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WALTER H. SHORENSTEIN:  
AN ORAL HISTORY

Adapted from interviews conducted in 2002 by  
Richard Cándida Smith and Laura McCreery

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Walter H. Shorenstein serving as a Major in the Army Air Corps



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## Lessons Learned from 94 Years of Perspective

*Introductory Essay by Walter H. Shorenstein*

After serving in World War II, I arrived in San Francisco with no job, a pregnant wife, and less than \$1000 to my name. Over the next 60 years I built one of the nation's largest privately-owned real estate firms—San Francisco's largest owner of office properties with distinguished holdings including the iconic Bank of America Building.

I've lived through the Great Depression and several wars, and I've ridden the ups and downs of economic and real estate cycles. Now in my tenth decade, I've seen things and learned lessons that apply to individuals and families, small businesses and multinational corporations, as well as state and federal governments—especially now, as people struggle to make sense of the current financial upheaval. I don't mean to be preachy—I simply want to share some of what I've learned.

It should be clear by now that we can't count on government regulators to protect us. Just because we can sign up for new credit cards or buy things called "credit default swaps," doesn't mean that we should use borrowed money to invest in things we don't understand. Even if our regulatory agencies rediscover their spines, government overseers will never supplant individual responsibility and common sense.

Maybe you should trade credit default swaps if you've spent your entire adult life studying derivative contracts. However, if terms like counter party risk, mark to market accounting, and capital structure arbitrage aren't part of your everyday conversation, then don't risk your future on something you don't understand.

As my company grew steadily larger and more successful, so-called "experts" told me to diversify. I wouldn't. I stuck to what I knew, what I had experience doing. (I have my own personal interests that I've always kept separate from my business, such as the Shorenstein Center for Press, Politics and Public Policy at the Kennedy School, and the Asian Pacific Studies Program at Stanford.)

And don't worry—you won't be missing out on some magical, get-rich-quick, money-making scheme. Just because a new investment fad sweeps through certain crowds, that doesn't necessarily mean it's a smart place to put your money.

Just look at the recent track record of the so-called "Best and Brightest"—the titans of our financial industry and government. While often mistakenly used as a compliment, it's worth remembering the intended irony in David Halberstam's use of the term in his book about the academics and intellectuals responsible for the Vietnam War debacle.

Halberstam used the term to make the point that even educated (and wealthy) people can show extremely bad judgment and make stupid mistakes. He detailed how the "best and brightest"

made “brilliant policies that defied common sense” in Vietnam, and ignored the advice of experienced policy experts.

Education is a wonderful thing, (which is why I’m closely involved with both Harvard and Stanford), but it’s not everything, and classroom learning can never completely replace real-world experience. Most of the successful real estate folks in my day never went beyond grammar school.

My most valuable education came from serving in the military, and spending the Great Depression helping my dad sell clothes at his store. There’s a great Yiddish word, “seykyl” which translates loosely as “street smarts.” I always preferred to hire people with street smarts than book smarts.

It’s said that if you’re chased by a tiger, you don’t need to outrun the tiger, you just need to be faster than the person next to you. Similarly, many wealthy people have learned that you don’t have to be super smart to succeed, because there are always dumber people out there.

Advanced degrees and computer models too often replace common sense. Financial common sense is not that different from old-fashioned, back-to-basics, everyday common sense: What goes up usually goes down, and vice versa. If you don’t understand it, don’t invest in it. If it sounds too good to be true, it probably is. Invest in things you understand—companies you trust, that make products you use and appreciate. Don’t over-think things, trust your gut instincts.

In the military, one of my duties was to assess new recruits and assign them to a service branch. I had 15 minutes to evaluate their character and decide their fate—I had to trust my gut. And I still trust common sense and gut instincts more than a group of people with PhD’s and fancy computer models.

Be careful with credit. Using leverage can be useful and necessary—but don’t overdo it. When I bought the Bank of America building, the most cash I had into the deal was \$2 million—a relatively small portion of the total package, but I did my homework and understood my risks.

Too many families and governments underestimate or simply don’t understand the power of compound interest. Just as compound interest can work for you in a good investment, it works against you with lingering debt stuck on a credit card or a mortgage. Warren Buffett says that “borrowed money is the most common way that smart people go broke.” I would emend that adage to include smart countries.

Financial institutions used to be limited to a 10:1 leverage ratio. However, recent regulatory changes loosened the limits and freed companies like the late Lehman Brothers to gamble recklessly with the house’s money. After they crashed and burned, we learned that Bear Stearns and Lehman Brothers were leveraged more than 30:1.

In the midst of the froth and excitement of a bubble economy, there is always a boisterous and delusional group declaring an end to gravity and logic. People claiming that “the old rules don’t apply” are simply part of the pattern—an element of the cycle that repeats itself in every bubble,

from tulip mania in 1636 to the recent tech bubble. In my line of work, for example, Real Estate Investment Trusts (REITs) were all the rage in the early 70's and late 90's, but what do you think happened to them in the 80's and again now? To paraphrase: "Those who refuse to acknowledge the cycles of the past are condemned to be unprepared for them."

The absurdity of bubbles seems obvious in retrospect, but it's the simple things that get overlooked and forgotten during wildly prosperous times. Deregulation and irresponsibility have combined to give individuals, businesses and governments too much access to capital and not enough understanding of market cycles.

My military experience taught me to be ready—to have not just a Plan A, but also a Plan B and a Plan C, because things change, and while you can't control everything, you can be prepared for variety of circumstances. These are interesting, but not unprecedented financial times. It's simply time for Plan C and an extra helping of good old-fashioned common sense.

