocolate chips in their cookies. It was mentioned again in the article that it was not only

decided that was not a good idea, but better to concentrate just on the stuff that we made, which I think is really the best thing to do.

Dennis's Positions at Ghirardelli and Golden Grain

- Teiser: When Quaker took over, you were kept in the same capacity?
- D.T. DeDomenico: My position at Golden Grain was as secretary-treasurer of Golden Grain, general counsel to Golden Grain, and general manager of the chocolate company. After the acquisition I was made a vice-president of Golden Grain, and assistant secretary of Golden Grain, and general manager of the chocolate company.
- Teiser: I should ask when you became secretary-treasurer of Golden Grain.
- D.T. DeDomenico: I think that was in 1979, a year or so after I started.
- Teiser: They must have decided that you were working out well.
- D.T. DeDomenico: Yes. When I came in I was doing some legal work for the company. I'm a lawyer, and there was no reason not to use the talent. I became general counsel about the same time that I was made secretary-treasurer. Up until the time that I was secretary-treasurer, Vincent occupied that role, and Paskey was the president of the company. In 1979 they decided to restructure the officers. The reason given to me was that it was in recognition of all the years that Vincent had put in, doing essentially the chief executive's job. So he was made president, Paskey was made chairman of the board, and I was made secretary-treasurer to fill that slot.
- Teiser: What position, then, did your father hold?
- D.T. DeDomenico: He continued to hold the position of executive vice-president. And Mark was made a senior vice-president.
- Teiser: He's Paskey's son?
- D.T. DeDomenico: Yes.

Teiser: When Quaker Oats bought the company, I think your father and two uncles were given contracts. Were you also?

D.T. DeDomenico: Yes. There were three-year contracts given to us, which will expire on August 15, 1989.

Teiser: What are you going to do?

D.T. DeDomenico: I'm going to leave the company.

Teiser: And go back into law?

D.T. DeDomenico: I don't know yet. I keep thinking about it, but I don't know.

Teiser: You have lots of options.

D.T. DeDomenico: I have lots of options.

Changes in the Sales Force

Teiser: Under you the Ghirardelli company has grown and strengthened--

D.T. DeDomenico: Oh, yes, considerably. We've replaced at least half of the capital plant with new equipment and have expanded the sales from nine and a half million to--so far the peak was the year before last at approximately thirty-eight million.

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Teiser: Why did it peak year before last and then descend?

D.T. DeDomenico: It fell back about 10 percent, and the reason was that we had tremendous turmoil in the sales department after that first year under Quaker's ownership. The Golden Grain sales force was eliminated in January of 1987, and our sales hit their peak in the year ended June of '87. But that's because most of the selling during the year is done in the summer and fall, and the majority of product sales actually occur in the fall and early spring. So the sales that occur in the late spring are not enough to really influence the outcome of the year very much. Because chocolate tends to be sold in the cooler months.

But we had to replace the Golden Grain direct sales force, which sold our chocolate products direct to the grocery trade up and the down the coast from Seattle to Los Angeles and as far east as Salt Lake City, with a broker sales force which was totally unfamiliar with our selling techniques, our programs, our product line. And they didn't know what to expect. They were all appointed by Debbie, who was the retail sales manager, in the first three months of 1987.

And then in May of '87 Debbie had a very severe accident which took her out of the business permanently. She was thrown from a horse and literally crushed her left hip. She didn't fully recover to the point where she could walk alone unaided until a year after that accident. So she did not work for the company at all after she fell.

Over the summer, after her accident, I appointed John Campbell, the regional sales manager who worked for Debbie, to take over her role. We had a man in Salt Lake City, and we had a man in southern California--other regional managers. John was supposed to oversee their efforts and essentially fill Debbie's role. Well, for whatever reason, those responsibilities did not get carried out. I am aware that John Campbell went through a divorce over the summer and decided that he didn't want to work for the company any more, and eventually he quit in September of '87. And the man in Salt Lake City decided that he wasn't getting enough guidance from San Leandro, and that was very obvious, because we didn't have anybody in San Leandro giving any guidance to anyone; Debbie was gone, and her right hand man wasn't fulfilling the task.

The work with these new brokers was not completed over the summer in terms of educating them to the product line, telling them what programs we had for the fall, making sure that the customers were called on, doing all the follow-ups. None of that was done to the extent that it had been done in the prior year. As a result we had a very, very dismal fall selling period. I hired a new sales manager; I think he started on September 1, 1987, and he was just beginning to understand the marketplace by December. He had come from the East Coast; he didn't know the customers here, he didn't know any of the brokers. He had to establish relationships with them, he had to understand the product line, he had to understand

how it was sold, when it was sold, deals--all of that. And it was just impossible to do it all in the fall.

In the late winter or spring of '88--January or February of that period--we hired yet another person to replace the person in Salt Lake City, and we were able to build the sales force back up again. We made all of our presentations in the late spring and this past summer, and we are having an exceptional fall. So it's coming back with a vengeance, but it just illustrates the need for having a coherent, driven sales plan with the support of the brokers, calling on the customers, selling the program. It shows what kind of rewards can be reaped if we do that correctly, but we didn't manage to do it successfully last summer. It's a long answer, but that's why the year before peaked. I expect that this year we may actually get very close to that year before.

Product Pricing and Discounting

D.T. DeDomenico: We also changed the way we sell. There were some of our products that we sold at a deep discount in order to obtain large volume sales. The problem was that the margins on those sales were very thin. So we have changed our strategies. This was something that my sister liked to do, but which I believed was inconsistent with the quality image--to sell the product very cheap in order to get large sales numbers. Because sales numbers by themselves are no good if there's not a good margin attached to it, especially if it subverts the quality image that the product is supposed to be carrying in the marketplace. If somebody can walk into a store and buy our semi-sweet chips for less than a dollar, and Nestlé is selling for nearly two dollars, the consumer is going to perceive that there is a big quality difference between the two. There isn't, but they're going to perceive that.

Private Label Packaging

Teiser: When you do private label packaging, what kind of price concessions are there, or are there any?

D.T. DeDomenico: There are price concessions. We sell it at a lower price, but it's not a different product, interestingly enough. Some houses have different products in their private label, but we don't for a lot of reasons that I won't go into. But the price concession that we make is that we are not spending any advertising against this product, and we are not spending any promotion money against the product; we don't have to give anybody a discount, because it's already sold at a discount. What we do is take our standard retail product, take out all the marketing expense, take out all the trade spending expense, and it results in a lower price per unit.

Teiser: When you sell products to, say, Safeway, do you have the same product available with your label?

D.T. DeDomenico: Safeway's not a good example, because Safeway doesn't carry our semi-sweet chips. However, Lucky Stores does. Lucky Stores has our semi-sweet chips on the shelf under Lucky's private label, called Lady Lee. We pack the Lady Lee for them, so it's the same chocolate in both bags on the counter, but most consumers don't know that.

Teiser: Is there a big difference in the retail price?

D.T. DeDomenico: There is a difference. I think it might be as much as fifty cents a package.

Teiser: But you don't feel that undercuts you in any way?

D.T. DeDomenico: No, because nobody knows that the Lady Lee package is ours. This was an operating philosophy that my father instituted when we added that big chip-making machine which I mentioned some time ago, when we were running out of capacity to make chips. We brought in a tremendous amount of production capacity, the ability to produce a tremendous amount. But our sales were less than that, even though our sales were very high. They were very high for the older equipment and not so high for this new piece of equipment. We could produce a great quantity more than we could sell, so we had to aggressively seek business to keep the machine running, to justify the acquisition. So Father decided that we would then approach the large grocery chains to seek out private label business in chocolate chips, offer it to them, and if they wanted it they could buy it. That really started the private label business in chips on the West Coast, because prior to that there wasn't any.

High Volume Chocolate Chip Business

Teiser: You're speaking of chips as if they were your biggest product.

D.T. DeDomenico: They are, in terms of volume. We produce more chocolate compound and chocolate chips altogether than we do any other type of item that we produce in terms of tonnage. That's because of our industrial business, not because of our retail business. In retail it is a significant item for us. To give you an idea of the size, in the United States we estimate that there is more than \$360 million--wholesale dollars, not retail dollars; this is at wholesale prices out of the plants--worth of chocolate chips sold in consumer packages alone. Nestlé has a very large share of that market.

By comparison, the chocolate bars that you see in the baking section and the cocoa products, like Hershey cocoa and our cocoa--not the drink-mix stuff, just the baking stuff--those two items together account for only \$72 million, about half of that each, compared to the \$360 million for the chip business. So those two segments of the business are only a tenth of what chocolate chips are. Chocolate chips account for a tremendous amount of the consumption of chocolate in the United States.

Teiser: They're eaten out of hand and also used for baking?

D.T. DeDomenico: That's right. They're eaten right out of the bag; people snack on them at home.

Teiser: But they're used a lot in baking?

D.T. DeDomenico: Oh, yes, a whole lot, in brownies and cookies of all kinds.

More on the Sales Force

Teiser: Has your sales force in any way been connected with Golden Grain, with the macaroni and pasta products?

D.T. DeDomenico: Yes. Up until the time the Golden Grain sales force was eliminated, they sold all of our chocolate products to the retail grocery trade up and down the West Coast. You see, chocolate is sold not only to the grocery trade in the form of bags of chips, baking bars, what we call broken chocolate, and some of our bars--some of our salesmen sold some of our eating bars into the grocery trade, but that was not a high volume--our products are also sold through candy and tobacco distributors and jobbers and by specialty food distributors. So confectionary can be sold many different ways, though all or practically all of our baking products are sold through retail groceries. The Golden Grain sales force sold all of that. They also sold the Jells Best and the Ghirardelli bag candy line when it existed. That had been done ever since the company acquired Ghirardelli. So yes, they were very intertwined.

Teiser: When you created your own sales force, was that a separate force, or did you still use the same people who sold the pasta products?

D.T. DeDomenico: No. When the Golden Grain sales force was eliminated (I mean fired), there were a number of them who were kept, but they were rolled into the Quaker sales force. They were then responsible for selling only Golden Grain items and pet food items for Quaker. Ghirardelli had to go entirely to a broker sales force; we had no direct salesmen. There's an exception, and that is that in our industrial side we have a direct rep in northern California, but brokers in all other areas for the industrial side. There are no direct reps for the retail side. We have region managers who manage the broker sales force.

Organizational and Personnel Changes Made by Quaker Oats

Teiser: When Quaker bought the company did it make many other changes?

D.T. DeDomenico: Yes. [laughs] It would be almost impossible to go through the litany. All of the management staffing in the plants was changed and increased. Quaker created a marketing department in Golden Grain, which we never had before. I mean, we didn't have a department called marketing, with people who were just marketing people.

Marketing was done by the sales force in Golden Grain, and by Vincent and Tom and Dominic Forte and Mark DeDomenico in particular; those four people did most of the marketing, and they were all salesman. That's how they had come up in the company. I think that's probably true for a lot of companies, that the sales force is the marketing department.

But in Quaker it's a marketing-driven company, where the marketing department has a large measure of control over the fortunes of the company and is responsible for the fortunes of the company to a great degree. So it's different, very different, from the way we ran it. They moved all the accounting people off site because we didn't have enough room once we brought in all the marketing people. [laughs] They embarked on a very concerted drive to change the way the plants looked inside. They sold off Vernell's and Micro-Dry, and they closed Vantage, the advertising company. I closed the Ghirardelli chocolate shop in Seattle, which had been unprofitable since it had opened. There were just lots of changes.

They brought in a whole human resources department. We had one guy in charge of personnel before, and a secretary. Now we've got that whole department of human resource people. We've got a vice-president of operations; we never had one before. Vincent, essentially, was the person who was the chief of operations throughout the plant. We've expanded the engineering department. They created a distribution and warehouse control department; the sales force used to manage that. It's mind-boggling, the changes that they have made.

Teiser: Would this have happened with any national company taking over a family company?

D.T. DeDomenico: Well, if the family company was run like we were run, I would say yes. But there are many family companies that have gone beyond the way we ran the company, to become much more like the larger corporations. A number of them come to mind--Mars, for one, is a family-owned company. It's still owned by the Mars family. Two brothers run it--Forrest, Jr. and--I can't remember the other man's name. Cargill, I understand, is still a family-owned company, and that's a multi-billion dollar company. Bechtel is still a family-owned company. These companies have risen from a certain style of management to take on

the style of management of a large corporation and have become large corporations in their own right.

DeDomenico Family Management Style

Teiser: How would you characterize your family style of management?

D.T. DeDomenico: We ran a medium-sized company the way a small company is run. [laughs] We had never made that transition to the medium-sized company. The staff was inadequate to handle the size of the company that we had created.

Teiser: If you had made it, how could you have kept it a family business? You would need more capital--

D.T. DeDomenico: Capital was never an issue for the company.

My father always made a point of telling me, more than once, when I was young and as I grew older, that he and his brothers had a remarkable relationship. They would meet to discuss an issue about which they had differing viewpoints and about which they might vehemently disagree with each other. They argued their points and their positions with great energy and perhaps even anger. But they would never leave the meeting until they had resolved it. Now, maybe it meant that not everyone got their way, but there inevitably was a consensus. And they didn't leave with hard feelings. That's how they managed to run the business so successfully.

Teiser: With Paskey included?

D.T. DeDomenico: Yes. It was a troika; the three of them ran the business. The three of them had to agree on all the major rules. Very, very seldom will you see in the minutes that one of them didn't agree with the other two. However, there was something that came up in the later years of the family's ownership of the company. Some within the family attribute this fact to the decision to sell the company. This was that Vincent wanted to build another pasta manufacturing plant in Yuma, Arizona, and nobody else wanted to. Tom didn't, Mark didn't, Paskey didn't, and I didn't.

Mark and I had no vote on the board of directors, but after we became officers of the company and started attending the board meetings, we were asked for our viewpoints. I mean, we were freely asked, and we would freely volunteer our own opinions. We were allowed to discuss, but we couldn't vote. Mark and I and my father agreed that we should build a new plant, but that it should not be in Yuma, Arizona. Rather, it should be in Salt Lake City or some other place further north, closer to the wheat growing areas and closer to our principal markets for pasta: Seattle and San Francisco. Vincent was determined to build a plant in Yuma. He believed very strongly that that was the place to be. He wanted to be supplying product to the southern California market, but we had no sales of pasta products in southern California. We sold Rice-A-Roni and Noodle-Roni there, but not enough to justify a pasta plant.

So the battle raged. And it raged and it raged. There never was a resolution of it. It was resolved by default when we sold the company.¹

¹See pp. 322.

IV ACQUISITIONS

FTC vs. Golden Grain Antitrust Lawsuit

[Interview 3: 27 December 1988]##

Teiser: You mentioned the anti-trust suit. What was the name of it again?

D.T. DeDomenico: I think it's listed as the FTC vs. Golden Grain. It had to do with a series of acquisitions that Golden Grain made during the fifties and early sixties of pasta plants up and down the West Coast. I can't remember which one it was; it might have been Porter-Scarpelli in Oregon, where we only bought a 49 percent or 50 percent interest in the plant but not control. The owners thought they got a bad deal after they sold it to us, so they went to the FTC.

Teiser: That's one way to get out of a bad deal.

D.T. DeDomenico: Yes. They said we were monopolizing the macaroni business, and that's what drove them to the point of having to sell. The FTC came in and said we had to divest ourselves of Porter-Scarpelli and one other little company, Major Italian Foods, and that, further, we were barred from buying any other pasta plants for ten years in the western United States. That would never happen today. The government's attitude about acquisitions is entirely benign. I don't think there's been a monopoly suit brought by the FTC in recent memory.¹

¹See also pages 311-313.

Teiser: I meant to ask you what sort of law you were specializing in when you were practicing.

D.T. DeDomenico: I had two areas that I worked in. I worked in small businesses and family practice. My elective classes in school were on the commercial side of law, in anti-trust and contracts and that sort of thing.

Purchase and Incorporation of Micro-Dry Corporation, 1971

Teiser: I don't know where this fits in. You mentioned, when we were looking at the plant with you, the history of Micro-Dry.

D.T. DeDomenico: Yes. It began sometime in the late sixties or early seventies. I don't remember how the relationship began, so I can't relate that. But Vincent came to know both Frank Smith and Morris (Dick) Jepson--I don't know which one he knew first--who were the owners of a company called at that time Cryo-Dry. They were manufacturing equipment using microwave technology to heat certain things; their equipment was heating equipment employing microwave as the heating energy source.

I don't know what kind of machines they made at that time, but there was a proposal or a belief somewhere along the line that the machines could be built to employ the microwave energy source to dry pasta. Vincent suggested to the board of directors that the company purchase Cryo-Dry. The board collectively decided--it was Paskey and Tom, essentially--they didn't want to buy it. So Vince bought it himself.

The company commissioned a microwave drying machine to be built for it. The company subsequently decided to purchase this company back from Vincent at the price that he paid for it, plus some interest value--the time value of money. I think that at that time it was incorporated as Micro-Dry Corporation. I have here [searches through papers] that it was on December 7, 1971, Micro-Dry.

Microwave Technology

- Teiser: At that time was that piece of equipment revolutionary?
- D.T. DeDomenico: Yes. It had never been done before. Microwave had been used, I suppose, for food processing and heating for years but never had been applied to pasta drying, especially pasta drying at the sort of capacity that they were contemplating. I can't remember how many pounds the first prototype machine was able to dry, but Golden Grain today in its Chicago facility, which is its most modern facility at this point, employs only microwave dryers, and they have capacities approximately in the four thousand pound an hour range.
- Teiser: Before you were using this kind of dryer, what kind of speed were you getting?
- D.T. DeDomenico: Well, there were also four thousand pound an hour conventional dryers; however, they were much bigger. Microwave drying takes much less time and doesn't need the long, long, long stretches of housing for a conventional dryer, which take water out much more slowly. There were several advantages. One was the lowering of the bacterial counts in the finished pasta. The other was this dramatically smaller space requirement.
- Teiser: Is it used here in this plant?
- D.T. DeDomenico: Yes, there are two microwave dryers here and several in Seattle. So far we've only been able to accomplish noodle drying and short goods, short-cut kind of macaroni product drying. We have not been able to employ it in spaghetti or lasagna drying. The reason is that spaghetti, lasagna, and vermicelli are all long goods; they hang on poles, literally, almost like the clothes hanger system. The microwave cavity has to be trapped in a way that prevents microwave energy from getting out, and it's very difficult to move these long poles, full of long goods hanging from them, into and out of a microwave cavity without having microwave leakage.

Also there's another problem in the transporting of the poles from level to level within a dryer. They typically have to start high and move down, or start down and move high into the dryer, because they go through several climatic levels within the same dryer. Otherwise

this would have to be phenomenally long, you see. So what they do is zigzag back and forth, transferring to a lower level at each end. It's all these transfers of these poles that becomes very, very difficult. There's often a jamming problem.

We did try to make a long goods microwave dryer. For many, many years we worked on it, but the requirement that Vincent put on Micro-Dry was that it had to test run with poles, not with product just on the poles, for at least forty-eight hours without a jam, without one problem. They couldn't get a system that worked perfectly for that length of time. It got very close. I think they ended up with a certain kind of transfer technology that Vince's son-in-law, Greg McManus, helped design. He was a very bright young designer. He married one of Vince's daughters, Vickie, and worked in the engineering department of Golden Grain. He no longer works for the company. He's now living in the Lake Tahoe region. But he worked for the company for a number of years and was active in the design work that went into this spaghetti pole transfer technology. They got close, but I think Golden Grain kind of lost interest about the time that the engineering department was getting close to success. And then we were sold. Quaker had no interest in pursuing the technology and eventually sold Micro-Dry. They sold it earlier this year, I believe it was.

Teiser: Did Micro-Dry have a manufacturing facility of its own?

D.T. DeDomenico: Yes, it had one in San Ramon. The land was very valuable out there. I think that was another one of the motivating factors for Quaker to sell the company.

Morris Jepson was the inventor, and so was Frank Smith. Frank was much more of an engineer than he was an administrator. Although he was charged with the administration of the business out there, his interest was obviously in the engineering side. Morris left the company sometime after we acquired it, or perhaps even at the same time, to pursue other interests. One of the interests he began pursuing was a microwave pavement heating technology, to employ microwaves to heat roadbeds so that they could be recycled after they become like an alligator surface--potholes and all that sort of thing--and in bridge deck repair. He developed designs for and indeed patented designs for equipment that was to run over the road to recycle the pavement in place so that

they didn't have to grind it up and take it to asphalt recycling plants and then bring it back to the road.

Vincent became interested in this technology. Vincent was interested in machines; I think I mentioned this before in the interview. His love is playing with machines, I think, on a large scale. Dick Jepson, having known Vincent because of their early history together, came back to him and asked him for funds to help underwrite the cost of the patents, which were very expensive to procure. Patent applications are very complex and have to be written in such a way that they guarantee exclusivity.

Vincent decided that it wasn't appropriate for him to invest in them personally. However, he did interest Paskey and Tom--or at least one of them--enough that the company itself decided to help Dick Jepson with his patent costs. Golden Grain from that time on paid for half of the patent costs in acquiring the patents for the microwave pavement heating technology system that Morris Jepson had developed. I got involved in that early on when I came here in 1977 and I think in fact had worked a little bit on it prior to my coming here.

We also invested time on this project at Micro-Dry, and we bought equipment. We bought a generator from Caterpillar, bought a flat bed truck, and poured time and materials into creating a prototype machine which actually ran over the road and deployed microwaves directly into the pavement and managed to heat it enough that you could then take a simple shovel and dig the asphalt up out of the road. We entered negotiations with the Caterpillar Tractor Company many years ago, right after I got involved with the project. The Caterpillar research group at the time was very interested in the technology, and we got very close to actually licensing the patents to Caterpillar. But Dick Jepson insisted on too much money coming out early on in royalties, whether they had equipment rolling over the road or not. It eventually made Caterpillar back away from the negotiations entirely.

Teiser: Has it ever gone into application?

D.T. DeDomenico: No. We bought this prototype machine and demonstrated it to Cal Trans out in San Ramon and I think somewhere else in the state. We tried our best to interest other equipment manufacturers in it, but it never really got

anywhere. One of the biggest problems with it was that the microwave energy went too deep into the pavement for most road contractors' purposes. You've seen these big torch machines that roll over the bed on the road. They have these huge butane tanks, and they apply direct flame heat to the roadbed; they have burners under the bed of this machine. It only heats about an inch deep, and then they use these giant pug mills to grind off the asphalt. It's a huge drum with huge posts on the drum that are about two or four inches long, and they grind against the road surface as this huge machine rolls over the top. It scarifies the road and grinds up the roadbed, literally tears it up. Then they take it away.

They're only heating a very small depth of the roadbed, and Dick Jepson's machine heated down to about eight inches. They only need four inches, so half of the energy was lost into the road depth. Dick later on came up with another idea which could work if communities wanted to put the money into roads now. A new technology now in road construction is to put a polyurathane sheet down after the road has been pug milled--spray a tar-like substance on the road, lay this sheet down, spray more asphalt on top of this sheet, and then put the new asphalt on top of that. This creates a membrane under the road through which water cannot go. Water is one of the greatest enemies of the road. If a road gets a crack and water seeps down, then it starts eroding underneath the roadbed. Especially in places where it freezes, it will freeze and shrink, freeze and shrink, causing the whole surface of the road to become loose. Then with heavy traffic it breaks up.

So these membranes are being placed down. Dick suggested that these membranes be impregnated with metal or microwave energy reflectors. The microwave energy would come from the surface of the road, hit the reflector, come back up again and double heat the surface, requiring even less energy. And it wouldn't go any deeper than the four inches that they wanted. Well, that hasn't been done, but that's needed to be done if the machines are to be a success, I suppose.

It was an interesting sort of diversion from making pasta and chocolate and Rice-A-Roni, and I got involved because of that.

Teiser:

Thank you for explaining that offshoot.

D.T. DeDomenico: It's kind of an odd one. People would never have suspected that Golden Grain had gotten involved with that.

V DeDOMENICO FAMILY TREE

Paskey DeDomenico's Family

Teiser: Can you explain the structure of the family? You mentioned Paul the other day, and I notice there was a Paul, Jr., too. Can we just start with Paskey, the eldest? We ought to have on the record his first wife's name.

D.T. DeDomenico: Merrial. I can't remember her maiden name. Father or Vincent might be able to remember it. And I don't know when they were married. Their children were, in order of age, Paul, Mark, Christine. Paul is now the owner of the Hawaiian Holiday Macadamia Nut Company in Honolulu and is married to Anita. Their children are Paul, Jr., and Gina, who have no children.

Mark married a woman named Joan (and I don't know her maiden name) and had four children by her, three girls and a boy. He divorced her sometime in the mid-seventies and has not remarried. I'm not sure of the order of the girls in terms of age. There is Mary Jo, Cathy [Catherine], and Veda Jo. The son is Mark, Jr. All of the girls are now married. I think only Mary Jo has a child. Mark, Jr., is not married. Christine married Barry Bloch, and she has two boys, Daren and Justin. She is still married to Barry.

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D.T. DeDomenico: Christine and Barry went into the restaurant business, opened a restaurant in Seattle which became very successful, and they later opened two more restaurants, not only in the Seattle area; one was far south in

Washington, like around Tacoma. I think they are still operating those restaurants, or at least several of them.

Paul DeDomenico

Teiser: Of Paskey's sons, was Paul educated to be in the business?

D.T. DeDomenico: Paul took an undergraduate degree in business administration and left Seattle in the late fifties. He came to San Leandro and worked here with my father and Vincent. I don't know the role that he played at first, but his love was always marketing and sales. And I think he worked with my father relatively closely and with a man named Dominic Forte, who was also in sales management here. Dominic became a key person in the company. He came to us when we acquired another macaroni company in Seattle. Paul eventually took over the responsibility of running the chocolate company.

Paul had (or has) a very good relationship with a public relations agency person who was able to give him a lot of PR from Hawaii. In several interviews Paul has given that have been printed, I have read that he claims to have single-handedly expanded Rice-A-Roni into the East. But I know that that was not the case. I know that many people played a great role in that whole endeavor, not the least of whom was my father. I don't say that because he's my father but because he played a very important role in it, and so did Dominic Forte. They were critical to it.

Mark DeDomenico

D.T. DeDomenico: Mark was educated as a physician and specialized in open heart surgery. He was working in the early seventies on coronary bypass techniques in Seattle when it was a rather radically new type of surgery. I remember visiting him with Paskey and my ex-wife early in the seventies at a restaurant where he was called from the table several times by a pager on his belt. Years later I talked to Mark about his work as a physician over dinner. I asked him why he left the practice, and he

virtually admitted that the practice ruined his marriage, or that he let it ruin his marriage because he was always working in surgery, over and over again at very strange hours.

I can't swear to this, but the recollection I have is that he told me that the operating theater in the hospital was in the basement and had no windows, or at least the operating rooms had no windows, and he was unable to see light from the outside, and he never knew what time of day it was because he was always in this part of the building. His wife would bring him his lunch or his dinner in a brown paper bag, over and over again, because he was stuck at the hospital. He said that it wasn't so bad when an adult was on the table and died, not because of anything they had done but because the person just couldn't live any more because their heart or their arteries were in such bad condition that they died during the surgery. That's difficult enough, but it wasn't a tragedy.

And he said the same thing of the infants--the ones who are born with heart defects and within a week or two of birth are in surgery, trying to correct the defect to keep them alive. He said when the infants would die, it wouldn't really get to him. It was the eight to fifteen year-olds, who had never experienced life but had just begun to taste it, and had their whole lives yet to go forward, and they never were going to make it. He said that really began to get to him, and he finally decided that he would leave the practice. That's when he started working for Golden Grain.

He had worked for Golden Grain for years as a child, just as I had and probably as Paul had. We all kind of worked our way up as kids in the business.

Roles of Mark and Paskey in Northwest Operations

- Teiser: In 1975 Paskey delayed his retirement indefinitely. In 1979, then, he became chairman of the board. Did he continue taking an active part in the day-to-day business?
- D.T. DeDomenico: After the acquisition of Vernell's in 1973, he spent more and more time with the candy company and left the

operating of the pasta company to his son, Mark. Later Mark would take an ever-increasing role in the sales and marketing of Vernell products and in the management of the plant, but Paskey's love seemed to be in the candy company after a while, later. As I said, he took an ever-increasing interest in that operation. Later, when the old Vernell plant was closed and moved from Seattle to Bellevue in a new facility that we acquired when we acquired the Societe Candy Company in 1979, I think he moved his office to the new building in Bellevue; that's where his permanent office was.

We moved our offices out of the old pasta plant in Seattle to the warehouse that Mark had leased on Fourth Avenue South, not far from the old plant--which we still run today, by the way; that old plant is still there and still operating. We didn't move out of the plant; we just moved the offices out of the plant. Mark rehabilitated the office section of this new warehouse and built an office for Paskey. But Paskey never spent any time there. He didn't involve himself in day-to-day operations in anything but the Vernell Candy Company, which he very much did involve himself in on a daily basis.

When it came to the board meetings, Paskey was always there. It took usually the three of them to do anything. It was very unusual for one of them to vote against the other two and have the other two want to go ahead anyway.

Teiser: What happened to the Vernell company?

D.T. DeDomenico: It was sold almost immediately after the acquisition by Quaker, and when I say immediately I mean within six months it was sold. In Vincent's perspective, and perhaps in mine as well, it never made any money. We always poured money into it and never got anything out of it. It was something that Mark wanted to do. He wanted to buy the Societe Candy Company, and so did Paskey. They were very aggressive in their presentation to the board about buying the Societe Candy Company. I remember the discussions. I'll never forget, Vincent took me aside after the meeting was over, after we decided to buy Societe, and he asked me whether I thought it was a wise idea or not. I said that Mark had argued for it so vehemently, that now his ego was involved in the company and it couldn't do anything but succeed. He wouldn't let

it fail, just because he wouldn't want to lose face with the board.

I think what happened is that later on not enough of the cost of sales and marketing that were actually being spent on Vernell's were credited (or debited, as the case may be) on Vernell's income statement. They were left over on the Mission Macaroni statement. So it looked like Vernell's was making money and that Mission was marginally profitable [laughs], when in fact Mission was the profitable arm, and Vernell's wasn't. Quaker quickly saw through this accounting mirage that Mark had created in the north and sold the company.

Teiser: It's surprising that Mark and his father got along, since he became so powerful.

D.T. DeDomenico: No. I don't know if Paskey took a vicarious pleasure in watching Vince and Tom having to deal with Mark [laughs], or whether he truly believed in everything that his son told him. I don't know. It seemed that every time Mark and Paskey came down to argue a particular point that Mark wanted to press, Paskey was very primed for the discussion and knew exactly how to argue for Mark and for Mark's sake. One could think that perhaps the two of them had spent some time talking about it, or one could have the more innocent view that Paskey just was supporting his son. I don't know the truth.

Paskey's Interest in Horse Racing

Teiser: Paskey remarried, didn't he?

D.T. DeDomenico: Yes, Paskey remarried a woman named Heather and got very interested in horse racing. He'd always had a love, I think, for horse racing, at least as long as I knew him. Whenever I would go to Seattle he would always spend some time at the track, and I would try to go with him and enjoyed it immensely. He eventually bought a ranch in Monroe, Washington, and began to stable horses there that he had begun to acquire. Then he started raising horses there, and he still is today. His wife is very interested in horse racing. She is listed as the owner of several horses on the racing form, travels with him to the track. It's a pastime that the two of them--it's more than a hobby at this point; it's almost a vocation

for Paskey at this point in his life, and he really loves it. So the two of them have become very active in that. He's run a lot of horses at tracks up and down the West Coast.

One of the things that he started doing when he first bought the horses was that he would name them after products that the company made [laughs]--free advertising, right? One of them was Rice-A-Roni King, another one was Prince-A-Roni. They were wonderful names--Macaroni Prince, names like that.

I suppose there's a lot that could be said about that branch of the family. There's a lot that could be said about most branches of the family.

Anthony Victor DeDomenico's Family

Teiser: The next of your uncles is Anthony. I think you explained his role in the business, and I think you said he had married against his father's wishes.

D.T. DeDomenico: Yes, that is what my father told me.

Teiser: Who is his wife?

D.T. DeDomenico: Helen.

Teiser: And have they children?

D.T. DeDomenico: Oh, yes. They have five children. There's Dominic, who became a Dominican priest. That was always a funny alliteration for me; I would always think of Dominic DeDomenico, the Dominican priest [laughs]. Oh, and Dominic got involved with Joan Baez in the peace movement during the anti-war years, during the Vietnam war. He took a very active role in the anti-war movement, so active that whoever it was next up didn't like the amount of activity and the publicity that he was getting and decided to move him from California to Alaska in order to get him out of here.

Then there was Marie. Marie was not able to live alone. She was very bright, but she was not all together. I think she still remains at home with her parents.

Then there was William, whom I always knew as Bill DeDomenico. I don't know where he went to school. Both he and his brother Dominic were discus throwers, and champion discus throwers in state competitions. I don't know about national competitions, but certainly in the state competitions. William went off into selling commercial real estate after getting his education, and I think he still does that.

There are two more daughters, Ann and Elizabeth. Elizabeth became a nun. I'm not sure what Ann does, but she's not a nun.

Teiser: None of them went into the business?

D.T. DeDomenico: No.

Then there was Jean DeDomenico, the daughter. There were six children all together in the family. Jean DeDomenico--I can't remember the exact order of birth; my father would be able to clarify that easily. Jean married a man named Pete Mancuso. They lived in Sonoma in the town of Boyes Springs. There was a motel that Pete ran. He was a wonderful man. The two of them had two children, two girls, Joan and Joyce. Joan married, and so did Joyce. Joyce divorced, Joan is still married.