*San Francisco, California  
January 2010*



## Getting Started

**Question:** You were born in 1915?

**Walter Shorenstein:** Yes, in Glen Cove, Long Island, about thirty miles east of New York, on the north shore of Long Island. Its connection with New York was the Long Island Railroad. Many people worked in New York, but for lots of people in Glen Cove, New York was just some great big place far beyond where we lived. It was really an extraordinary thing to go to New York in those days. The roads were not the best, and the traffic could be intimidating as you entered the city. My mother was born in Glen Cove. My father's family came from Austria/Poland/Russia—the borders were always changing, so it's hard to say, exactly.

My father had a clothing store, and my mother was a housewife. My grandparents had a grocery store removed from town. My maternal grandmother was kind of a business person; everything revolved around her.

**Question:** What was her name?

**Walter Shorenstein:** Libby Kabnick. My grandparents prospered in their way and did well enough to send all the boys to college.

Glen Cove High School was a rather good high school, with good teachers. There were huge estates in this community. J.P. Morgan, and the Pratts, and the Payne-Whitneys had estates in Glen Cove. Many families with major fortunes had grand estates in that part of Long Island, particularly in Glen Cove, Seacliff, Locust Valley, Westbury and so on.

The merchants in the area did quite well with this kind of wealth all around. My father's main trade was in attire for people who worked on the estates.

**Question:** How did your father get into the clothing business?

**Walter Shorenstein:** My father's people came from the Austria-Hungary area. They lived in the Brownsville section of Brooklyn.

**Question:** Did they come over having a little bit more money?

**Walter Shorenstein:** Nobody had money! When they came over, they just had barely enough money to get here. My grandmother came over by herself. I think she may have been thirty or thirty-five, a widow with four children. A matchmaker tried to arrange a marriage with some widower, but my grandmother resisted that and decided to come to the United States by herself. When she came to Brooklyn, she became a very good business woman. A lot of people started off in life as poor immigrants in the Brownsville section of Brooklyn but went on to become very prosperous and important. She earned

enough money to bring her children over, one by one. The eldest one, Hymie Schorenstein, became an important politician.

This was prior to the era of the New Deal, and there was no social welfare system to speak of, so those with political ambition would go to Ellis Island and bring people in and find them a place to live and get them a job of some kind. They gave them coal in the wintertime, and if they didn't have any food, they fed them. This established loyalty and a strong political base for those in a position to dispense favors.

Most people in Glen Cove earned their money as estate managers or chauffeurs or in some business related to upkeep of the estates. Some of these estates employed a hundred people or more. That was kind of a golden age. J.P. Morgan had a huge estate there.

You weren't allowed on the estates, of course, but somehow we found our way out there, saw how they lived. And you'd say, "Gee, someday I want to live like that!"

After I got out of school, I got a job at a department store in New York, Alexander's. This store was doing good business even during the Depression. I was in the boys' department there, and I became one of the better salesmen. Eventually they transferred me to become the manager of the boys' department at one of their other stores.

Right after that I was drafted.

**Question:** So this is 1940, '41?

**Walter Shorestein:** The year before Pearl Harbor. My draft number was twenty-five. I don't think the Army had more than hundred thousand people, so they were looking to identify men with an IQ over a certain level.

I guess I scored well, so I was assigned to the classification section. We were to interview people as they came in and assign them to various branches of service. The work sharpened my mind and my instincts about people. You had to make assessments in short order, just fifteen minutes with each person. If you took too long, they'd put somebody else in there, so you knew that you had to do it.

After the end of one year, I was discharged. It was just after Thanksgiving.

I remember I was looking for work when I heard about Pearl Harbor. I drove back to the camp I was in, and I reenlisted. So I was in the reception center for another year. During those two years, I think I interviewed over twenty thousand people, from people with an IQ of 30 to a guy who had an IQ of 150.

At the end of my second year, the whole reception center was converted to a civilian-run operation. I put my ear to the ground and learned they'd be needing quartermasters to supply the troops. I applied to the infantry and I was accepted to quartermaster school.

I graduated fairly high in the quartermaster school and I was assigned to the Air Corps. The Air Corps was part of the army but was becoming an independent body. I was sent to Columbus, Mississippi, where there were establishing a new headquarter company.

The person who was building a major quartermaster depot in Mobile, Alabama, was asking for officers. Lo and behold, I found myself in Mobile, Alabama. The person in charge there ultimately became MacArthur's quartermaster. He was a colonel. He was a tough taskmaster, and you damn sure better do everything right.

We worked around the clock to prepare Air Corps troops for the African invasion. The planes would come in, loaded with winter clothing. They were confusing the enemy to make them think that since they had winter clothing, that they were headed elsewhere and not to Africa. All night long, we would take the winter clothes and replace them with supplies for the African invasion.

I became a Captain and went to the Advanced Field Grade Quartermaster School, and then after that, I went to the Air Corps Command and General Staff School. I feel that this was my MBA training. I learned to use resources in a very calculated way toward a certain objective. I had this training and a lot of responsibility that I couldn't have had any other way, and at a young age. This colonel that we worked for, Colonel Ross, was a real tough guy, a taskmaster and perfectionist. After the African invasion, he became part of MacArthur's staff. He had a great influence in preparing me for my career in civilian life.

I was transferred to a base outside of Detroit. I hoped to be sent to Australia with Colonel Ross. I was sent to Travis Air Field to wait for my overseas orders, and while I was there, I was asked to do an evaluation of the base's operations. They liked my work and I got orders to stay there as Quartermaster. I was eventually promoted to Major.

That was a crucial time in my life, I see now. It meant a lot to the person I became. I would say that the military schools I attended were the equivalent of, or better than, any MBA program. The military trains you to be ready for anything, to have redundancy, Plan A, B, C, in case of disaster. And you do all of that with limited resources.



## **The Post-War Years: Arriving in SF with No Job, a Pregnant Wife, and Less Than \$1000**

**Question:** You were discharged in San Francisco?

**Walter Shorenstein:** When I arrived in San Francisco, I had my last month's pay, and two months' termination pay, which was less than a thousand dollars. Phyllis and I were newlyweds and expecting our first child. Phyllis was from Kansas, and her family was there. We knew just one person in San Francisco, I think. Someone I knew from Travis Air Force Base. This was Warren Hellman's father, Mick Hellman, who'd been an executive of officer at Travis Air Force Base. Mick had money when no one else did, and he was always very generous about using his resources to improve conditions for soldiers on the Base.

**Question:** You were mentioning that you were newly married when you were discharged from the army. How did you meet your wife?

**Walter Shorenstein:** There were always various parties or places where you could meet girls, and I met Phyllis at one of those things. John Hunt was the commissary officer, quite a character; he was from the Ozarks. I was best man at his wedding. He and some other friends put on a real wedding for me. They managed to bake a big wedding cake in the commissary. Our wedding was an excuse for guys to have a party. We were going up to Calistoga for our honeymoon. This was the era of gas rationing, and we ran out of gas going up the hill to Calistoga, and I didn't have any gas rationing stamps. So Phyllis and I spent our honeymoon night in an all-night bakery, until someone came along with kerosene, and we tried that in the gas tank.

When Phyllis was pregnant, I had so much seniority, I was discharged. We went to Phyllis's house in a broken car. I think I paid six hundred dollars for it. We visited her home in Wellington, Kansas.

**Question:** Had you met her folks before?

**Walter Shorenstein:** No.

**Question:** Were they business people, or farming people?

**Walter Shorenstein:** Farming people. Actually, Phyllis's father was killed in an automobile accident when she was around eight years old. He was a mining engineer who worked for Phillips Petroleum. Phyllis had a guardian who lived in San Francisco. He was the person who was driving the car when Phyllis's father was killed. So he took responsibility for looking after her, in a way.

**Question:** Did she have brothers and sisters?

**Walter Shorenstein:** She had one sister.

Phyllis was brought up in Wellington, Kansas, which was at one time a stopover for the Santa Fe Railroad, and it was a thriving farming community. Her stepfather inherited a lot of farms from his father, who was the local doctor in that region, and he earned income from renting the land. He didn't do the actual farming. They were pretty comfortable.

After we visited her people in Wellington in our six hundred dollar car, we came back to San Francisco.

It was impossible to rent an apartment when you didn't have a lot of money to put down on deposit. Here I was with a pregnant wife and no job, and apartments were scarce. We were staying at the Cecil Hotel.

**Question:** How did you decide to settle in San Francisco?

**Walter Shorestein:** Well, I knew New York was a highly competitive place. San Francisco and California looked much more hospitable. I didn't know if we'd stay after our money ran out, but you see how it is: I'm still here. I was pretty independent and very optimistic that things would work out.

I decided that the way to get an apartment was to try to get a job in a real estate office. I put on my major's uniform. When they discharge you, they tell you if you want a job as an accountant, you go to the board of accountancies. If you want real estate, you go to the real estate board. So I put on my major's uniform, and I went to the board. They sent me to Milton Meyer.

I was given a job with no commission. I had a desk and a telephone, and we got an apartment. It was on Jackson Street on the fringe of Chinatown. Pregnant Phyllis had to walk up three or four flights. When Joan was born, she had to carry the baby up and down.

In reasonably short order, I sold a building, and then I had a five hundred dollar commission, so my thousand dollars became fifteen hundred, an increase of fifty percent. So I got started.

Milton Meyer was quite successful, mostly in apartment houses. Pretty good salesman. I didn't want to get into apartment houses, and there was no real commercial department. One day, a lady called me and said her husband had brand new business and he was looking for a facility. When I called her back, the answer on the phone was Park Merced. She was a secretary to the person running Park Merced. So I said to her, "Look, come hell or high water, I'm going to find your husband a place, but I want you to get me an apartment in Park Merced."

At that time, Park Merced's waiting list was as long as your arm. I found a place for him, and she got me into Park Merced. We lived in Park Merced for two or three years. The

first year, I made about four thousand dollars, but four thousand dollars looked big. Incidentally, while I was at Travis Air Force Base, when we first married, we lived on less than a hundred dollars a month. Our apartment was twenty dollars and all the food came out of the commissary. You had gasoline ration stamps, so a hundred dollars was big. We didn't have any furniture and my footlocker was the dinner table. That's how we started our married life.

The second year I was in real estate, I worked all year on a big deal. So I didn't make much money, but I had enough with that four thousand to take us through the next year.

All of sudden Phyllis inherited ten thousand dollars, and that helped.

This big deal that I was working on, I lost out at the last moment to Ben Swig. This was the Mills Building, which he bought right out from under me. It was practically a done deal, and then it was gone. I'd been working on it for a year. I thought this was the most horrible day of my life.

One day I got a call from someone I'd known while I was in the service, the ex-girlfriend of a buddy of mine. She was a secretary at a shipping company and she said, ' We're looking for space, and I told my boss that he should use you.'

So I found a building that they could move into. The owner wanted to sell it, so I looked around and ran into someone named Morris Stulsaft who was buying and selling buildings downtown. I brought it to Ben Swig, but Stulsaft said he'd buy it, and rent it to these people. By then I'd been in business either three or four years.