Pete was killed in a boating accident. He was out fishing with some friends in a light craft, and a huge wave came up and overturned their boat. He drowned, but I don't know about the other two. It was a real tragedy. Everyone loved Pete; he was a wonderful man. Jean drifted alone for a while without a man, and then married a man named Wes. Nobody liked Wes. Wes was a very strange man. He always wore sunglasses inside, and we always wondered about that; there was something odd about a person who always wore sunglasses inside. She divorced Wes finally, and I don't think she ever remarried after that.

Vincent DeDomenico's Family

D.T. DeDomenico: Vincent first married a woman named Helen, and he had a first son named Steven, who was retarded. Vincent

divorced Helen sometime in the late forties or in the fifties and married Mildred, who was his secretary. They had four children. The first was Michael, the next was Vickie, the next was Marla, and the last was Vincent, Jr. Michael, Vincent, Jr., and Vickie at different times worked for the company.

Vincent DeDomenico, Jr.

Teiser: What did Vincent, Jr., do?

D.T. DeDomenico: Vincent, Jr., worked in the machine shop and in the garage and worked in the chocolate plant directly under my supervision and under the supervision of Ernest Straight, the plant manager here. But Vincent, Jr., didn't really want to work here and didn't show the kind of ambition and drive that was necessary to get up into the management group successfully, shall I say, and eventually he decided it was not his cup of tea at all to work here and left. And drifted for quite a long time. He spent some time in Hawaii. There were times when no one in the family seemed to know where he was.

After the company was sold and he had a very large sum of money to support himself with, he managed to find himself somewhat. I haven't talked to him since the sale, but I've talked to others who have, professionals who have needed to deal with him, and the reports that I'm getting back are very positive. I understand that he's married to a Spanish or Portuguese fashion model. And he's acquired an apartment in Paris and in New York, and he spends a great deal of time yachting; he's bought himself a large yacht and is racing it in the Caribbean and the Mediterranean.

Vickie and Greg McManus##

Teiser: Then the sister, Vickie--

D.T. DeDomenico: Yes, Vickie McManus--Vickie married Greg. I think she has only one child, and she and Greg live in the Tahoe region. So does Michael, incidentally. Michael DeDomenico now lives somewhere between Tahoe and Reno and

has bought an inn up there that he's been trying to open for some time. I don't know if he's opened it or not, but he's bought up some area of land around this inn as well in this little resort town, and he's trying to make this inn work. But I have not talked to Michael, either, since the acquisition.

Vickie and Greg used to work here. Vickie spent time in the test kitchen working on recipe development, and she spent time in the engineering department. Greg was always very good with computers and computer programming, had a great love for it, and spent a great deal of time with Mas Otani, the plant engineer, designing programmable control systems for processing lines in the company's various plants. He also worked a great deal with Frank Smith at Micro-Dry on design improvements to the microwave dryers that we were using.

Both of them spent time in each of the three pasta plants--the one in Bridgeview, Illinois, the one in Seattle, and the one here. They lived for years in Chicago, working with Carlo Varesco, the plant manager, there at that plant. They also lived for years in Seattle, working with Steve Favro and Mark in the plants up there--the candy plant and the pasta plant. And they spent years down here in San Leandro.

As I said, they are living in the Lake Tahoe region now. After the acquisition they bought property up there. They had always loved it. I understand that they are doing a fair amount of community work up there and that Greg is getting to pursue one of his lifelong loves, and that is being a volunteer ski patrolman in the wintertime. He loves to ski. And he is getting active in civic affairs in the area that they live in up there.

Marla is the last daughter, and she married a man named Dale Bleacher. Dale was a stockbroker at Merrill-Lynch and continued that for a while after the acquisition, but I don't believe he does that any more. I don't know what the two of them are doing nor where they live.

Vincent's Napa Valley Wine Train Project

Teiser: Vincent himself, you said, was interested in mechanical things. Is he the one partly behind the Napa Valley railroad?

D.T. DeDomenico: Yes. Vincent never seems to stop. After the acquisition he decided to invest a portion of the money he received in the acquisition of the Napa Valley wine train project. It was a project that was having a great deal of financial trouble. It was a consortium of people who had obtained the railroad right-of-way from Napa to St. Helena and were trying to bring this project, this vision they had for a train to run through the Napa wine country, into reality. But they were running short of money. Apparently that had happened before, and new investors had come in, and it was now happening again.

They came to Vincent, and Vincent liked the idea. He decided that he would invest enough money so that he would have control. Remember back in the Porter-Scarpelli discussion that we had earlier? This was the time the family learned that you never buy less than control; you never want to have minority interests, where another person has equal power to you. So he bought enough to become majority owner in the project. I'm not sure that he saw what was coming in terms of additional financial requirements or in community resentment that would grow like mushrooms in the spring around him and this project.

The resentment and the opposition to the wine train have grown so strong that there are T-shirts running around on people in the Napa country, with a circle with a red line through it, and the wine train is in the center of the circle. There are all kinds of posters and banners out about "Stop the wine train." All of this resentment has built up on the one hand, and on the other hand are the cost overruns and the time delays on getting the cars ready.

This is now December of '88, and it was more than a year ago that the track was restored and all of the bridges rebuilt that were necessary. The track was ready quite a long time ago. They acquired the number of train engines they needed for the train a long time ago as well, and they were refurbished. However, it's the work on the passenger cars that's taking all the time. He

bought old Pullmans, and they have to be completely restored, all the way down to the frame. So they are literally taken apart and put back together again. It's taking a lot longer and costing a lot more than he thought it would.

Teiser: I see rail stock running up and down those tracks now.

D.T. DeDomenico: You do? Yes, I do believe that they're hauling some freight. And he's gotten the ICC to rule one way, that his train ought to be able to roll. The State Public Utilities Commission has ruled the other way, that it can't roll before a certain number of things are done. So now the two agencies, one state and one federal, are at odds with each other. That's being appealed, and neither the federal government nor the state government wants to lose, because it's a states' rights-federal rights issue now. It's now beyond the wine train; it's something much bigger, and it's a question between the jurisdiction between the ICC and the PUC. They both want to win it, and I'm afraid that Vincent is getting whipsawed a bit in that whole problem. Who knows how it will come out when it's done?

Katherine DeDomenico Reichert's Family and her "Pasta with a Flair" Cooking Demonstrations

Teiser: Then there is a sister--

D.T. DeDomenico: Katherine. Katherine married Ralph Reichert either after or during the war. She had three children: Ralph, Jr., Janice, and Diane. Ralph, Jr., married and has one son. Janice married and divorced (or is in the process of divorcing), and she has two daughters. Diane married, has a son and a daughter, and is also in the process of divorce.

Ralph served in the armed forces in the air force and rose to the rank of Lieutenant Colonel. He served at least in Germany, the United States, and Japan. I think they also spent some time in Hawaii, but I'm not sure of that. I know that one of the children was born in Japan. Ralph retired from the air force in the early sixties and

came to work for the family here at the pasta plant. I think he started in and stayed in the role of personnel manager, and then he retired from here and has since been in retirement. But he's still a relatively young man. I mean, he retired from the air force when he was still in his forties, I think, or early fifties.

I don't know how this got started--Vincent could tell you--but Katherine gave these cooking demonstrations to local community organizations about how to cook with pasta. It got into a rather big business, only it wasn't business; it was community work. The way it was done was that Golden Grain would support the cost of a public relations person and for the portable kitchen, the driver, the delivery services and insurance on that, and provide the test kitchen where Katherine could work on recipe development for pasta dishes using Golden Grain products. Then community organizations, typically women's groups, would ask Katherine to come and give a cooking demonstration to their group. The group would charge money to the women who came to the demonstration, and the money would be used by the community group for a community purpose. So it was all non-profit.

Katherine called this traveling road show "Pasta with a Flair." She's very well-known around northern California. I don't think they ever took it further south than Fresno, but they did an awful lot of work in the Central Valley and in the Bay Area and northern California.

Teiser: Was it effective in sales?

D.T. DeDomenico: Who knows? The kind of public relations work that one does at that level is impossible to measure in sales because they are such a long-term investment. But I have gone to so many places where I have been introduced to someone, and a woman will ask if Katherine is my mother, or if Katherine DeDomenico is related to me. Because on the traveling road show she used the last name DeDomenico. She even collected the recipes in a book and had a book published called Pasta with a Flair, which is a very nice, wonderful little book.

None of her children worked for the company. And Katherine was paid for her work by the company, because we considered it public relations work.

Thomas DeDomenico's Family

Teiser: Now we come to your father, Tom, the youngest.

D.T. DeDomenico: Father married Lois Marion Bruce. I do know her maiden name, and God strike me dead if she should ever think that I didn't! Lois was a woman born of emigrant families from northern Europe. She was born in Canada, in Edmonton, Alberta. Her mother was born in the Lafoulton, or Lower Foulton (they are the same) Islands just inside the arctic circle in Norway. Her father was born in Scotland, and his name was Bruce. Her mother's last name was Hovde. Her father died when she was two years old. She had two sisters, and the mother took them to Vancouver. The mother also remarried.

I told you the story of how my mother and father met at the grocery store. They had four children: myself, Donna, Debbie, and Claudia. All of us, at one time or another and for varying lengths of time, worked for the company. Donna educated herself as a teacher, and so did Debbie. Donna taught in northern California, outside of Chico. She got her degree there at Chico State College, and so did Claudia. Then Donna decided to move to Seattle and work for my cousin Mark in the pasta company, where she stayed and still lives in Seattle.

Donna married Dale Holpainen, I can't remember how many years ago. They now have one son. Debbie is not married, and Claudia is not married. Debbie, after she graduated from school, went to Seattle to work as well, only Debbie left Seattle and came down to California in 1980 and started working with me in the chocolate company. She worked in sales in Seattle, but she couldn't get along with Mark.

Claudia trained herself as a linguist; her degree is in Italian and French languages. She is the only one to graduate from the University of California. I said she went to Chico; maybe she did and then transferred to UC Berkeley. She lived in Italy on a language exchange program for several years, attending a university in Florence. She was going to do something in fashion design or something like that in sales merchandizing between the United States and Italy, but that didn't end up happening. She came home and started working for the chocolate company in export sales but left immediately

after the acquisition. She bought herself a home in Sonoma and lives in Sonoma most of the time. She maintains an apartment in the City and is doing some interior design work now.

I think I recounted the story of Debbie and her accident. Donna left the company in August of '87, about a year after the acquisition, because she was pregnant with her first son, who was born in December of '87.

Vincent's Dry Creek Ranch and Family Hunting Parties

Teiser: You mentioned that Vincent runs a working ranch near Sacramento.

D.T. DeDomenico: Yes. His property is contiguous to the Rancho Seco nuclear reactor. I'm smiling, because after the reactor was built, the property came up for sale. The man who owned it apparently didn't want to live out there anymore for various reasons, one of which I always speculated was the fact that there was a reactor there that had just been built next to his ranch [laughs]. Vincent had acquired some other properties during his lifetime, sizeable pieces of property, commercial property, and he traded them plus a sum for this ranch. (Rancho Seco has since been permanently closed.)

I remember him talking about it. It was a complicated three-way trade in order to take advantage of certain aspects of tax laws which allowed certain kinds of trades to occur and not result in a taxable transaction. It all had to be done at the same time, and he had difficulty putting it together.

He bought this five-thousand-acre ranch, and it's at the end of Clay Road, east of Lodi, and off Twin Cities Road. Twin Cities Road runs out to Ione, and it's in that area. It's called the Dry Creek Ranch, and it's had a long history. He and his children even found one of those places in the dry creek bed that was a sandstone basin near the water where Indians had ground out washing areas and nut-grinding areas. They've even found arrowheads on it.

Teiser: So it's a working ranch?

D.T. DeDomenico: Yes. It's always been a working ranch. It was a cattle ranch and had some lowlands that were used for tomato and alfalfa crops. During my knowledge of the ranch he has raised alfalfa, tomatoes, sugar beets, and wheat. Much of the farming is done by an adjacent farmer that Vincent leases part of the land to. I don't know how the arrangement is done. Vincent also raises cattle out there; they raise a herd of cattle every year and sell off the calves and that sort of thing; or they bring calves in and fatten them up over the wintertime and then sell them.

Since the acquisition of the ranch he has put in several hundred acres of grapes. The first set of grapes was destined for the Gallo winery under contract to Gallo. He has just put in another bunch of grapes that is under contract to Sebastiani. And he's put in an almond orchard and a walnut orchard. It's a great place to go. My father, Vincent, myself, and in the early years Michael and Vincent, Jr., would all go dove hunting. Now it's pretty much Vincent, Tom, my son Adrian, and I who hunt dove every September there. It's become sort of a family ritual.

This last September, finally, after having invited him down for probably as many years as the ranch has been there, Paskey came down to shoot with us. My son was there, so we had the three generations of DeDomenicos hunting dove. It was really a wonderful time. Unfortunately Paskey started feeling not too well after the second day and ended up going back to Seattle. But it was really, really a great experience to have us all together for the dove hunt.

You see, hunting is something that my family has done all the way back. My grandfather was a hunter, my father was a hunter, I'm a hunter, my son is being raised a hunter and enjoys it. It's not something that gets forced on us; it's just something that we seem to enjoy and get a great deal of satisfaction out of. So we all spend some time up there each year.

Vincent has always been a driven man. He's got his ranch, he's still involved a bit in Golden Grain, and he's got the train now. He's seventy-three or thereabouts and still going. I mean, he has been involved with the train for more than two years. That means he invested in it at seventy!

I also mentioned that he seemed to be the one who pushed and pushed the company on in terms of building new plants in order to conquer new markets and to provide the production base. But then my father would say he sold so much that Vincent had to build and that Vincent never built enough early enough. That was also true at times.

But you can also see elements of his personality in the building of the first microwave pasta dryer and in the road paving idea. He has a sense for what to do next, and he has never failed, to my knowledge, in any very big way. He may have made mistakes along the way, but never ones that destroyed anything or caused the ruin of something. He hasn't invested so much in the train that if the whole train went down the drain he would be in serious financial straits. I don't know how profitable the ranch is, but I know that it is becoming profitable and self-sustaining.

Company Employment of Family Members

Teiser: You know, something occurs to me about the family: maybe one of the reasons that the business was as successful as it was under family ownership was that family members had to be qualified to be employed.

D.T. DeDomenico: Let's put it this way: the brothers never gave a great deal of responsibility to someone in the family who didn't eventually prove themselves to be worthy of the responsibility.

Teiser: Did they even give jobs to some of them?

D.T. DeDomenico: Yes. Anyone from the family who wanted to work could work. But whether they would rise in management or not was a different matter.

VI PROBLEMS OF EXPANSION, INNOVATION, AND CONSOLIDATION**More on the FTC Action and Its Consequences**

[Interview 4: 17 January 1989]##

- Teiser: I'd like to ask about the FTC action. I have here the order following the 1972 petition to set aside the other earlier order. In '56 or '57, Golden Grain bought Mission Macaroni. I think probably negotiations started in '56 and were completed in '57. Either as part of that sale or a little later they got 49 percent of Porter-Scarpelli.
- D.T. DeDomenico: That was it.
- Teiser: Was it part of the same deal?
- D.T. DeDomenico: I don't know. Tom or Paskey or Vincent would have to tell you. This was well before my time; I was only ten years old, and I don't have any recollection of it.
- Teiser: Then in 1963 they bought Major Italian Foods and in 1966, Oregon Macaroni. In 1956 they had also acquired Favro Macaroni Company.
- D.T. DeDomenico: Yes, the Favros, Al Favro and his son Steve, worked for the company for years afterwards. In fact, Steve still works for the company and is now the plant manager in San Leandro for the Golden Grain plant.
- Teiser: So Favro was just merged into the company?
- D.T. DeDomenico: Yes.

- Teiser: In 1968 was the FTC action, and then in '72 was this petition to negate it.
- D.T. DeDomenico: Because there was a ten-year restraining order. The restraining order was for a ten-year moratorium on Golden Grain's acquisition of other West Coast pasta companies.
- Teiser: This was a petition to review and set aside that restraining order, I gather. In the end the earlier decision was confirmed except for Oregon Macaroni, which it said was too small to be significant.
- D.T. DeDomenico: When I came into the company in '77, Oregon Macaroni was just a corporate shell.
- Teiser: You mentioned earlier¹ how this FTC action had come about. Porter-Scarpelli entered into negotiations with Golden Grain and then wanted to back out?
- D.T. DeDomenico: I thought it was something about the acquisition of Porter-Scarpelli. Members of the family that had owned Porter-Scarpelli felt taken advantage of, didn't like the way we were running the company or trying to run the company. We only had a 49 percent ownership in it, you see, not control. I think they thought they could go to the FTC and get them to set aside the acquisition. [looks through the case] Yes, the case mentions that control of Porter-Scarpelli had remained at all relevant times in the Scarpelli family, and that was the problem. It apparently had to do with the Scarpellis, but I'm not exactly sure what the facts were. Vincent would know it by heart.
- But I remember being told later on by either my father or Vincent or both that they had learned a bitter lesson about control because of this particular series of events and would never again, after that problem that had arisen because of the Porter-Scarpelli action and the FTC review of it, enter into a situation where they did not have control.
- Teiser: I'll ask you some other things that you may know about second-hand. Apparently the market in the northwest was not as profitable as that in California because there was more competition. Was that a factor in purchasing these other northwest companies?