**Question:** This was about 1948, '49?

**Walter Shorestein:** Yes. Then I got to know this fellow Stulsaft, and he was buying and selling buildings. I said to him, "The building on the other side of the building we bought, and the buildings in back are available for sale." He wound up buying all three buildings, and the commission was pretty good. Nothing like you get today, but it was pretty good.

I would read the newspapers and find out who was advertising for employees. I figured that if they're advertising for help, chances are they will be looking for space. Bechtel was advertising all over the place, so I went up to see someone at Bechtel. They needed space right away. I was able to rent them the adjoining building, which turned out to be a very good deal for Stulsaft. He had a lot of property in Redwood City, and I was doing things in Redwood City with him. One day he said to Milton Meyer, "If you don't make Walter a partner, I'm going to take him away from you." Milton Meyer never had a partner, but ultimately I became a partner.

As I mentioned, when I got to San Francisco, I thought about calling Mick Hellman, and I thought I might try to get a job through him at Wells Fargo. But I decided to not to look

for a job, because I hated bosses. I didn't want anybody to tell me what to do. In the military I'd learned how to get things done independently, on my own steam.

**Question:** Were you able to apply these kind of things to the real estate business?

**Walter Shorenstein:** Absolutely. Someone wanted something, you found a way to get it for them.

**Question:** So if someone came to you and said, "I need four thousand square feet near the waterfront," you'd figure out a way of getting it for them.

**Walter Shorenstein:** You wouldn't say, "No, I can't do it." Even if it seemed tough, you'd say, "I'll look into it." You'd figure out how to make it work, with ingenuity, while covering all the bases, rule-wise.

**Question:** And the real estate referrals started coming in. How many people were working in the office at that time?

**Walter Shorenstein:** Maybe twenty. But it was a small office compared to Coldwell Banker. When I started with Milton Meyer, he had a reasonably good business in apartment houses, but he was not involved with commercial property. He couldn't compete with the established organizations like Coldwell Banker, Baldwin Howell, Buckbee Thorne, Madison and Burke, Hogan. All these companies were established at the time of the forty-niners, they went back to the gold rush era. Milton Meyer started out selling in the Sea Cliff area, when Sea Cliff was developed. He worked as a sales manager for the developer and then he went into business for himself.

**Question:** Selling the apartment houses and/or managing?

**Walter Shorenstein:** Selling, managing, and so forth. That was not business that these major companies really wanted. They wanted to do the Woolworth deals, the J.C. Penney's deals, the major properties. The point I think that I'm trying to make, is that here are all these old established companies, run by members of the Pacific Union Club, the Bohemian Club. You were a little guy in that context. I think the remarkable part about all this is that when you look at the evolution, none of them are in existence now. I mean, Coldwell Banker exists in name, but it's not that company anymore. All these others companies declined. They didn't bring newer people, and they all disintegrated.

If you look back and say how did I do it, make something of myself, I'd say I had an inner feeling that I could do things when people said I couldn't do it, that it couldn't be done.

**Question:** Who were your role models in the real estate business?

**Walter Shorenstein:** Well, when you start out in the military, and you're a private, you're given KP duty and guard duty. It's five below zero. You see officers sleeping in their own

rooms while you're in a barrack or a tent. They were eating on white tablecloths, and you say, "I want to be like them, I don't want to be one these guys shoveling snow or coal." Then you get to San Francisco and you say, "Who are the successful people and how can you be like them?" At that time, the big real estate people were Ben Swig, Lou Lurie, Sam Hamburger. They were the major real estate operators. I had a kind of uncanny ability to get into to see them. I was determined.

Now, they were busy people, they wouldn't let just anybody see them. But I'd find a way, I'd ask them what kind of properties they needed, or words to that effect.

**Question:** So Mr. Swig, for example, did you go to him and ask to see him?

**Walter Shorenstein:** Yeah, I went to him and said, "You're buying and selling a lot of real estate, and I'm new, and I'd like to get you the kind of real estate you're buying." It was kind of brash. "Please tell me what you're looking for." There was competition amongst them and a lot of jealousy.

**Question:** At this time, did Swig already own the Fairmont?

**Walter Shorenstein:** He owned the Fairmont. Of course the good client that I had at the time was Morris Stulsaft.

**Question:** That was your client? Stulsaft?

**Walter Shorenstein:** He was a very shrewd man. Most of these people never went beyond grammar school, but they were very, very sharp. I guess there was a period in history where the most educated people weren't the people that did well financially. It was the people who had the ingenuity. They weren't coming out of school with an MBA, but they had the instincts.

**Question:** How did you meet Mr. Stulsaft?

**Walter Shorenstein:** Well, in those days, if you wanted to see who was buying real estate, you looked at the Daily Record. It listed the buyers and sellers of all properties and transactions. You'd see Stulsaft, Stulsaft, Stulsaft. So you say, "I have to get to know him." He'd buy some broken down warehouse building south of Market, and then he would fix it up.

**Question:** And they would put in a sewing plant or something like that?

**Walter Shorenstein:** Whatever. He had person by the name of Louis Cohn, who was a local contractor, take him to the building, and fix them up so they could be rented. I mean, he was kind of a "junk man," really, but he'd fix things up.

He started out as a plumber, in the early 1920s, I think. Then he created a plumbing supply business, and he became the biggest plumbing supplier on the West Coast. He was

the one who invented color bathrooms for Hollywood, things like that. He had all his family working for him, but he never married. Hold, he went bankrupt during the Depression. So, he was starting out again after the war was over, because there was not much you could do in real estate during the war period. He became very active in buying and selling, because he was a dealer. The Swigs and Luries were looking at bigger properties, and he was mostly dealing in commercial and industrial properties north and south of Market.