¹See p. 288.

D.T. DeDomenico: I don't know. I suppose that's what the FTC argued [laughs], because it was a monopoly case. There are very few of them, you know, and this was all about monopoly. The action was based on the monopoly section of the Sherman-Clayton Act. There are very, very few cases that are reported that actually deal with the monopoly provision. There are a lot about pricing, restraints of trade, refusals to deal, illegal discounts, and tying arrangements, but not a lot on pure monopoly. And this was brought under the monopoly statute.

It was during the late sixties, when there was a very different feeling in the [President Lyndon B.] Johnson administration, at least in the attorney general's office of that administration, than there was, say, during the Reagan years when almost anybody could join with anyone.

Teiser: Golden Grain actually operated these other plants, however, for a period?

D.T. DeDomenico: Yes. Well, I know that the Mission Macaroni Factory is still in the same place where Mission used to operate before we acquired it.

Teiser: Oregon Macaroni, you said, was just--

D.T. DeDomenico: Just a shell. We paid the state fees to keep it alive as a corporation, but it had no sales, no operations, there was no brand that was sold. In fact, after the acquisition of Golden Grain, I believe that Quaker wound up the affairs and dissolved the corporation. There was nothing to dissolve at that point; it was merely a piece of paper. That's all the entity that it had; the only life it had was a piece of paper.

Bridgeview Plant

Teiser: Has the operation in Bridgeview near Chicago been carefully monitored from San Leandro?

D.T. DeDomenico: I would say yes.

Teiser: Did you go back and forth a lot?

D.T. DeDomenico: Yes. The man who ran the Chicago operation for us for years was Carlo Varesco. He was the man who last ran it before Quaker's acquisition. Carlo came from our Seattle plant; he was the lead maintenance man there. We had had several people running the Chicago plant up until the time Carlo went out there. Al Katsky was one of them for a while, and there may have been others. But Carlo was the manager who was in the plant when I came on in 1977, and he continued to stay there through the end.

The Chicago plant was built in 1961 and opened in 1962. It's referred to as Bridgeview because it's in Bridgeview, Illinois, in southern Cook County. It's primary purpose was to produce dinner items--that is, Rice-A-Roni, the Noodle-Roni line, and Macaroni and Cheddar Dinners. I think that's the bulk of it. We also had a long-goods line that we moved into there, a spaghetti line, and we sold it on an industrial basis to other companies that were buying it in bulk and putting it in their own products for various reasons.

From time to time we would ship spaghetti back from that plant to the West Coast, when we were outstripping our own ability to produce during peak season periods for spaghetti.

Teiser: Did you package it here, then?

D.T. DeDomenico: I think so. I think we'd bring it in in bulk and package it here. But the demands on the Chicago plant began to become significant in the seventies. We tried to cram bigger equipment into smaller spaces, output continually was growing, and there was not enough room to produce everything. The plant was being stretched.

Expansion of Bridgeview Facilities

D.T. DeDomenico: Finally we decided by 1977 to build an addition to the plant. The addition had been under consideration for some time, but the plans weren't finalized; the additional property had to be acquired from Indiana Harbor Belt Railroad. We accomplished all of that, and then we sought bank financing--one of the few times in the corporate history that we sought bank financing. I think we borrowed \$10 million from Union Bank to construct this addition.

Vincent was the chief architect of the design of the plant, although he worked with an engineering and architectural firm in the Midwest (I can't remember the name of the firm now, even though I worked very closely with them for a long time). I can remember days on end seeing Vincent and Mas Otani and the architect sitting around Vince's desk with blueprints spread everywhere--in the conference room, on the walls--and seeing them go through the process of designing this plant. And then the ground-breaking. I was back in Chicago a couple of times during the construction because I worked on the architect's contract as the attorney. I did some of the negotiations with the bank on the loan and re-drafted the contract that the bank sent us. So I got personally involved in the Bridgeview expansion, and it was an interesting process to go through; it was fascinating. But Vincent was really the mind behind the project. It became his baby.

We took a plant that was roughly a hundred thousand square feet and made it three hundred and something thousand square feet, so it was a significant expansion. We put all state-of-the-art equipment in there. The project never seemed to end; from 1979 until Quaker took over we were still putting new equipment into Chicago, continuing the process. I think, in fact, that Quaker has continued to do the same. It is quite a remarkable plant, fully state of the art. It's a wonderful facility to go through.

After the expansion we continually began to find that the systems we had in place to run the smaller plant weren't going to be adequate for the bigger plant. So we had to continually add people, and there was a fair amount of turnover in maintenance. Carlo still did all the purchasing for the plant on a manual system that was kind of archaic. It wasn't Carlo's fault. It's one of those examples of being penny wise and pound foolish.

We spent a small fortune on building the plant and then were chintzy to the point where we wouldn't put computers in to manage the raw materials and inventory. It was one of the contradictions that I saw arise at different times in many places in the company. It's the big company still behaving as a little company, and the little company struggling with its own size; it's not little any more but still has the frame of mind that it can be run in a "little" sort of way. That was probably

one of the things that held us back over the years, not resolving that issue.

Teiser: Did that plant make money?

D.T. DeDomenico: Oh, yes. Because our dinner items were very profitable. The dinner items were the most profitable items in the company, and the more of them we sold the more money we made. It was very simple.

National Distribution, Manufacturing, and Product Development

Teiser: Did you go into new territory?

D.T. DeDomenico: Tom would know more about that than I would. Our distribution was national already when I came aboard in the seventies. I think it was just a question of being able to supply larger quantities as the market itself grew. We brought out more items and different flavors besides just chicken and beef over the years, and every time you add a new item you complicate the manufacturing situation because you have yet another item to stock raw goods and inventory for and another item to supply the stores with. That grows your business, typically, but it makes it more complicated.

But the part of the answer that I was trying to get to was that it wasn't so much that we were adding markets as increasing the number of items in the markets.

Teiser: The company may have acted like a small company in some ways but kept putting new products out.

D.T. DeDomenico: My father and Vincent were both very, very strong believers in the phrase "new products are the lifeblood of a company," and if you don't have them you die. For many years they were able to maintain the company's position in the marketplace because they were able to innovate with new products. The problem was that in the later years we didn't innovate enough, and the competitors were becoming more innovative than we were and creating greater markets within that category in which we were competing. We weren't able to get part of it because we weren't being that innovative anymore.

Teiser: Was Rice-A-Roni your first product to go on the market?

D.T. DeDomenico: Macaroni was first, of course.

Teiser: I mean the first complex product. Were you ahead of everyone else?

D.T. DeDomenico: Yes. Absolutely. Nobody else was competing. There was no other packaged side dish product on the market, with perhaps the sole exception being Kraft macaroni and cheese. I'm not sure what year Kraft brought macaroni and cheese out, but I believe it was also in the fifties. But this was the first rice side dish; there was nothing else like it in the marketplace.

Teiser: Were there seasonings in it?

D.T. DeDomenico: Yes, seasonings, chicken or beef extract, and rice and vermicelli. It was essentially a soup-mix base.

Product Innovations Under Quaker

Teiser: Is Quaker now coming out with new things?

D.T. DeDomenico: Oh, yes. Quaker's been coming out with new items at a rather staggering rate. Quaker's quarterly report for this quarter happens to focus on Golden Grain. You should have a copy of that (I can't find one now, but there is one here someplace). There's a whole section on Golden Grain from Quaker's perspective, of course. I don't agree with everything in the story. Everyone retells history the way they want it told, you know.

But I think the number of new products is something around sixteen or twenty-two since 1986. That's not a brand new product like Rice-A-Roni was a new product; it's a flavor addition to the line. They created the line called Savory Classics, which is an upscale Rice-A-Roni. Discussions have been happening between Tom and me for years about a gourmet segment in the Rice-A-Roni line, and we could never get Vincent to agree that there was anything viable in that segment of the market. Yet that's exactly what Lipton went after and created a 20 percent share of market in the upscale rice-mix category--appealing to upscale consumers. Uncle Ben's Country Inn line went right along with it, head to head

with Lipton in that category--higher prices, shorter cooking times, better value-added ingredients like broccoli, for example, and more almonds and that sort of thing--more expensive ingredients.

The two of them have created quite a niche. We came out with the Savory Classics line to compete with Lipton and Uncle Ben in that category, and it has done fairly well. I think it's up to about a 7 or 8 percent market share now. It's come out in phases. There were four flavors first in phase one of the Savory Classics line--this is internal jargon now. I think they're up to Savory Classics phase four now, which would be sixteen flavors, or at least twelve out on the market right there.

Microwave Products

Teiser: Did you go into packaging for microwave?

D.T. DeDomenico: Yes. That was an attempt to respond to Lipton's fast cooking time. Lipton had a lock on the total production capacity of P-100 rice (I'm not sure what the designation is). It's a pre-cooked rice which can be rehydrated in a very short time and cooked through in a total of ten minutes. I don't know whether they own the patents on that or whether they just bought it all out or what happened. In any event, they have this rice and are able to have their products prepared in ten minutes. Traditional Rice-A-Roni is anywhere from thirty-five to forty-five minutes.

Well, Vince and Tom thought the way to respond to Lipton's thrust was to come up with a faster cooking Rice-A-Roni. But what they missed was the whole value-added segment that Lipton was trying to create with their products being more upscale. So we brought out a line of microwave Rice-A-Roni, fast-cooking Rice-A-Roni. It never made it. It was discontinued by Quaker right after the acquisition. It had been introduced I think a year before.

Teiser: Why didn't it make it, do you think?

D.T. DeDomenico: Because it was just more of the same; it was just more of the same Rice-A-Roni. All it could do was cannibalize on

existing Rice-A-Roni customers who just wanted to cook their same old Rice-A-Roni a little bit faster.

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D.T. DeDomenico: All that means is that we were trading dollars; take a dollar away here, add a dollar there. That was more expensive than the traditional Rice-A-Roni, so it would only have appealed to those people who wanted it in order to cook it faster. There was a lower quantity in the box, it was more expensive, you had to have a microwave. With Lipton you didn't; you could do it on the stovetop.

Events Leading to Sale of the Company

Teiser: One of the things in the article in Quaker magazine which I think you said you found flawed was its account of the sale to Quaker. How did that come about?

D.T. DeDomenico: You mean how did Quaker become involved?

Teiser: You spoke earlier of the background of the sale, why, but what happened? Did someone go out looking for a customer to buy the company?

D.T. DeDomenico: I gave you a couple of reasons for the sale, and I think there's another reason that's in there, too. For several years running, up until the beginning of calendar 1986, Vincent believed that we ought to build a plant to produce macaroni in the southwest of the United States, particularly in Yuma, Arizona. Neither Tommy nor Paskey nor Mark nor I agreed with him. Mark and I were merely voices; we had no power to vote. But Paskey and Tom, of course, did.

It was obvious at the time that Vincent felt extremely frustrated. He did everything he possibly could to convince the others that we needed a plant in Yuma, and they consistently disagreed with him. There was nothing he could do to change their minds. There was enough feeling, probably, to build a plant in Salt Lake City to supply the West Coast, being closer to the northwest and the central western markets than Yuma. But he was not willing to look at that as an alternate. It had to be Arizona or San Leandro.

So the brothers told him they would not agree to do anything except rehabilitate San Leandro. He didn't want to do it. He was convinced that the cost of operating a plant in San Leandro was prohibitively high, even if it were modernized; that the physical plant itself was too old to rehabilitate, too expensive to rehabilitate, and that they would be much better off building new.

Teiser: Was labor a factor? Was there non-union labor available in Arizona?

D.T. DeDomenico: Yes, it's well known that Arizona is a right-to-work state. I don't remember the words being spoken, but I can remember times when it sure seemed that Vincent was thinking that it wasn't worth it anymore. He'd always been able in the past to convince the others to do something that he'd wanted to do, and this was probably the first time that they had resisted him on a continuous, united front, without any offer of compromise whatsoever, at least toward the Arizona issue.

There were tensions that would come up at every board meeting, every June, about whether the company should be sold or not. Some of them were the result of discussions about the new plant that Vincent wanted to build: "If you don't want to build that, then we ought to sell the company." I don't know exactly how it came about, but for a couple of years there had been rumblings between Paskey and Vincent about this issue, about selling the company. You know, sales were at an all-time high, and maybe it was time to get out. I can't remember how far back it went.

But sometime in December or January, apparently after discussions with Paskey (I'm not so sure he talked to Tom, but maybe he did--but my father never told me; I was totally unaware of what was happening), Vincent sent a letter to at least thirteen different companies, asking if they were interested in buying Golden Grain, lock, stock, and barrel. And if they were, to give him an indication of the price they were willing to pay. I was totally unaware of this.

There was a flurry of meetings between Paskey and Vince and Tom in the early months of '86, none of which I attended. And they must have been discussing this whole matter. I don't know how much Mark knew about it; I don't know how much anybody else knew about it. But rumors began to circulate in the company. I can't

remember when I first got involved, but I think it was late March or early April. By then I had a pretty good idea that they were trying to find out who was interested in the company. I'm trying to remember what happened, but it's real foggy.

I remember Vincent showing me a piece of paper that had a number of different companies' names on it. I remember him handing me the letter that he originally sent, dated sometime in December or January. And I remember him asking me to prepare a letter of confidentiality. That was the first time, I think, that I was involved in an open discussion with him about the potential sale of the company. And the letter of confidentiality was to be sent to these companies along with our financial statements, that they would not use those financial statements to their own benefits, and they would not disclose them to anyone else. That's how I got involved; that was the first time.

I did that, prepared the letter of confidentiality, and we sent out the financial statements in March or April. I was the person who was designated to be called if they needed any additional information prior to making a first indication of price. The first indications of price I think were due in in May. I have a file over here called the Acquisition File, and it's probably in there. I set up new files; nobody in the office knew anything about it when I first got involved except my secretaries.

Auction of the Company

Teiser: Did the companies that you were writing to know that other companies were invited, too?

D.T. DeDomenico: Yes.

Teiser: So you set up an auction?

D.T. DeDomenico: We set up an auction. I titled my files "Windstorm." That was the code name for the sale of the company, because it all felt to me like a windstorm. There was nothing I could do about it; it was much more powerful than I, and it had its own course and direction and was going to take it.

We set up my office as a sort of nerve center. Vincent, of course, had his own contacts with various CEOs in the companies that he wrote to. He knew many of them. Well, they'd been talking to him for years. Our company was almost sold in the mid-seventies to RJR [-Nabisco]! I remember being upstairs--I just happened to be in the office the day Vincent and Paskey and Tom and Paul were all running around about the price that RJR was going to pay. They were all punching numbers to see what the real value was, what each one was going to get, and how much it was worth on their stock. I can remember somebody running around saying, "That's not enough; it's got to be two dollars more a share." I can't remember what the numbers were, but they were low compared to what we sold the company for in 1986. But in the early seventies the companies sales were a fraction of what they were when we sold, and the dollar was at a very different value then, too, in real terms.

Finally, RJR wouldn't pay the last price that they wanted. They were apparently negotiating with just RJR; there were no other companies. If RJR had bought the company, we'd be owned by Phillip Morris--isn't it Phillip Morris that bought RJR-Nabisco?

Teiser: So this sale was not sudden?

D.T. DeDomenico: No, it had been simmering and festering like a sore for years.

Teiser: Were you for it?

D.T. DeDomenico: No, I wasn't. I spent a lot of time talking to Vincent prior to the actual sale, telling him about my feelings, probably with some naive desire that he might actually not sell the company, not want to go ahead with it.

Teiser: If he had not, what would the structure be today?

D.T. DeDomenico: It would be exactly the way it was before.

Teiser: What would it be twenty years from now?

D.T. DeDomenico: That's impossible to say. History is rife with examples of the third generation ruining what their forefathers had built. I suspect that might well have happened in ours.

- Teiser: There are enough of you in the third generation to sustain it.
- D.T. DeDomenico: To sustain it or tear it apart? [laughs] I would say there were enough of us to tear it apart. There are plenty of bodies, but not enough skill.
- Teiser: Traditionally in family companies there get to be too many maiden aunts who have to have to be supported.
- D.T. DeDomenico: Childless, who have no ability or desire to run a business. That would not have happened. [phone interruption; tape off] It's my own perspective that we would have been torn apart. I'm sure Mark feels very differently. He tried to buy the company, tried to put together an offer to buy the company. He was not successful. So he obviously had an interest in continuing it.
- Teiser: Were there other notable attempts to buy it?
- D.T. DeDomenico: Well, Hershey and Borden, of course, were very notable. They were within a million dollars of each other. There was a Swiss company named Sandoz, which has operations here; they own Ovaltine now. They're in food processing and chemicals, and they had a lot of money. They were interested. They had written to us that they thought an indicated price that they would be willing to pay was \$275 million, and that's exactly to the penny what we got. It turns out that Hershey and Borden were willing to pay \$249 million and \$250 million respectively. Or I think Hershey was a little higher than Borden. The other companies that were interested indicated a price much too low, in the high 180s, so we didn't pursue it with them.