**Question:** You mentioned he worked in Redwood City also.

**Walter Shorenstein:** Later on. His forte was getting properties that were foreclosed by the San Francisco Bank, the old San Francisco Bank; they would turn things over to him with no down payment. He was able to take it off their books and make it good.

**Question:** Did he have family connections to that bank?

**Walter Shorenstein:** No, no. He was useful, he made himself useful. Milton Meyer was also useful to the old San Francisco Bank because he was able to turn over their foreclosed property. What the banks would do is turn over some of the foreclosed properties to various people, like Stulsaft, Milton Meyer, and so forth. Then these people would take the property and fix it up, go back to the bank with the improved property, sell it, and get another property. It was all about getting defaulted loans off the books and making good what had been a liability. That property in Redwood City, which is the industrial park now, Stulsaft acquired all the property from Woodside Road going all the way back. I became useful to him because I could lease some of that property. So that is some of the story about how I started with Stulsaft. It went on, deal after deal after deal.

My introduction to Swig is an interesting story. Someone came to me and said he's related to someone that runs an insurance company. One of these insurance companies that was based in San Francisco. All these companies ultimately merged with Metropolitan and Prudential, so on. This new law was passed where insurance companies were able to save their real estate taxes and charge them against the taxes they paid to the state, a tax break. This insurance company wanted to buy a building. They were interested in a building at the corner of Sutter and Montgomery. It's still there.

So I showed them the building, and I had an offer made on it that was accepted. Now that property was owned by Roy Crummer. As I've said, I was in the habit of looking at successful individuals and thinking, "Well, how can I be like them?"

He wanted to come to the West Coast and buy real estate. He wound up owning a whole lot of property in Beverly Hills, around the Beverly Wilshire where the present Hilton Hotel is. The Hilton Hotel was built on his property. Then he came to San Francisco and bought the property 111 Sutter, Merchants Exchange, and several other properties. Here is a little guy like me, able to offer him a price that he didn't think he would get, but they were willing to pay it because of the savings they'd get on real estate taxes. So we made the deal, but the deal was subject to a provision in the law. They had to occupy a certain

percentage of the property in order to get the tax advantage. So the deal was subject to their ability to find the space for themselves in the building, because the building was leased to other tenants. They had a grace period during which they could investigate the options.

Meanwhile, people would say to me, "There's no way that you're going to get in to see Roy Crummer." Somehow, I was always had the ingenuity to get by the reception and get in the door. I was able to get into the door with Roy Crummer on the basis of this deal. While the insurance company was trying to figure things out during the grace period before they were required to occupy some of the building to get the tax break, Roy Crummer called me and said, "Another buyer's come along and will pay a higher price than yours. So if you're not going to exercise the option, and so forth, I'd like to see if you can get it released to me."

**Question:** And here you were doing him a favor.

**Walter Shorestein:** So when the Merchants' Exchange Building, which he owned, came up for sale, we connected again. He was selling all his San Francisco properties because his partner had developed health problems.

**Question:** Where was Crummer based at this time?

**Walter Shorestein:** He had a horse farm, which he invited me up to, outside of Reno. That was extraordinary. He also had a big Lake Tahoe home, which he allowed me to visit. I guess I was intriguing to him too. He may have seen something in me that reminded him of himself when he was younger.

So when the Merchants Exchange Building came up for sale, he said, "I'm going to let you sell it." He gave me a price. I took the building up to Ben Swig first, I offered it to a lot of small investors to syndicate it. They were advised by their lender "That's an old building and you guys ought not to get into it." So I took the building to Ben Swig. I think it was around three million dollars, which was a big deal in those days. I said, "Roy Crummer wants to sell this building, and he's asking three million dollars for it. I think it's something you ought to be interested in." He said to me, "Why should I pay Roy Crummer three million dollars, when I could've bought it at the time he bought it for under two million dollars?"

I said to Ben, "Look, this is probably a better buy today for three million than it was two million when he bought it. You can do more with it." I outlined what I thought what he could do with the building. One thing that I was good at was research. Again, that was my army training. I made a strong presentation to Ben. He said to me, "Would you put your commission in the deal?"

I said, "I think enough of this building, if you were to loan me the money, I would like to own 50 percent of the building. I'll sign a note to you for that." It was a million-dollar

down payment, so it was five hundred thousand for his 50 percent. He said to me, "I'll loan you the money."

So I went back to Roy Crummer and said, "Ben Swig is willing to buy, but he won't buy unless I become a partner. I want to reveal that I'm going to be a principal in this thing. I want you to know it. I don't want you to get it from somebody else." He said, "OK." And then the news hit the street.

We used to walk along Montgomery Street (our office was on Sutter Street, next to where the Wells Fargo Building is). You'd run into everybody, all the real estate people. I was walking along Montgomery Street, and I ran into Earl Le Master, who was chairman of the old Pacific Bank, which became Security Pacific. He said, "When are we going to do some business with you?" And I said, "Well, I have a deal."

I'd gone to see Hal Smith, who's head of the bank which became Crocker-Anglo. I said to Hal, "I'm doing this deal with Swig, and rather than have the note to Swig, I'd feel more comfortable having the note with a bank. But you know I have no savings." I said to him, "Ben Swig is one of the smartest real estate people in this town. He doesn't make any mistakes. He's willing to buy it. He wants to loan me \$500,000. But I would never be a true partner, having a loan to him, unless I had a third party loan. So I'd like to have you to loan me the money."

Hal said to me, "If I took this deal upstairs, they'd throw me out. But I have a \$250,000 limitation, and I'll give you the \$250,000. You'll have to get the other \$250,000 elsewhere."