The day of the bidding the Oakland airport had at least two company jets in it--the Hershey and Borden jets. I don't remember how Verinder Syal got here; I think he probably came in a passenger plane. I don't think he was here with a company jet. In any event, we had Ken Wolf, the president of Hershey in one room; a guy named Sullivan, who was the CEO of Borden, in another room; and Verinder and Terry Westbrook from Quaker in another room. And Mark in yet another room, in Vince's office, I think.

Each one was to give us sealed bids, and they did. Then we went back and told each one in turn that their bids were too low, and gave them an opportunity to raise

their bid. I don't think Borden raised their bid a penny. I think their bid was \$249 million, and that was exactly dollar for dollar for sales. But what we wanted them to take into consideration was the fact that we had \$25 million in the bank, cash--not inventory, not land, not equipment, but cash. We had that much money built up because we were trying to build a new plant, you see. Vincent was determined to have this money set aside for that plant. We hadn't been able to get off square one in terms of where it was going to be, but the money was still accumulating to build it.

We tried to tell Borden that there was no way that we were going to sell the company for less than a dollar for dollar for sales, because that's what companies were selling for when we sold ours, and if we gave them the cash for free, that would be a discount of 10 percent. Well, they wouldn't hear it.

I wasn't in the board room when those conversations were taking place, but I know that that is exactly what was taking place. I was kicked out because Mark was kicked out of the board meeting. Mark couldn't attend because he was trying to buy the company, and because Mark couldn't attend, I couldn't attend. I wasn't trying to buy the company, but somehow because I was also a nephew I couldn't attend, and that was somehow going to make Mark feel better. So I was sitting out in the office talking to Mark and Paskey when all of this was going on.

They went to Hershey, to Ken, and asked him for a higher bid. He told them that he only had authority to put another million dollars on the table; that was the maximum authority he had. So they went to Verinder and Terry from Quaker, and Verinder told them he had authority to go to \$275 million. He wanted to make an arrangement whereby he would top the highest bid by a million or two million or five million dollars. Vince and Tom told him that there was no way that they were going to make a sweetheart deal with him like that, because nobody else was going to be offered that kind of an arrangement.

So Verinder changed the bid from \$250 million to \$275 million. Then it became a closed issue, because Quaker had paid exactly what Vince and Tom and Paskey wanted. I know that my father and Paskey were determined to get that extra \$25 million. Either that, or they were

going to declare a dividend [laughs], and dividend the money off to the stockholders and get the \$250 million for the company. It was going to be one or the other. So there was no way that the bidder was going to walk with the twenty-five, or get that kind of a discount.

Teiser: Had Quaker been one of those who had received a letter?

D.T. DeDomenico: No.

Teiser: How did they get in on it?

D.T. DeDomenico: They heard that it was for sale. There's a fellow (I can't remember his name) who had been an agent for Quaker for years. I remember seeing his name on a piece of stationery. He may have made the first contact. There were rumors circulating everywhere within the industry by this time, by the time March came around, that we might be up for sale. Because you just don't keep things like this silent, you know.

He wrote and asked Vincent if the company was for sale. I think Vincent called either him or Quaker and told them that they could embark on this program of asking for indicated value. I know for a fact that Quaker did not instigate it, and it was already underway.

National Consolidation of the Pasta Industry

Teiser: I should have thought that Quaker would have been a more logical company to take it over than Hershey, for instance.

D.T. DeDomenico: Hershey was not interested in it for the chocolate company. Oh, no. They were interested in it because of the pasta market. You see, in the seventies there were still a lot of individual, independent pasta companies in the United States. Companies had attempted to take their brands national at tremendous expense and with very little success for many, many decades. What eventually became the pattern for national consolidation was the same thing that began to happen with the breweries. The independent breweries were gobbled up by the big ones. Their brands were maintained, but the plants were closed by large conglomerates, companies that grew in size

perpetually. And their brands were gradually phased out over time. It was a managed process.

It was the only way it could happen with pasta. Mullers in New York was owned by a university, I think. They were sold to Corn Products Corporation. We even attempted to bid on that. Pillsbury had bought American Beauty. I think we wanted to buy American Beauty originally from the family who owned it, and that may be the reason why we went back to the appellate court to ask for a review of that earlier decision. Because we were barred from buying pasta companies, and American Beauty was sold. We wanted it, but Pillsbury bought it. And Pillsbury later sold it again, and they sold it to Hershey.

Hershey had owned, by the time we sold our company, something like five different pasta brands: Skinner Macaroni, San Giorgio, American Beauty, Perfection, Del Monaco. Borden owned Creamettes and several others whose names I can't remember. The Prince Macaroni Company and ours were the only two big companies left to buy that were privately owned. There were two small ones in L.A., but they did not account for much. They accounted for a large share of market in L.A., which in itself is a huge market, but were not national or even approaching a large regional business.

After our company was sold, Borden ended up buying those two. I can't remember who bought Prince, but it was sold after we sold. Merlino's in the Seattle area was bought by Borden. That's why Borden and Hershey were the two that were here besides Quaker. Both of those companies wanted the West Coast pasta business locked up. Either one of them, if they had owned Golden Grain, would have had a much greater share than the other one in the West--not nationally so much, but in the West. They still don't have it, and they're still fighting it out. But it's really down to those two on the West Coast. Borden mostly has the northern part of the United States, and Hershey mostly has the southern part of the states in terms of pasta business, except for the northeast corner, or the New York metropolitan area, which is dominated by Mullers and Prince.

Quaker Chocolate Brands and the Proposed Sale of
Ghirardelli

Teiser: Does Quaker have other pasta interests?

D.T. DeDomenico: No, I don't think so. They have other chocolate interests.

Teiser: Are they selling their other chocolate interests as well as Ghirardelli?

D.T. DeDomenico: No, because they occupy the number one and number two brand positions in Mexico, and that's where they have their candy company and their chocolate company. They just bought another chocolate company.

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Teiser: Quaker has two Mexico brands?

D.T. DeDomenico: Yes. One is La Azteca. That's the one they've owned for quite a while. I can't remember the name of the new one, but it was just acquired. I think it's a candy company or a confectionery bar. The reason they keep La Azteca and why they bought this other company is because they can occupy the number one and number two position in the Mexican market in confectionery. And that's why they're selling Ghirardelli, because they cannot occupy the first or second brand position in America with Ghirardelli--at least not until it's grown. I don't think it will ever occupy the first or second brand position in the U. S., but who knows.

Teiser: What kind of company would be interested in it?

D.T. DeDomenico: It's hard to say. I understand that since Quaker's announcement that they're going to sell Ghirardelli, there have been dozens and dozens and dozens of inquiries by different sorts of entrepreneurs, venture capitalists, and investment bankers. The feeling I get is that they are mostly small groups of entrepreneurs or investors or else are interested in a scale of market that is in the less than fifty million dollar range. The reason there aren't too many big companies interested is because we are not large enough to have that big position.

I understand that maybe Jacob-Suchard is interested, and they are huge. They bought E. J. Brach a couple of

years ago, and they bought Andes' Candies, Tobler, Suchard. It's the Jacob Coffee Company out of Germany, and it's now Jacob-Suchard. They have lots of money, and if they are interested in buying Ghirardelli it will be because they want a manufacturing site for some of their products and because it's a brand that they can perhaps grow.

Teiser: Is the manufacturing facility here separate enough to be operated independently?

D.T. DeDomenico: It's difficult. Yes, it is separate enough; I mean, the equipment is not commingled. It is a chocolate plant, purely inside its confines within the facility. But it is within the Golden Grain facility; it shares a common wall and a common roof. It shares common administrative functions and support services, so it has a very thick umbilical cord, so to speak, to Golden Grain. It would be fairly expensive to connect it to something else. So there is that to be considered.

VII MORE ON GOLDEN GRAIN AND QUAKER OATS**Stock Split, 1970**

[Interview 5: 18 September 1989]##

- Teiser: You mentioned the stock split of June 19, 1970. Do you want to record something about that?
- D.T. DeDomenico: Yes. There were, I think, at the time a hundred shares outstanding, or else ninety-nine; at some point one share had been bought back by the company from someone. So there were ninety-nine shares outstanding, and there was a stock split of one thousand for one. So then there were 99,000 shares outstanding. It's as simple as that.
- Teiser: Why did they do that?
- D.T. DeDomenico: I don't know. Perhaps for estate planning purposes, in order to have something a little bit smaller in unit size to give away.
- Teiser: Would that be the total effect?
- D.T. DeDomenico: Yes. It had no other effect. It didn't alter control of the company. The dividend was simply divided by a thousand.

Joint Venture with Nishin Foods

- Teiser: These are just random questions. We were wondering about the exports. I know there was a joint venture with Nishin Foods. What was that?

D.T. DeDomenico: Nishin Foods is the largest flour miller in Japan, and they own a company called Mama Macaroni. They are the largest domestic producer of pasta products in Japan. They had developed the technology for producing shelf-stable, cooked pasta, not in a can but in a pouch. They call it pre-cooked spaghetti, or PSP. That wasn't their brand; that was their in-house designation.

They were selling a fair amount of it in Japan. They sent a representative by the name of Toru Yoneyama to the United States to explore with a number of food companies the possibility of marketing PSP in the United States through those companies' marketing arms and eventually to produce it here. They eventually talked to us because we had a large pasta company on the West Coast, and they decided after all that they would choose us to work with. They started talking to Vincent; I'm not sure exactly when, but I got involved in the discussions shortly after coming to work for the company in '77.

I got involved in the negotiation of a joint-venture contract with them for marketing this product in the United States and eventually to produce it here--building a plant in a joint venture. Those discussions were wonderful in that they took some two and a half to three years of negotiation before we signed the joint venture agreement. We got to know a number of people at Nishin, and they got to know us quite well. I think they like to get to know people quite well before they go into business with them, and extending the negotiation period is a way of making up for the other time that they wouldn't have socially to understand people and get to know them.

In any event, we started marketing PSP. We were really never successful in making it a successful item. We test-marketed it in Oregon and in California. When we eventually discontinued it, there were a number of people who were quite unhappy that we were pulling it off of the market, because it was actually quite a good product but probably not right for the time or the market.

When Quaker Oats bought Golden Grain in 1986, Nishin let us know that they really didn't want to do business

with Quaker Oats and would really appreciate it if we would terminate the agreement. It required all of us to agree. There were three parties involved in the agreement: Nishin Foods, the Mitsubishi Trading Company (an arm of Mitsubishi), and us. So we told them that we would agree to end the joint efforts together. We still communicate from time to time, especially with Toru Yoneyama; the business people from Japan are fantastic at keeping their networks alive, so there's never an end to the continual contact and updating of business situations and social contacts with them. It was an interesting process and continues to be. Who knows where that relationship will go? Toru's quite a nice fellow.

Teiser: Who owns the rights to the process itself?

D.T. DeDomenico: Nishin does. They patented it in the United States as well.

Teiser: Is there a possibility that you would get back into it?

D.T. DeDomenico: I don't think so.

Canadian Export Market

Teiser: I know that you exported to Canada; was that a large market?

D.T. DeDomenico: It was a fairly large market. Remember, now, that Canada has about the same population as California does. So it can never be a large part of sales. Even if you have a large share of that market, you don't have a large share of business compared to business in the United States. However, we sold Rice-A-Roni and Noodle-Roni products in Canada for many, many years.

Most of the product was produced in two different locations. There was a co-packer in Canada called Davis Custom Packing. They were in Ontario somewhere. We would ship ingredients and cartons across the border to them from our Bridgeview plant in the Chicago metro area, and they would convert it into finished product there for a toll charge. Then we sold it through brokers in Canada for many years, and eventually we ended up signing an agreement with the Heinz Company--Heinz Canada Limited-- to sell the product in Canada for us. We entered into

that agreement with Heinz approximately one or two years before the company was sold to Quaker.

In addition to the co-packing at Davis, we also produced a number of products ourselves at Bridgeview and shipped them across the border. There were at different times customs and tariff problems associated with shipping finished product, where there weren't so many associated with shipping the raw materials. Whichever was more advantageous and the most cost-efficient at the time we tended to pursue.

Teiser: Who made the decisions about Bridgeview operations on that level?

D.T. DeDomenico: Well, it was really a joint decision between Tom and Vince. The desire for sales in Canada would cause a decision to have to be made about where to produce the product to get it there. Vincent was always involved in where to produce it, and so was my father. They both tried to understand which was the most cost-efficient way to do things.

Teiser: What a complicated job they had! They had so many decisions on so many fronts.

D.T. DeDomenico: That's true. Quaker has layered in an incredible staff to take over all the decision-making, and it's not at all the way we used to run it.

Teiser: I was wondering if you had any knowledge of the maximum number of employees that you had compared to the number that Quaker has doing the same things.

D.T. DeDomenico: I can't say with any real certainty, because they fired the entire sales force; they sold Vernell's; they sold Microdry; they closed Vantage. Because of that, it's not a fair comparison. They've also drastically reduced operations at the San Leandro plant in terms of plant personnel for Golden Grain.

Teiser: Is the production still as high?

D.T. DeDomenico: No. A lot of the dinner product is being produced in Chicago now--Rice-A-Roni, Noodle-Roni, Macaroni and Cheddar, and that sort of thing. So it's not a fair comparison at all. But I do know--there was a going-away party at Golden Grain a week ago last Friday that just the office people were invited to, and there were more

people in the parking lot at one time than I have ever seen [laughs]. And these were just administrative and management personnel.

Teiser: Did anybody take pictures of that?

D.T. DeDomenico: I don't know. I was really kind of teary-eyed, actually; I couldn't see straight.

Teiser: You and your father and Vincent were there?

D.T. DeDomenico: Yes. The Ghirardelli employees and the union workers gave me a going-away party in the plant, and I have a lot of pictures from that. I don't have the negatives, but I have prints.

Other Export Markets

Teiser: Back to the exports: were there other countries to which you exported?

D.T. DeDomenico: Yes, we exported some product to Puerto Rico from time to time, and we exported some chocolate products to Hong Kong, Singapore, and Japan. But I have to say honestly that, with the exception of Rice-A-Roni into Canada, we never really explored international sales adequately. One thing we often thought about was selling Rice-A-Roni into Europe or the Far East, but the problem presented is that people in the Far East don't eat rice with seasonings; they eat plain white rice. And the people in Europe eat potatoes; they don't eat as much rice.

Teiser: I should ask about Alaska. I should think it would be very appropriate to Alaska.

D.T. DeDomenico: Oh, yes, we sold in Alaska and Hawaii; we covered all of the U.S.

Jacobson: Were certain flavors more popular in Puerto Rico or in Canada than they were in the United States?

D.T. DeDomenico: I don't actually know about Puerto Rico, but in Canada I don't think that they were any different from the United States. You have very much of the same sort of blended population in Canada as you do in the United States, so the tastes are pretty much the same in terms of rice.

- Teiser: You gave us a good account of the deadlock on the Arizona problem. Were there any others where the brothers disagreed and so just dropped the whole thing?
- D.T. DeDomenico: Gee, nothing as dramatic as that in my memory. That certainly was the most significant one.
- Teiser: Maybe it was the fact that when they agreed on a thing, it wasn't talked about after it was decided. If they discussed going into dehydrated potatoes or something and couldn't agree on it, maybe that was the end of the matter.
- D.T. DeDomenico: Oh, there were a number of opportunities that we didn't take advantage of, or that we tried to take advantage of but weren't successful at. We attempted to buy the American Beauty Pasta Company from Pillsbury and put in a price, and it wasn't high enough. It was eventually sold to Hershey. And we tried to buy a little company called Perky Pie down in Union City from Del Monte. We ended up not proceeding with that after a while. Vincent was interested in that, and so was my father, but I don't think Paskey was. We tried to buy a popcorn company once, but we didn't proceed on that one.

Growth Through Product Development and Acquisitions

- Teiser: The history of the growth of the company, in addition to the growth of the manufactured product, was in acquisitions, not in start-ups, wasn't it? Did Golden Grain ever start up a company?
- D.T. DeDomenico: Well, it started the Vantage Advertising Company. You know, Ruth, I don't know if that's really accurate. Because Rice-A-Roni was a brand new brand that we created, and that was the fuel that built the fire that drove the engines of the company. That was not an acquisition; that was an internal development. And Noodle-Roni the same. And, of course, all the pasta products were internally developed.

The largest units that we ever acquired and built were Ghirardelli and Vernell's and Mission; Mission was an acquisition. But it would take Mission, Vernell's,

and Ghirardelli to equal the sales of Rice-A-Roni, even at their peak.

Invention of Rice-A-Roni

Teiser: The article on the start-up of the Napa Valley train said that Vincent was the inventor of Rice-A-Roni. I think that's been mentioned in other articles, and I gather that it wasn't quite that simple.