Then I ran into Earl Le Master. I said, "Let me come into your office, and I'll explain something to you that I think you'll be interested in." I went in to see him, and in those the days when you talked to the senior person, you didn't have to fill out an application and go through twenty people to get a loan. You went to see the number one guy and he'd say yes or no, and that was the end of it. I mean, he was the loan committee. I said, "Ben Swig is going to have 50 percent of the deal. Hal Smith is willing to put \$250,000 into the deal, and if they're willing to do it, you ought to be willing to do it too." Which he did.

And then I went up to Ben and said, "Ben, I don't need your \$500,000." This put me in a little different position, because in order to accomplish what I had in mind, I had to have the freedom to do it and not have to report back to Ben all the time. This has been my way. I've always wanted to be the managing partner. I was willing to put the capital in the thing, but I wanted to be the managing partner. I didn't want to go back to their bureaucracies to ask permission to do something.

**Question:** Well, you said you didn't like bosses.

**Walter Shorenstein:** Well, you had to have the power to do it, so you wouldn't have to have a boss.

So I acquired that property, a million dollars down, two million dollar loan. We were able to borrow the full three million dollars from a life insurance company, so we wound up with nothing in it. So I became a big hero. But I think my mind was more organized in this way than the average real estate person. I saw the opportunity and figured out how to take advantage of that opportunity.

**Question:** Talk a little a bit about some of the other competitors. You mentioned Lou Lurie for example.

**Walter Shorenstein:** Lou Lurie was always competitive with Swig. When I'd be doing business with Ben, Lurie would say to me, "If you ever have a deal that's interesting, bring it to me; I'll do better than Ben."

**Question:** Did you ever take him up on it'

**Walter Shorenstein:** No, because, you had to deal with one or the other, you couldn't deal with both. So I stayed with Ben, but I always visited with Lou. And I learned a lot. I would spend a lot of time with Lou Lurie, Ben Swig, Sam Hamburger, Morris Stulsaft and say, "Look, tell me how you think I could be useful to you."

**Question:** Where did they socialize, by the way? Where did they get together?

**Walter Shorenstein:** The social club was the Concordia Club. The big deal there was the card games. Wednesday night was Men's Night Out. I'd play, but my mind was not concentrated on the cards. Phyllis was not much on going there for the Friday night dinner, or Saturday night dinner, things like that. I tried golf once, and that meant I took some lessons, which meant getting up at six o'clock in the morning on Saturday, so you could tee off early. I was competitive, and I would be the worse golfer of the group. I'd wind up getting home at three o'clock in the afternoon, thinking "I want to spend some time with the kids." Saturday mornings were good times to spend with the kids. I didn't care about social acceptability. I cared about acceptability by the bankers and financial people.

Phyllis was involved with Mt. Zion Hospital.

**Question:** What was she doing with the hospital?

**Walter Shorenstein:** She belonged to the auxiliary. She put on one of the social events to raise money for the hospital and she was chairperson of it.

I knew Mick Hellman and the Hellmans were big in the Mt. Zion Hospital. I knew Mickey Hellman from military service, and Mick always treated me well. They wanted a younger real estate person on that board and Mick suggested that I go on the board, or least that's the way that I heard it. Then I did acquire some of the properties for the hospital, and I never charged a commission. But then I decided that being a board

member, you had to sit there, you didn't have that much to say, because you were a newcomer on the thing. So I was not comfortable on boards.

It's always the same thing: unless you can dominate it, you don't want to become part of it.

## Commercial Property

**Question:** Around this period, are you moving into office space? Are you still dealing with apartment property?

**Walter Shorenstein:** I was getting out of apartment property, for several reasons. Bit by bit, office buildings started looking better. Shopping centers were enticing.

**Question:** And your first high rise?

**Walter Shorenstein:** Was that in '63?

**Question:** 111 Pine. Well, what is the story behind it? How did you get Ben Swig to back that?

**Walter Shorenstein:** Through our connection with the Anglo Bank we wound up being the leasing agent for the first commercial office building built in that era, the International Building, on California and Kearney. We didn't know anything about leasing office buildings, but somehow or other we did it. After it was leased, Ben Swig owned a property on Pine Street and I said to Ben, "You know, there hasn't been any office buildings built in San Francisco over this period of time. I think if you built an office building on that site, it could be successful. Ben said to me, "Would you take an interest in the thing?" So I wound up with a third interest. And our ability to build 111 Pine, and lease it successfully, led to the opportunity with Mutual Benefit at One California Street.

**Question:** So you were the managing partner then for 111 Pine?

**Walter Shorenstein:** Yes.

**Question:** So you chose the architect?

**Walter Shorenstein:** No, Ben Swig and Jack Wyler did all that.

**Question:** But that was your first construction project?

**Walter Shorenstein:** Right, but I was more passive; my role was leasing.

**Question:** Did you line up the tenants ahead of time?

**Walter Shorenstein:** No. That's a story unto itself. Ultimately it worked. When I look back at some of the deals, I said, "How did you do that?"

**Question:** What did you learn from that?

**Walter Shorenstein:** (A), if you're going to build a building, build a quality building or don't build it. (B), find out what the tenants would want in a building before you build it.

What are they looking for? What's the criteria? What would make them make the decision to be in your building over something else? How can you justify the economics of this thing versus the existing building? You had to design to get as close to 90 percent net usable to net rentable. Because the tenant didn't want to pay for a lot of space they weren't using. So you had to learn how to design a floor plan. All the buildings that we built that were successful, because we had good floor plans.