D.T. DeDomenico: No. It was my mother's recipe that started it, and my uncle Vincent almost never mentions that fact. He did once [laughs], and I think he might even have said it once to someone else when I was standing there. But it's a very rare event; he loves to take credit for it. And so does Paul DeDomenico. Oh, yes. I think anybody who has ever been associated with it has attempted to take some credit for it.

Teiser: It was not one person's efforts?

D.T. DeDomenico: No. I mean, my mother got this recipe from an Armenian woman in San Francisco; it's as simple as that. She prepared it at our home for years. Vincent was over one time and was eating it in the house and thought it would be a great idea to try to make this commercially down at the plant. He's the one who worked with a guy named Jack Ziegler on making it work in the lab and from the lab to the production facility. And I believe it is Vincent who coined the phrase Rice-A-Roni; I don't think that credit lies anywhere else. That's how it got its way to the consumer. It was a chain of events, no one piece of which could have fallen out of place; otherwise it wouldn't have happened. And a lot of hard work went into selling it and marketing it. I mean, the story goes on.

Quaker's Decision to Drop the "San Francisco Treat" Jingle

Jacobson: I'm curious about Quaker's decision to drop the "San Francisco treat" jingle.

D.T. DeDomenico: You're not the only one who was curious about it.

Jacobson: Then later they put it back in. Was it planned to do it that way, or was it along the lines of what Coca Cola did?

D.T. DeDomenico: Oh, absolutely not. Who knows what Coca Cola planned! Coca Cola took advantage of something of a disaster that they had created, in my opinion. As to Quaker, that was just plain ignorance. What the marketing people did--and I know the guy who did it--they (he and the marketing staff) conducted a bunch of research. The first thing that Verinder Syal did was to bring in a big marketing organization. He brought in a head of marketing, and the marketing guy created a marketing organization at Golden Grain--which we never had prior to the acquisition.

The group that was in charge of Rice-A-Roni went and did a whole lot of consumer research, interviewing people, asking them this question of "What does 'the San Francisco treat' mean?" People said they didn't know what it meant. Because it had no significant meaning by itself. That was the information upon which they acted in deciding to remove the association of "the San Francisco treat" with Rice-A-Roni.

What they failed to understand was that there was a whole gestalt around that phrase that was inbred in the culture, almost. This was one of the products which managed to hit a national chord from the very early days of television on, and had been consistent in its message. It had reverberated within the national psyche. I mean, you could go anywhere in the United States and say, "Rice-A-Roni," and people would say, "The San Francisco treat," or they would hum the jingle--whether they had eaten it or not! There was this incredible association.

They didn't understand that mental association, and they severed it. Or attempted to sever it. There was such a hue and cry that they tucked their tail between their legs and put it back together again.

"Save a Potato" Advertising Campaign

Jacobson: Now they're doing advertising with Save a Potato. Does that have the jingle in it at some point?

D.T. DeDomenico: Yes, I think it does. The very first advertising for Rice-A-Roni that was done in black and white talked about a switch from potatoes. A lot of people don't remember that necessarily; that's not what sticks in their minds. But the advertising agency thought that they would be very clever and create this Save a Potato campaign. Again, it's this notion of switching. But I don't know that the message is very clear; it's the idea of switching from potatoes to rice. I don't know. In my opinion, that's not yet on the mark.

Jacobson: Have they been gauging the success of this particular advertising campaign?

D.T. DeDomenico: One thing that Quaker does is pour lots of money into research. Just as they came up with this notion that you could sever "the San Francisco treat" from Rice-A-Roni, based on their research, I'm sure they have lots of research that the Save a Potato campaign is a great advertising campaign for Rice-A-Roni. But the test is always in the marketplace, not in the laboratory, and time will tell.

Market Research

Teiser: Did Golden Grain ever conduct any market surveys or have anyone do it?

D.T. DeDomenico: Oh, every once in a while [laughs]. When there was a debate between the brothers as to what to do, that's when they had research done, in an attempt to get a third opinion, so to speak--or a fourth opinion, as the case may be. Or sometimes a sixth opinion, if you counted Mark and myself.

Teiser: Did they find it reliable?

D.T. DeDomenico: I don't think there was ever a lot of faith in market research. Mark was the one who introduced it to the company. Before that, I don't think Tom and Vince did very much of it. They did a little bit. I really don't know. But I do know that when Mark wanted to do something and Vince and Tom didn't like it, he would always go out and get market research to prove that he was right.

Allocation of Resources to Market Research, Advertising,
and Product Development

- Jacobson: Has the advertising budget under Quaker substantially increased?
- D.T. DeDomenico: Oh, yes. Their market research and product development expenses have increased; their outlays for those areas have increased. But the outlays for television went almost to nothing, because they put a lot of money into and focused against the trade, not against the consumer. Each year that I worked there they had plans to put a lot of money into television advertising, and each year it got cancelled because of budgetary constraints; they couldn't spend that money because they weren't going to make the year if they spent it.
- Jacobson: So they've been spending less on television advertising than under Golden Grain?
- D.T. DeDomenico: Yes, a lot less.
- Teiser: Do you think that has had an effect on Ghirardelli sales?
- D.T. DeDomenico: No, because Ghirardelli was never on the air. Well, it was once or twice, but not much. Most of Ghirardelli's sales efforts, and the money that's spent against the brand, are spent at the trade level. That's what you do when you don't have a lot of money to spend; you spend it against the trade, because the media is too expensive. If you don't have a lot, you might as well not spend a little, because it's totally wasted. Because you get so little that you don't get any kind of perception impact with the viewers or the listeners.
- Jacobson: Spending it against the trade means market research?
- D.T. DeDomenico: No, spending it against the trade means merchandising display allowances to the stores, off-invoice allowances, pre-booking allowances. It's various forms of discounts that for lots of very good reasons are offered to the trade. When I say an allowance, that means a payment. If they buy x number of cases, they qualify for so much money that will be given them, either in the form of a credit or a direct payment, to buy an advertisement in their local newspaper on Best Food Day, Wednesdays.

They'll run an ad, often or sometimes with a coupon. The cost of that coupon redemption has got to be part of this, too.

Jacobson: In terms of the budget, how much went to advertising, and how much went to discounts?

D.T. DeDomenico: I'd say it was half and half, roughly. Maybe a little bit more media advertising than promotion.

Jacobson: And now the balance is--?

D.T. DeDomenico: Oh, golly. Well, the last two years there have been no television advertisements for Rice-A-Roni except for about a two- or three-week period in the early fall, which is the first part of the fiscal year for Quaker. We used to run for weeks and weeks and weeks and weeks. We used to run for four weeks at a time.

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D.T. DeDomenico: The other way it was done was to run the advertising so it was in alternating weeks; you'd run a week on, a week off, a week on, a week off. You'd do that for a ten-week cycle. So you got lots of impressions out there. We were on daytime and what they call the fringe, which is right around prime time, either just before or just after the prime time hours; because prime time is the most expensive.

Advertising of Golden Grain Pasta Products

Jacobson: You get in around dinner time that way, too. What about the advertising I've noticed just recently for Golden Grain itself, which I have never seen before?

D.T. DeDomenico: We did do some television advertising. Many years ago we ran what we called the opera commercials. Do you ever remember seeing those, Ruth? [hums a tune] We used the opera tunes. I can't remember which ones they were, but they were very clever, with animation that was like Peter Max drawings. It was very, very, very catchy and clever, and a lot of people loved it. It was really great stuff. We ran that for a couple of years.

Mark used to do a lot of television advertising for Mission in the north.

Jacobson: Just the pasta?

D.T. DeDomenico: Yes, I think so--Mission pasta. I think he also did a few Rice-A-Roni commercials up there. And he had a campaign: "Golden Grain makes it with love." I'm talking about the pasta products, but I think there was also some mention of Rice-A-Roni.

Jacobson: So there was an attempt, then, to connect all the Rice-A-Roni, Noodle-Roni, and pasta products?

D.T. DeDomenico: Yes. Well, you know, Golden Grain pasta products were only sold really from Fresno north; we didn't sell much Golden Grain pasta in Los Angeles. But we went all the way to Alaska. We dominated northern California, the Salt Lake area, and the Seattle-Portland area with pasta. That was our area of real market strength. Golden Grain pasta was mostly advertised in print media, what we called "the seven sisters." They're the seven women's magazines.

Jacobson: Which ones are those?

D.T. DeDomenico: Good Housekeeping, Redbook, Seventeen. Is Mademoiselle another one? I can't remember now. That's where most of the advertising for pasta products were done. I don't know if at the bottom we even put in, "from the makers of Rice-A-Roni."

Negotiation of Labor Contracts

Teiser: On a quite different subject, who negotiated labor contracts for Golden Grain?

D.T. DeDomenico: It tended to be localized. Mark and one of his executives, a man named Dan Gill, did all the negotiating for the labor contracts in the northwest and Salt Lake City. Carlo Varesco, the plant manager in Chicago, negotiated the contract along with a man named John Hudson, an attorney in Chicago, then at the firm of Rubin and Proctor. I negotiated the chocolate company contracts while I was there, and Vincent joined the IEDA, which is--I can't remember what the acronym stands for.

It's based in Emeryville, and it represents the employers who employed the members of the ILWU (International Longshoremen's and Warehousemen's Union), Local Number 6, in the Bay Area. There are several thousand employees altogether. The IEDA is the employers' bargaining association.

When I say I did the contracts for Ghirardelli, that's not really accurate. I was the representative for Ghirardelli at a meeting of the East Bay Confectionery Council, which started out with members from Chiodo Candy Company, California Peanut, [Herman] Goelitz Candy Company, and Ghirardelli. I think that was it. We negotiated together with the Bakery, Confectionery, and Tobacco Workers Union. But that association ended up with just two of us left, as it was the last time around. That was with Chiodo Candy Company and ourselves negotiating with the BCTW. The last contract I didn't do, because it was after the company was sold. Quaker did that; they had a person in-house who did labor negotiations.

Teiser: Were some negotiations easier than others? Did you have more compliant groups in some areas?

D.T. DeDomenico: Oh, yes. Each union was different to work with. I didn't have any direct contact with the unions in the Northwest or Chicago. Oh, and there's a union at our chocolate shop in San Francisco, and another one in Manteca at the bean company. I think the general manager of the bean company did the negotiation for the bean company, and we were part of an association in San Francisco that negotiated the chocolate shop contract. But the manager there, Kathy Taraban, got very involved in the negotiations. Very involved.

Labor Difficulties

D.T. DeDomenico: Each union had a different character. The ILWU in San Leandro was one of the harder unions to deal with. We had more strikes, I think, with that union than with any other. I think that's always an indicator of how easy it is to get along. We had a hard time with Local 2, Restaurant and Hotel Workers' Union over in San Francisco, during the bitter San Francisco hotel strike that lasted for three months. They struck our shop first

because we had a high visibility at the chocolate shop at the Square, you know. They could always get the news media down to the Square [laughs]. That was really terrible. And they were outside chanting and just being awful during the whole strike period.

Teiser: It lasted a long time.

D.T. DeDomenico: Yes, three months! The aftereffects of a strike of that length will go on for at least four or five months for every month you're on strike in terms of trying to get back to some kind of normalcy of relations between the work force and management. The aftereffects of that strike went on for a year and a half at least after the strike was over.

Jacobson: What kinds of bumps in the road did you encounter in that fifteen-month period after three months of strikes?

D.T. DeDomenico: Every time something comes up, it's a big issue. Every little thing is a big issue. It's like, "We've taken you to the mat, and we've all gotten our feathers ruffled, and now no one's going to give an inch because it's been so bitter." Because everybody lost, and nobody wants to lose any more. And by God, everything you're going to win from now on. It doesn't matter what it is, it's a problem. If somebody files a claim for a discrepancy on a paycheck, it goes to grievance! It doesn't just get settled in the office.

There are questions about who had the right to come back to work first, and questions like that will go on and on and on forever after the strike. Who gets called back? Do the non-strikers get kicked out? Can the people stay on who were hired while you guys were out striking? You've got some very loyal employees in here now; they've been working here for three months and they know the ropes. Some of them did a better job than the strikers, and we want to keep them. "No, you can't keep any of them; they're scabs."

Teiser: Someone told me that the key to representing your company in union negotiations was to never leave the room when the negotiations were going on.

D.T. DeDomenico: Oh, that's absolutely correct. Don't ever leave the room, or things will get decided that you have no input in!

Cancellation of Ghirardelli Sale

Teiser: We should ask if there's any resolution of the Ghirardelli sale.

D.T. DeDomenico: There is. It's been taken off the market; the deal fell through. There were apparently deadlines set for the new buyers at numerous points during the summer, and the deadlines weren't being met for one reason or another. New deadlines were then set, and they weren't met. This is my own speculation, but I think that Quaker probably decided that they would be better off, the employees would be better off, and perhaps everyone would be better off if the company were not sold at this particular time. I don't think that they wanted to go to a second or a third party in ranking in the bidding that was last spring.

You know, if the property can't be sold and the sale falls through, you always wonder why it didn't go through. Nobody will really know the truth because Quaker will never say what happened. But a second buyer would be free to speculate that there was something wrong, and that's why the sale didn't go through--not something wrong with the potential buyer but wrong with the company. So their price might then drop the second time around, right? I don't think Quaker wanted to sell it for a low price. Because I bid on it, and they wouldn't sell it to me. My price wasn't terribly low, but low. So they could have sold it, but they didn't want to sell it for a low price.

They've announced that their company is not going to be sold. In any big corporation, a decision like this, just like a decision to sell, is not a permanent one. Nothing is forever. If the times change and Quaker decides once again that Ghirardelli ought to be sold out of its portfolio, then it will be sold, just as any part of Quaker, I suppose, is eventually for sale if the price is right or the circumstances are correct.

Teiser: You said the production at the San Leandro plant has been cut back in Golden Grain. Was it a factor? That Ghirardelli might then be able to expand its space there?

D.T. DeDomenico: Oh, I don't think so.

- Teiser: Who was the potential buyer? Was it a group of Eastern--?
- D.T. DeDomenico: Yes, it was a group of black businessmen. I can't remember the exact name, but it sounded like Consumer Commodity Corporation. I only had two contacts with them during a group presentation.
- Teiser: Where are their headquarters?
- D.T. DeDomenico: I don't know. I know essentially nothing of the company.

Dennis's Future Plans

- Teiser: We should ask about your immediate plans.
- D.T. DeDomenico: My immediate plans, Ruth, are to finish unpacking the boxes you see around here, then to get my desk in order and put my papers away. Then, I don't know. I'll see what comes up. I've been thinking that I'll get some time to pursue photography, but I can't see myself not thinking. I'm afraid that if I just pursue photography I won't think a whole lot; I may see a lot, but I may not think a lot. I've always like intellectual challenge along with the work that I do, so I've got to get that kind of gratification. If I don't, I'll do something else.

I went down to Quaker's chocolate plant in Mexico City a couple of weeks ago. I talked to the general manager down there about the plans that he has for their company to renovate a significant portion of their facility for cocoa bean processing. I spent two days with him and his staff, and he expressed the interest in perhaps having me come back and work with them on it. I would like to do that; so if he calls, I'll probably get involved in that. But he hasn't called. I'm not holding my breath.

- Teiser: There's always your law practice, too.
- D.T. DeDomenico: Yes, there's always the law practice. However, I'm just dusting off my diplomas and certificates and all of that.
- Teiser: I notice you don't have law books.

D.T. DeDomenico: I have a few--trademarks there, and workers' comp over here. I threw most of the other ones away, to be honest with you. Oh, there's an antitrust book up there. It's just that practicing law is--I don't know, I liked it when I did it, but I found that I got more satisfaction working in the company. Well, shall I say running the company, not working in the company; I always got a great deal of satisfaction in running it. The difference is that I was building something that was tangible; I could see it. It was taking form in products and machines and people. It had a life of its own, and it didn't matter whether I was there or not. It was a thing, an asset.

When you contrast that with a legal practice, all you have is words on a piece of paper. I can remember my contracts instructor telling me that a lawyer's business was really being a wordsmith. You get to think a lot, but you don't get to produce anything that has any lasting value. All you have is a client base. Now, there's nothing wrong with a client base. The only trouble is that the clients will just go to someone else when you don't practice any more. You know, it's not like you built something that stands without you. It's a very different feeling.

Teiser: What kind of photography are you interested in doing?

D.T. DeDomenico: It's mostly for the art of photography, and because it's for the art of photography I do almost anything that catches my eye, whether it's people or buildings or landscapes or still lifes or just a combination of light and color that strikes me as having a special beauty.

Teiser: Do you work in color?

D.T. DeDomenico: Yes. I don't do black and white; at least I haven't in a long time. It's not because I didn't like it; it's just that I found color to be much more difficult for me to understand and to try to get the kind of pleasing artistic image. The trouble with color photography is that it so often just looks like another poster or a family picture. In order for it to transcend and become art it needs to have almost the qualities of an oil painting in my mind, that kind of strength of subject matter, form, and light. And that's very difficult to obtain.