**Question:** So, 111 Pine didn't have the level of quality you ultimately thought it should have?

**Walter Shorenstein:** 111 Pine was useful for its era, people looking strictly for price, and would be willing to put up with other things in order to get the price they wanted. Later on, tenants would spend a little more money to be in your building.

**Question:** Did unions come into play at 111 Pine?

**Walter Shorenstein:** I always had very extraordinary union relationships. I was the only employer ever honored at the annual union dinner where they honor union leaders. We made sure we had very good union relationships. This worked well for us, because we never had a day's work stoppage in any one of our buildings.

**Question:** Never?

**Walter Shorenstein:** Never. I never had a strike called on us, and that's a story unto itself too. Because when all these people wanted to get rid of the janitorial union and break it, we kept the union together.

**Question:** I read that 111 Pine was eighteen stories. How did you decide how tall this building would be?

**Walter Shorenstein:** I think at that time, I think the FAR, floor-area ratio came into play, and I think that's what you could build.

**Question:** How did you go about finding new tenants for your new building?

**Walter Shorenstein:** Giving them better deals than they had elsewhere. A newer space, a more efficient space. They liked us as a landlord. We made a lease with Union Carbide, a twenty-year deal at a lower rent with no escalation, no nothing. We got IBM into the building. Behind each tenant is a story, a deal.

**Question:** How much demand did you see for office buildings, for high rises in San Francisco?

**Walter Shorenstein:** If we analyzed it that carefully from the start, we might never build it.

**Question:** So, building by building, you create demand.

**Walter Shorenstein:** Yes, but before Mel Vidor of Mutual Benefit would build One California, he said, "Make a list of all your potential tenants." So I made the list, I contacted Bank of America, Bechtel, PG&E, major tenant users, and asked, are you going to expand in San Francisco? Are you going to be looking for more space down the road?



## Running a Successful Business

**Question:** Where did you find your employees?

**Walter Shorenstein:** The people that wanted to get in the real estate business came to us. I'd say "Here's a desk and a telephone, go to work." It was strictly commission. Sometimes it was difficult to control.

**Question:** Did you care whether they had college educations?

**Walter Shorenstein:** No, and some of the most successful ones didn't have college education. Later on, many of them did, but the most successful ones were those that grew up in the street. Had street smarts. Like Sam Hamburger. He was a barber. Probably didn't have an education beyond the eighth grade, but he was very sharp. It was all creative ingenuity. The stereotypical deal maker today is the individual who has an MBA or a law degree, or something like that; they're the ones involved in major real estate transactions now. But that wasn't true in those days.

**Question:** How closely did you work with the young guys that were starting your company?

**Walter Shorenstein:** Well, you know, within two, three, four months, you knew whether that person was going to be successful and you'd begin to work with them, because they became a source for properties to you that you could bring to the Ben Swigs and Sam Hamburgers, and people like that. One of the most successful individuals said his strong index finger was the key to his success: "If you ring enough doorbells, you're going to be able to dig something up." So, they would bring the property to me and I would shape a deal to present to Hamburger, Swig, the major buyers. In those days, there were just a handful of major operators, and you had to deal with them. Today, you're dealing with more institutions, and they require you to document everything before you make presentation. In those days you'd present the basic facts and take it from there.

Now we live in the era of MBAs and so forth, and you don't see people coming into the business the way I did. If someone came to me and said to me, "I don't have the grades to go into a good business school. I know I am hardworking, reasonably intelligent. What would you advise?" You know, some people just have commercial savvy, street smarts, whatever, and I recognize that in a person.

**Question:** You might give such a person an opportunity, but 99 percent of the rest of the world wouldn't.

**Walter Shorenstein:** And I think that's a shortcoming, a loss. This country grew great because of a lot of pioneers who were smart but didn't have much formal education. Now Wall Street's expectations seem to call the shots, but most great businesses, like Hewlett-Packard and Ford, were started by creative, entrepreneurial individuals. Now things go public quickly and, see what happened in Silicon Valley? It's soon beyond the scope of the creators of the business to understand the financial side of it, to understand the

marketing side of it, though they knew how to produce a good product. So they bring in professional managers. The professional manager was trained to conduct himself according to a norm, or a business pattern that was laid out by and for MBAs. To that type of person, the kind of creativity I brought to the deals I made when I was starting out would seem counterproductive.

There's a good Yiddish word for what you need in business, something that you can't necessarily get with formal education; you always have to have *seykyl* in business, which means good judgment. Fair dealing. Not too difficult to do business with. The word encompasses so many things, and how do you really express it? You don't get *seykyl* in a business school.

**Question:** You mentioned reaching a point where you had a comprehensive knowledge of the market. Do you think of a particular time when you feel you reached that point? When you really knew your business from all aspects.

**Walter Shorenstein:** Well, I always felt I did. I felt I knew more than other people. Maybe it was because I was more analytical, in a way. I think that analytical ability came out of military service. It was the combination of analytical knowledge and political savvy that you need when you can't achieve your objective easily. You had to know how to get along. It was Tip O'Neill who said, "To get along, you have to go along."

**Question:** A lot of your success has come from your ability to take risks of one kind or another, and I wonder how you think you learned to do that?

**Walter Shorenstein:** If you're not a risk taker, you should not be in this business. The definition of a risk taker is one who operates with the most knowledge within themselves. Someone who listens to the inner computer. The information you need is not written down somewhere. It's in you. That's where you get the confidence, or the green light. We used to play follow-the-leader. I remember that I jumped off the porch once and literally landed on my head. I wasn't going to follow the leader anymore. I was going to do what I was going to do. That's in your nature. I mean, there are people that are leaders and followers.

**Question:** You mentioned before, as one of the themes, that you came into a field in a town, like many towns, where the old guard was in charge of things and were complacent, and this presented an opportunity for you.