I don't know whether it's a cultural thing now or what, but black and white photography to me has always seemed to be more of an art piece than color photography. Maybe that's why all the masters so far have been masters in black and white, because color is relatively new; it's been around only since the thirties or the forties, whereas photography has been around for 150 years. So we're talking about something that's relatively new. I mean, early color photography was really terrible. The colors didn't last, the prints faded, and you look at them now and they look awful. The new technology is quite a bit different.

Teiser: You do your own printing?

D.T. DeDomenico: Oh, no. I use Kodachrome, which has a very difficult development process. I know almost no one who does it themselves. Printing I've so far left to others.

Teiser: We asked Vincent about his future plans and got a good answer. We didn't ask Tom about his.

D.T. DeDomenico: My father really doesn't have any plans that I know of, other than to just be retired--to do whatever he wants to do. But Vincent is the kind of man who never puts the hammer down.

Teiser: He's looking forward to getting that rail line all the way up to Calistoga?

D.T. DeDomenico: Oh, yes! Then he'll want to get more trains on the line, and then he'll want to build a hotel, and then he'll want to do this and do that. Vincent is the kind of man who, like Da Vinci, will never stop building right to the very end. And will complain that there was never enough time.

Contribution of Wartime Contracts to Golden Grain's Stability

Jacobson: I've got a couple of holdover questions. You may not be able to answer this one because you were definitely too young at the time, but I wonder if you know how much the wartime contracts in World War II contributed to the financial strength of Golden Grain. Was that a critical factor?

D.T. DeDomenico: I heard that once. Well, let's say it was a critical factor, not in the strength of Golden Grain so much as in the stability of Golden Grain. Vincent tells the story best. I don't know if you saw it in the stuff that he wrote; wasn't there something in there about the military contracts? We did military business all the way up until the sixties and seventies. We were packing soup mix in number-ten cans. I'll never forget it--these green, olive drab cans, like tomato cans.

Jacobson: Without those contracts would the company have been able to finance the building of the San Leandro plant in the early fifties?

D.T. DeDomenico: I don't know.

##

D.T. DeDomenico: I have to guess that the pasta business was significant enough by itself to give United California Bank enough security to lend us the money to build that plant. I can't imagine that if we were just a military contractor--well, that's probably not fair, because look at the big defense department companies. I really don't know. I can't imagine it being that significant.

But during the war it was rough. Remember, our plant burned down in the early forties, and without that military business I don't know that we would have been able to get back on our feet again. Because it was a regular revenue source. But that's speculation on my part, not history.

Family vs. Corporate Ownership

Jacobson: How did Quaker find itself in a position to be spending more on trade promotions and less on advertising? Why was it that Golden Grain was able to pour all that money into television, where Quaker wasn't and went a less expensive route?

D.T. DeDomenico: You see, we didn't have income objectives by quarter and by year. We didn't have a publicly traded stock whose value could rise or fall depending upon whether we met those projections or not. Quaker Oats has both of those problems. It didn't matter in terms of the value of the

company whether we spend \$5 million or \$10 million more or less on advertising in one particular year. It meant a lot to our bottom line, but that wasn't going to affect the value of the company to us unless that was going to be the particular year that we were going to sell the company. But we didn't run the company that way, to be sold; we ran the company so it would grow. And we did what we thought was necessary to compete in the marketplace against some very good competitors.

My father's and Vince's philosophy was that we had to advertise our products; we couldn't just use trade promotions. And we had to use trade promotions because the competitors were doing that, too. If you don't offer discounts and allowances to the trade, they'll go shelf another product.

So we didn't have to worry whether our income statement was \$5 million up or down in a particular year, whereas in relative terms Quaker does. If they don't make the income number at the end of the year, sometimes heads roll. Or at least if it's a couple of years in a row, heads roll. And remember, advertising today is very expensive, as it was when we had the company. Television advertising can amount to maybe \$8 or \$9 million. Well, gee, if you don't spend it, it goes right to the bottom line. You can give part of it away to the trade, but the rest goes to the bottom line, so all of a sudden you've got a profit. But, you know, you're cutting your nose off to spite your face. It's very short-term thinking.

Teiser: Does this imply that one of the factors in the success of Golden Grain was its flexibility as a family-owned company?

D.T. DeDomenico: Yes, its flexibility and its privacy. We were a private company. We held a majority of the stock; we didn't have to satisfy stockholders other than ourselves. And if we were satisfied, that's all that mattered. We had to protect the interest of the minority shareholders, don't misunderstand me; several percent of the company was held outside of the family's hands. Although dividends were not a feature of the company in its early years, they certainly were in its latter years. Depending upon the cash needs of the company, the dividends went up or down.

We never paid out a tremendous amount of money; we always put it back into the company. That's why it sold for so much! The stockholders eventually came out

extremely rich. I mean, it was all to the benefit of the stockholders in the long run, but not in the short run. Nobody was going to take their stock and try to make a six-month profit on Wall Street in Golden Grain stock. That just couldn't happen.

Payment of Dividends

Jacobson: Was there ever any pressure applied from the stockholders to get dividends paid earlier?

D.T. DeDomenico: No, not earlier--just more. We paid once a year. We didn't have to pay any more frequently than that. We didn't have to pay at all, but the company had a policy of paying dividends once a year. Many of the big corporations pay four times a year, but they pay one fourth of the annual dividend each quarter.

There was never any pressure to pay it on a quarterly basis, but there was always pressure to pay more out. But it was in the absolute discretion of the board of directors as to how much to pay. Nobody could force the board of directors to pay more dividends unless they took them to court and proved that somehow they were trying to do something to harm the interests of the minority to benefit the majority. That wasn't the case, and it never happened. Oh, there may have been once when there was an action by the minority against the company, but I don't know that it ever proceeded to a lawsuit so much as an attorney got involved and starting writing letters about the amount of the dividends and that sort of thing. But it didn't have an effect.

Jacobson: I seem to remember from reading the minutes that there was a long period before a dividend was ever awarded--that it was forestalled for quite a long time.

D.T. DeDomenico: And that's the case with most companies. When they first start they almost never pay dividends during their growth years. That's even true of public companies, but private ones it's even more so. Because the interest is in building the asset, not in getting a dividend. Because dividends do nothing but bleed a company of cash that it can use to grow with. The board of directors always has to ask itself what the best use of the money is. Is it to pay it out to the stockholders, or is to put it back in and compound it at a rate of twenty times a year? Can we grow that fast?

Factors in Golden Grain's Success

Teiser: Why in general was this such a successful company?

D.T. DeDomenico: Because the people who ran it were really hard workers and believed in it, and they didn't give up and were determined. There was a sense of determination. It was like the troops in a battlefield--if there is no determination in the leadership and all the way down, they're not going to make it. They're just going to get wiped away. But the ones who are really determined, they get ahead. And they were really determined. It wasn't just in the family; it was also the employees who worked for us. There was a sense of family; there was a sense of loyalty and belonging that reached all the way down throughout the company. And the people worked together cooperatively.

There was none of the political infighting, no whispering about this person or that person, and how can you climb on the next person's shoulders to get up to the top. Because the top was taken [laughs]. There was a "no admittance" sign on the top of the door. If your name wasn't DeDomenico, you weren't going to make it to the top. So it stopped all of that. I mean, there was only so far that you could go; you could only become a middle manager, and there's only a certain amount of power that you can get in middle management.

But everybody just worked really hard, and we had an incredible amount of luck along the way. Some hard times, but on the whole a tremendous amount of luck.

Teiser: I'm sure there was the factor of taking advantage of--

D.T. DeDomenico: Taking advantage of opportunities, that's the other thing. Or seeing the potential in something, being able to see that. It's true, you can be a very determined and ambitious person, but if you don't happen to have the right idea at the right time, you're not going to make it to the extent that we were able to make it. It was just a combination of things.

Transcriber and Final Typist: Judy Smith

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CHRONOLOGY OF EVENTS

This chronology was compiled by Lisa Jacobson from corporate minutes and other corporate records. Slight revisions by Dennis DeDomenico were added.

- 1880
Domenico DeDomenico is born.
- 1893
Domenico arrives in Boston, marries, and divorces.
Domenico moves to San Francisco.
- 1900
Domenico starts business as a poultry and produce dealer.
- 1909
At Domenico's request, Maria Ferrigno, daughter of a Neapolitan pasta maker, immigrates from Italy to the United States with her father and brothers.
- 1912
Domenico sells his poultry and produce shop and forms a co-partnership macaroni business with Antonio Ferrigno. Gragnano Macaroni Factory, named after the town in Italy known for the best pasta, opens at 19th and Valencia, not far from the family home at 321 Bartlett. Pasta sales reach \$10,000 in the first year.
- 1916
Gragnano Products is incorporated to market bulk macaroni products.
- 1920
Valencia Street property is damaged by fire. Company moves to larger factory at 8th and Bryant.
- 1924
Company sells property at 20th and Potrero Avenue to San Francisco Home Building Co. for \$6,000.
- 1929
Pasquale DeDomenico, husband of Giovanna and father of Domenico, dies at age 107 at Laguna Honda.
- 1934
Gragnano starts selling their products in small cellophane packages.

1935

Gaetano Ferrigno starts Sorrento Macaroni Factory, a rival macaroni company, but remains stockholder, director, and vice president of Gragnano. Alphonso Liberti, a director and salesman for Gragnano, is also affiliated with Sorrento. Tensions arise when Gaetano installs a sign at the new factory stating that he was formerly connected with Gragnano.

1936

Gragnano Products and twenty-three other manufacturers sign Marketing Agreement for the Macaroni Industry of California.

Gragnano Products is charged with violating the marketing agreement by selling products below the prices set by the unfair practices act.

Gaetano Ferrigno and Alphonso Liberti resign, ending a twenty-four-year business relationship with the DeDomenico family.

1938

Local newspapers report fire at San Francisco plant.

1941

The San Francisco plant, under-insured, is destroyed by fire. The company is saved from going under by officers, directors, and wives, who work around the clock, seven days a week, to keep the business afloat.

Gragnano purchases Ghiglione Macaroni Corporation plant in Seattle to replace the San Francisco plant destroyed by fire in May.

Paskey is elected vice president with the power to manage and transact all business in Seattle, and Vincent is elected secretary-treasurer with the power to manage and transact all business in San Francisco.

1942

Company changes its name to Golden Grain Macaroni Company.

1943

Domenico dies at 72. The company's new officers are: Paskey DeDomenico, president; Maria DeDomenico, vice president; Antonio DeDomenico, vice president; Vincent DeDomenico, secretary-treasurer.

1943

Company acquires new factory next door to the burned out plant in San Francisco.

Sales reach \$25,000.

Paskey is authorized to represent the company in any hearings or suits brought by the Food & Drug Administration.

1948

The State of California begins condemnation proceedings against the property at 982 Bryant Street.

1950

Maria DeDomenico buys property in San Leandro from the Western Pacific Co. for \$35,000. Golden Grain leases this property, with the option to buy.

1951

Groundbreaking ceremonies are held for Golden Grain's new \$250,000 plant in San Leandro. The one-story, 12,000-square-foot plant is the largest macaroni operation west of Chicago. One hundred employees work in the factory.

1953

Mario G. Braibanti of M.G. Braibanti Mfg. Co. in Milano, Italy, invites Vincent to tour his plant.

Paskey visits plants in Italy, Germany, France, and other parts of Europe to learn new techniques for manufacturing pasta.

Golden Grain buys San Leandro property lease from Maria for \$66,000.

1955

Golden Grain moves consolidated long goods press from Seattle plant to San Leandro because most of the spaghetti and macaroni produced in Seattle was being shipped to San Leandro.

Golden Grain passes a resolution authorizing company officers to execute contracts with the U.S. government.

Mission Macaroni makes informal offer to buy Golden Grain's Seattle plant. Golden Grain contacts them to explore instead the possibility of a merger, exchange of stock, or sale of plant in exchange for interest in Mission Macaroni.

1956

Golden Grain acquires Mission Macaroni and Favro Macaroni in Washington.

Golden Grain tests a new bag design.

1957

Golden Grain dissolves Mission Macaroni.

1958

Golden Grain develops Rice-A-Roni.

Golden Grain sets up a profit-sharing plan and profit-sharing trust advisory committee, staffed by employees rather than officers, directors, or shareholders. Five employees -- Guido Merlino, Office Manager Rollo Roux, Armand Favro, Frank Viola, and Joseph Ravazzo -- are elected to the advisory committee. All full-time and commissioned employees who do not participate in union administered plans are eligible.

Year-end profits make 1958 the most successful year to date in the company's history. Due to superior competition in the Pacific Northwest, however, Seattle's profits are not as high as San Leandro's.

1959

Union troubles in San Leandro cause plant to shut down.

Company acquires Manteca Bean Company in the San Joaquin Valley, hoping union troubles would not follow.

Company is now the largest of its kind in eleven western states.

Golden Grain changes principal place of business from San Francisco to San Leandro.

1961

Golden Grain begins national television advertising for Rice-A-Roni on ABC stations, purchasing an advertising program recommended by McCann Erickson, Inc.

Paskey and Vincent tour Europe for 30 days with members of the National Macaroni Association. They discover West Germany has the best equipment and make plans to purchase new equipment.

1961

Golden Grain buys 49 percent interest in Porter-Scarpelli Macaroni Co.

Net sales for the year are affected by a threatened bakery strike and a teamster strike which lasted two months.

1962

Company opens plant in Bridgeview, Illinois, to manufacture Rice-A-Roni, macaroni and cheese, and other dinner products. Chicago location will save freight costs.

1963

Golden Grain acquires Ghirardelli Chocolate Company.

Golden Grain acquires Major Italian Foods.

1964

The State of Washington buys Mission Macaroni's equipment so it can build a freeway through the area.

Golden Grain spends \$225,000 to enlarge the existing Golden Grain plant at Sixth Avenue in Seattle.

Company terminates Ghirardelli's lease at North Point.

1965

Golden Grain moves Ghirardelli operation to San Leandro, where it constructs a chocolate plant. The company opens a pilot chocolate plant and retail candy store at Ghirardelli Square.

Maria DeDomenico dies at age 82.

Company decides to exclude regular paid plant personnel from profit-sharing plan.

1966

Golden Grain acquires Oregon Macaroni Company of Portland.

Golden Grain applies for business license in Ontario, Canada.

Golden Grain's wholly owned subsidiary, Manteca Bean, purchases 51 percent interest in Major Italian Foods Co.

1967

One hundred seventy workers from the International Longshoreman's and Warehouseman's Union strike at San Leandro plant.

Manteca Bean makes moves to acquire the remaining 49 percent of Major Italian Foods, anticipating FTC action which might require divestiture of Major Italian Foods.

1968

Federal Trade Commission brings action against Golden Grain, alleging violations of Section 5 of FTC Act. FTC issues a

proposed order requiring Golden Grain to divest itself of Porter-Scarpelli Macaroni Co., Oregon Macaroni Mfg. Co., and Major Italian Foods Co., and to modify certain marketing practices.

Major Italian Foods brings suit against Golden Grain and Manteca Bean, alleging violations of federal antitrust laws. It demands that Manteca Bean divest itself of its 51 percent and cancel its option to acquire the remaining 49 percent.

Golden Grain introduces new products for test marketing: Chocolate Bread, Chili Beans, Ham-flavored Beans, Stir & Serve Mashed Potatoes. The company plans an intensive newspaper and television advertising campaign for Chocolate Bread.

Company plans expansion of Chicago facilities.

1969

Paul DeDomenico is put in charge of Ghirardelli Chocolate Division.

Company awards bonuses to Paul DeDomenico, Victor DeDomenico, Don Ferrigno, and Ralph Reichert for work in 1968.

Company begins looking for buyers of Porter-Scarpelli and Oregon Mfg. Co.

1971

FTC bars Golden Grain from making any further acquisitions of macaroni companies located in the Pacific Northwest for ten years, without prior consent of the FTC.

1972

Company divests Major Italian Foods and Porter-Scarpelli in compliance with FTC order. Divestiture of Oregon Macaroni Mfg. Co. is not enforced.

Golden Grain forms Continental Advertising & Marketing Associates, Inc., a wholly owned subsidiary.

1973

Golden Grain acquires Vernell's Candy in Seattle.

Company establishes Ghirardelli Fund Raising, Inc.

1974

Golden Grain sells its 51 percent interest in Major Italian Foods and signs Agreement of Compromise to settle Major Italian Foods claim against Manteca Bean.

Golden Grain merges with Manteca Bean.

Paul DeDomenico resigns and purchases the Hawaiian Holiday Macademia Nut Co.

1975

Golden Grain acquires Micro-Dry, a microwave oven company that makes dryers for pasta products. Its ovens cut drying time from eight hours to one hour.

Golden Grain amends Articles of Incorporation to reduce the number of directors from five to three.

Paskey delays retirement indefinitely.

1976

Manteca Bean suffers a loss of \$29,000, and continues to lose money throughout the '70s and '80s.

1977

Sales reach \$100 million.

Sales of Rice-A-Roni and dinner products account for 60 percent of the company's sales; pasta sales account for 15 percent of the business.

1979

Golden Grain acquires Societe Candy in Bellevue, Washington. Company retains "only the best of the former employees of the Societe Candy Co.," and succeeds in converting former Societe customers to the Vernell brand.

1979

Plans to open a Ghirardelli Chocolate Shop in Seattle are discussed.

Expansions to Bridgeview facilities total \$6 million.

Seattle factory is shut down for remodeling and expansion.

Company officers discuss converting the two-brand line of bagged candy -- Vernell's and Ghirardelli's -- to a one-brand line under the Vernell name.

Ghirardelli Chocolate Liqueur Corporation, jointly owned by Golden Grain (51 percent) and 21st Century (49 percent), is formed to market and sell a new line of chocolate liqueur products bearing the Ghirardelli trademark.

Company introduces Noodle-Roni and Rice-A-Roni Herb & Butter products, and a new line of Ghirardelli Cookie Mixes.

The company begins packaging Macaroni & Cheese Dinners and Semi-Sweet Chocolate Chips under Safeway's private label.

1980

Golden Grain is a plaintiff in three antitrust litigation actions involving sugar, folding cartons, and fiber.

Company introduces Noodle-Roni Fettucine and Rice-A-Roni Stuffing Mix.

A Japanese firm, S&B Shokuhin, Ltd., begins marketing soups and other Golden Grain items.

1981

Vernell marketing campaign is a widespread success in the eleven western states. Vernell's Butter Mints are reintroduced to midwestern points of distribution.

Deregulation of trucking industry makes it possible for the Mission Division to use back-hauling arrangements through regional brokers and reduce the overall cost of transportation.

The Mission Division enters negotiations with the Bakers and Confectioners Local.

1981

The Automotive Mechanics Union attempts to organize the Seattle operation's truck mechanics.

The board discusses the outstanding balances owed to the Vernell Division by Paul DeDomenico's Hawaiian Holiday Macademia Nut Co., which disputes owing the company money.

H.J. Heinz takes over marketing of the company's products in Canada.

Golden Grain increases the toll charge it pays Manteca Bean for packing its products, hoping that will eliminate the division's losses.

Golden Grain explores the acquisition of the Perky Pie Division of Del Monte, and contemplates expanding into the frozen food market but doesn't.

1982

Board discusses impact of changes in the dynamics of private label products in the American market, and the possibility of in-house production of past products by the large volume supermarket chains.

Company launches major marketing projects for Rice-A-Roni Stuffing Mix and Long Grain & Wild Rice products.

Chocolate Division expands into eastern markets and develops a mail-order business. Successful marketing takes Vernell brand national.

1983

Company buys patent for fast-cooking rice from James Cox.

Cost of raw materials rises. Vincent anticipates that the company's present high profitability will not continue if the trend persists.

Board discusses modernizing San Leandro plant or building a plant elsewhere in conjunction with a flour mill.

Vantage Advertising closes its Seattle office.

Company expands Noodle Roni line and Stuffing Mix line to include Herb & Butter, and redesigns vignettes on Rice-A-Roni packages.

Company discusses possibilities of bringing pasta business to the Chicago area.

1983

Company decides to establish a common promotion, pricing, and allowance policy for company products in national distribution.

Company enters negotiations with Nisshin Milling Company of Japan regarding a patented pre-cooked spaghetti product.

Company discusses but does not pursue funding research for methods of removing caffeine from chocolate.

1984

Company approves bag-in-box line for Rice-A-Roni minipack and Stuffing Mix line.

Company increases Rice-A-Roni advertising and promotional expenditure in anticipation of stiff competition from Thomas J. Lipton Co., which had expanded their rice and sauce product line into national distribution.

Company discusses idea of adding gourmet or upscale segment to Rice-A-Roni line.

Golden Grain enters a joint venture with Nisshin Foods of Japan for pre-cooked spaghetti.

A Lite pasta product line is introduced in the Pacific Northwest.

Profits decline, largely due to large expenditures in the Vernell, Mission, and Ghirardelli divisions.

Company decides to spend \$10 million on modernizing the San Leandro pasta production facility.

1985

Board discusses market for products in the Far East.

Company suffers losses in its national market share in the rice dinner mix category.

Mars, Inc. makes overtures to buy Golden Grain.

Company discusses introduction of a microwave bag-in-a-box product.

1986

Quaker Oats buys Golden Grain.

CHRONOLOGY OF ACQUISITIONS

1941 Ghiglione Macaroni Corporation (Seattle)

1956 Mission Macaroni (Washington)
Favro Macaroni (Washington)

1959 Manteca Bean Company (San Joaquin Valley)

1961 Porter-Scarpelli, 49% (Seattle)

1963 Ghirardelli Chocolate Company (San Francisco)

1966 Oregon Macaroni Company (Portland)
Major Italian Foods, 51% (San Joaquin Valley)

1968 FTC investigations: Major Italian Foods, Porter-Scarpelli
and Oregon Macaroni Company were the targets.

1972 Divestiture of Major Italian Foods and Porter-Scarpelli in
compliance with FTC order.

1973 Vernell's Candy (Seattle)
Ghirardelli Fund Raising, Inc.

1974 Sale of 51% interest in Major Italian Foods
Golden Grain merger with Manteca Bean

1975 Micro-Dry Corporation

1979 Societe Candy (Bellevue, Washington)

1981 Perky Pie Division of Del Monte

Charles Foll

5/29/63

A BRIEF HISTORY OF RICE-A-RONI

5/29/63

A BRIEF HISTORY OF RICE-A-RONI

The product was brought to the market-place for testing in February of 1958. Estimated budget that year through McCann was \$60,000. After three months, the client was convinced the product would go. He realized his general line of dry macaroni products would have to pay the way for Rice-A-Roni during its early years so he dropped Merchandising Factors and gave us the entire account. Billing for the first year was \$198,000 - most of it general line.

In that first year test markets revealed the need for demonstration and consumer education - the name Rice-A-Roni meant nothing by itself on the shelf. Television proved to be strongest medium for the product. A jingle was created - an inverted version of "Barney Google" - that drove home the name and the convenience story as well as positioning the item as a side dish. With animated visual to the jingle, these full minute spots also demonstrated ease of preparation. This one-jingle spot carried Rice-A-Roni market-by-market across the country to the Fall of 1961 when the national advertising umbrella was raised.

For the color image, giant bus posters (Travelling Displays) were used in market openings (-one simple design-), along with a run of three black & white newspaper food page ads. No coupons, premiums or other incentives - just the one introductory ad to position the product on the plate and familiarize the consumer with the package. Later, in trouble markets the same ad was revised to include a mail-back offer - buy two of any flavor and receive back through the mail the full price of one package.

Northern California, the Pacific Northwest, and Southern California were opened to Rice-A-Roni in 1958. The ad formula: 13 weeks of minute spots, day and fringe night, enough to accumulate 80 to 100 weekly rating points. Three 660-line black & white food page newspaper ads. Two months of heavy (100 showing) Travelling Displays.

After the above introductory campaign, a "sustaining" continuity of television spots on a much lower frequency kept the product moving. We bought these in flights of seven weeks, off three and on again seven. There wasn't much money in the budget and we had to make the best possible use of it. Luckily, the product was an exclusive at the time - good enough and different enough not to demand too much expenditure to keep it sufficiently alive on the shelves to hold it until the national advertising umbrella would go up.

Golden Grain was almost unknown as a company in 1958 outside of Northern California. In the Pacific Northwest, Golden Grain had purchased the big share macaroni company in Seattle - Mission Macaroni. So, distribution came fairly easily in Northern California and Washington State. In Southern California we utilized a touch of showmanship to introduce the product, the promotion, and the company to the trade. We decorated a transit bus (part of the deal for travelling displays there) inside and out with Rice-A-Roni banners. We put tables over the center sections of seats on both sides of the aisle. On one side we set up a rear view projector powered by a generator truck that followed the bus on all its calls, and on the other table a huge silver chafing dish of Rice-A-Roni kept hot with warmers. A petite model served the product to buyers as we expounded on the promotion. Several important orders were taken right on the bus. We had complete chain distribution in Los Angeles, San Diego, and San Bernardino-Riverside within two months of the bus ride.

By spring of 1959 it was obvious that Rice-A-Roni was a winner. Sales continued their climb with only a token amount of continuing television spot advertising. The client began to worry about competition imitating the product and getting into Eastern markets ahead of him. But, he didn't have the money for a national campaign. We suggested he did have the money to make a big opening splash in New York and that to hold that most important Eastern market would discourage others from coming in right away. Our New York office helped us select a broker -- Otto Weber and

Associates in Mt. Vernon. We chartered a Circle Line Excursion Boat for the evening of August 13, 1959. Buyers and their wives were invited by engraved invitation and showed up in the number of 388. A small dance combo on the upper deck, cocktails aplenty and a long table of cold-cuts plus the warm touch of Rice-A-Roni, gave them a refreshing evening on the Sound. No real pitch was made, excepting our short spiel concerning the pride McCann-Erickson felt in this courageous client, introduction of the client, and the broker. Tom DeDomenico, Vice President of Golden Grain, then circulated, meeting all buyers present. When the trip ended at midnight, buyers' wives filled their arms with product. It was a memorable night in their lives - first time they'd all been out together in years.

The opening campaign of 13 weeks, which took us up to the Christmas holiday in 1959 cost less than \$125,000.

It would be well to mention here that up to this point, and throughout the spring of 1960, Golden Grain started their advertising as announced - distribution or not. And, in all cases through the spring of 1960, distribution filled in after the advertising had started. It was this integrity to their word that aided them greatly in building a desirable corporate image in important markets from the very start of Rice-A-Roni marketing.

Incidentally, the 1959 ad budget for Golden Grain was slightly over \$300,000 with about \$200,000 going for Rice-A-Roni.

The first major mishap occurred in the fall of 1959. The client appointed a Chicago broker on his way back from the boat trip in New York, and announced to the Agency that he was going to open Chicago the following month. The Agency advised strongly against this as bad timing. It was too close to Christmas - it would not allow enough pre-sell time in the market for the broker's organization - and he couldn't open Chicago without Milwaukee and Peoria because of the chain pattern.

But, open it we did. The money earmarked for Chicago had to be thinned out over Milwaukee and Peoria. The 13-week introduction period had to be cut back to 9 weeks. The broker turned out to be completely wrong for this type of product - a good sugar broker. So, Golden Grain fumbled around in Chicago spending far too much money for realized sales until the following September when we went back and helped him appoint a new broker. Today, Chicago and New York are the best Rice-A-Roni markets outside the Coast.

As a result of the Chicago fiasco - we had to pour in good dollars after had to hold the few shelves we had - 1960 plans for market openings had to be revised downward. In the early spring we opened Philadelphia, Baltimore-Washington, and Richmond, Virginia. Now a smidgeon of fear had set in and the client was reticent to start advertising until his brokers had achieved sufficient distribution. These newest markets were slow in coming through and the advertising was delayed until, when we did start, our shortened 8-week introduction program ran right into summer. Sales were pitiful. Remember, he was still holding and building on the Coast and in New York - and fumbling for distribution in Chicago. Sales weren't paying for advertising anywhere but in New York and the Coast - (the client set up one dollar per case for advertising in Chicago) - and the 1960 market's advertising was costing close to \$3 per case. Still he had the courage to keep the money pouring in in Television flights for the rest of the year. It was at this point in time that the newspaper ad was revised to include the mail-back coupon. The 1960 Golden Grain budget was \$550,000 -- \$460,000 for Rice-A-Roni.

In the late months of 1960 we heard that American Beauty Macaroni Company, Kansas City, was testing a new product imitating Rice-A-Roni. They called it Rice-A-Bongo. The panic button was down. The Agency met with the client at his home. Our 1961 plans to open Boston, Detroit, Cleveland, and Pittsburgh, were thrown out the window.

We were instructed to tackle Kansas City, St. Louis, Minneapolis-St. Paul, Dallas-Fort Worth, Houston, and other American Beauty markets. This we did. It was a struggle with too few dollars. Brokers appointed at the Chicago Brokers' Convention in December, 1960, were given product and promised advertising when distribution was 60% complete. They got shelves, lost shelves. Some of the markets were opened, others never did develop. All we had was an organization - nationwide. However, meanwhile, Boston and Detroit started moving product. Denver, Houston, Memphis, Miami, and a few others were filling in.

So, in June of 1961 the client bought our recommendation to put up a national daytime Television umbrella in September. We had, by that time, gotten product to stores doing over 60% of the U. S. Food Sales.

We bought ABC daytime network - ten program spots weekly starting September 17, 1961. Distribution filled in far more rapidly, and by May of 1962 we had achieved over 70% effective national distribution. Today that figure is over 80%.

The budget expenditure for Golden Grain in 1961 was over \$750,000, with over \$700,000 going to Rice-A-Roni.

We've used daytime television ever since but are at the point of diminishing returns and are presenting a strong Sunday Supplement print campaign for Rice-A-Roni in the fall of this year to run through 1964.

The 1962 Golden Grain ad budget topped one and a half million. It will go well over two and a half million this year. We are working toward a budget of three million in 1964.

We won't burden the history of Rice-A-Roni with the advent of four macaroni convenience dinners that were sent to national distribution this year. However, their

introduction has posed multiple problems in newer, weaker Rice-A-Roni territories. Our advertising has had to be divided between the Rice-A-Roni line and the New Dinner line. It hasn't hurt much in the mature markets such as New York, Chicago, Philadelphia, and the Pacific Coast. But, we are having to coupon through Sunday Supplements in most of the rest of the country to give Rice-A-Roni sales a hypo that will encourage buyers to consider the dinners. Where Rice-A-Roni is successful, the Dinners have made amazing distribution progress.

All Golden Grain products are excellent values, highest quality, and priced competitively. The client has a boundless faith in advertising and a great courage in its implementation - in spite of the odds, we know he'll succeed.

GOLDEN GRAIN MACARONI CO.
CHART OF OFFICERS

Title	1916	1918	1921	1924	1927	1930	1932
President	D. DeDomenico*						
Secretary-Treasurer	Ferdinand Bendheim* (to 11/17) G. Ferrigno* A. Ferrigno* G. Ferrigno* (to 11/17) Rose Bendheim* (to 11/17) Sylvain Lazarus* (to 11/17) Luther Elkins* (Secretary) (to 11/17)	G. Ferrigno*					

GOLDEN GRAIN MACARONI CO.
CHART OF OFFICERS

Title	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942
President	DeDomenico* F. McCarthy*	DeDomenico* #	DeDomenico* F. McCarthy*	DeDomenico* F. McCarthy*			DeDomenico* (and Chairman of the Board)			
General Mgr.	D. DeDomenico* #	D. DeDomenico* #	D. DeDomenico* #	D. DeDomenico* #			#			
Vice President	G. Ferrigno* #			(Director only) #						
Secretary-Treas.	P. DeDomenico* (Secy-Treas only)		(and Director)	(Secy-Treas only)			(and General Manager)		(V.P., Seattle)	
Director	M. DeDomenico			(and Vice President)			(and Vice President)		(Director only)	
Director	M. Ferrigno	#					A. DeDomenico			
Director	A. Liberti			#			V. DeDomenico (and Sales Manager)			(Secy-Treas, SF)
Director	C.J. Keith						#			

GOLDEN GRAIN MACARONI CO.
CHART OF OFFICERS

Title	1943	1947	1951	1955	1959	1963	1967	1971	1975	1977
President	P. DeDomenico*									
Vice President	M. DeDomenico*					(to 1963) Paul DeDomenico*		Mark Paul* (1974)	Paul Mark	and Asst. Secy.
Secretary-Treas.	V. DeDomenico*									
Vice President	A. DeDomenico* (to 1945) Helen DeDomenico* # (appointed 1949)									
Director	Merrial DeDomenico			(1958 and Assistant Secretary)						
Director						Paul H DeDomenico				

GOLDEN GRAIN MACARONI CO.
CHART OF OFFICERS

Title	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
CEO & Chairman of the Board	P. DeDomenico*									
President	V. DeDomenico*									
Executive V.P.	T. DeDomenico*									
Senior V.P.	M. DeDomenico									
Secretary-Treas.	D. DeDomenico									
V.P., Sales	Wm. Deerfield (So. California)							Dominic Forte		
V.P., Sales	Howard Sather (Pacific Northwest)							John Ralazzo		
V.P., Sales								Stan Shaver		
V.P., Sales								Clyde Smith		
V.P., Mfg.								Steve Favro		
V.P., Mfg.								Bill Hoffman		
V.P., Mfg.								Ernest Straight		
V.P., Mfg.								Carlo Varesco		
V.P., Mfg.								Larry Wilkman		
V.P., Finance								Lou Bono		

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Ruth Teiser

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Newspaper and magazine writer in San Francisco
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Book reviewer for the San Francisco Chronicle,
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Co-author of Winemaking in California, a history,
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An interviewer-editor in the Regional Oral
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Lisa S. Jacobson

Born in San Francisco. B.A. cum laude, Pomona College. M.A.,
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