**Walter Shorenstein:** Well, I think when we touch on San Francisco, we have to touch on that.

**Question:** There is also a way in which the way you talk actually seems to distinguish you from a lot of your peers, a lot of the people in of your age group in American business. You've talked about value-added service, delivering quality product, not nickel-and-diming the tenants, making sure the building is well maintained. Histories of American business speak of the 1960's and the 70's and 80's as a period were running down assets while banking on future income. I wonder

where you got, and how you stuck with, this idea that you could make a fair profit from not cutting corners.

**Walter Shorenstein:** Well, maybe that's part of the larger view. Let's see how we address it here. Number one, a customer does not go into your store unless he feels that this is a store that he wants to go into. He passes twenty stores, he passes ten restaurants. He doesn't go in there on the basis that he thinks he's going to get something better than he can get elsewhere at a better price. It's your job to understand that that customer had a lot of choices before he walked into your store. What is he looking for? Why did he go into your store versus all the others? What tips the balance? What can you offer that will make him a buyer instead of a looker. Because he may go in the store and look around and walk out. So, you have to truly understand the customer. The customer is not dumb. He's spending his dollars.

Now, I think that the customer is lured more by the glitz than was the case previously, partly because there wasn't as much glitz everywhere once upon a time. Still, there's nothing more important than the customer buying the product and telling his friend, "I bought this, I'm happy with it, and this is where I bought it." You can spend all your money in advertising, but if your customers go around telling people that the tellers are courteous and take care of you right away, that's better than all the advertising you can buy. Too many businesses lose sight of the fact that the first person their customer sees while doing business is the desk clerk at a hotel, the teller at a bank, the receptionist in your business, and he forms his impression as he walks into your place. If that person is probably underpaid, or doesn't like the job, you may have a much bigger problem. Pay attention to the details. You don't get this from a consulting firm like McKinsey.

What is a definition of leader? The lead dog who doesn't have to smell the other one's heinie. Doesn't mean you don't pay attention to details. You provide a service. There are other people that don't want to be sniffing heinies, either, and you have to stay on top of the details to remain the lead dog.

**Question:** Perhaps we'll talk about some of the specific properties. We've talked about the Merchant's Exchange and 111 Pine. What were your important deals after that?

**Walter Shorenstein:** Well, I started knocking on the door of Bechtel because envy. While; at for personnel, so I knew they were growing and would need space. They traditionally did business with the old firms, but they weren't getting the service they wanted. Bechtel needed two or three offices, quickly, and they weren't servicing it, and I said them, "I'll be back here within a day, and bring you several possibilities." So I started doing the small deals with them that Coldwell Banker and others didn't look at. Sooner or later, I got to do other deals with them. I guess Bechtel was in the Mills Building, and they were thinking of building, their own building and the sites offered to them were the expensive sites that were either on California Street or in that financial district. I happened to say to the person in charge of real estate, I said, "You're looking at these various properties here, but you could be south of Market, and your customers don't need you to be on California or Montgomery Street, because your customers go wherever you

are. It would be far more economical to be south of Market, where you can acquire property for around \$30 a square foot. Anything north of Market would be in the \$300 a square foot range."

They said to me, "Well, you got any suggestions, bring it in." I suggested a certain location. Finally they said to me, "If you can acquire this for this price, we'd be interested in it." I said to him, "Well, it would require many transactions, because all of these were smaller parcels that you have to assemble." Ultimately, it took over thirty transactions to assemble this property, and I couldn't get it for \$30 a square foot. This was on Beale Street off Market Street. Finally they said to me, meet Steve Bechtel. He said, "Look, we'll deal with you like we deal in construction. If we have to pay more than \$30 a square foot, you have to give up part of your commission to do the deal. But if it's under thirty dollars a square foot, we'll pay you a bonus."

When it was all over, I got the bonus. I still have the letter that came with the check. When I got it, I said, "You don't have to pay me any bonus, we already earned our fee."

In those days the area south of Market was looked upon as a bad location, in a way, and no major company would go south of Market. The financial district was always on the north side of Market Street, all everyone wanted was that kind of address. I told Bechtel that their move south of Market would enhance all the property values in the area. I told them they should buy additional property.

Their senior executives were focused elsewhere and didn't want to shift their attention to real estate. So I took the opportunity to pursue the situation.

They said, "If you're interested in buying 50 percent, then we'd be interested in buying the other 50 percent." I had to borrow my 50 percent. We acquired literally two blocks in that area. They expanded and built a new building, which is presently 425 Market Street. Bob Bridges, Bechtel's attorney, was very astute, because he put together a lot of joint ventures in construction, and he knew how to make these complicated deals work for everybody: Met Life, Bechtel, Crocker Bank, IBM, and me. All these things were linked, and now I was doing major deals, in the league of Coldwell Banker.

**Question:** Were you dealing with the top levels in each of those organizations?

**Walter Shorenstein:** You had to deal with the top level. In those days you didn't deal with the lower-level people. The bureaucrats did not get into this.

**Question:** One California was completed in 1969. Can you tell us about that deal?

**Walter Shorenstein:** Well, Mutual Benefit wanted to build a building in San Francisco, as a prototype for other office buildings that they were going to build throughout the country. They saw Ben Swig, and as was typical then, they did business with Coldwell Banker. Coldwell Banker acquired the site for them on California Street.

They were not completely satisfied with Coldwell Banker. So they went to Swig, proposing to finance the deal and get 50 percent ownership.

Swig said to them, "I can get 100 percent financing from anybody, and I don't have to give fifty percent ownership up. So, I don't know whether I'll be interested in the deal."

They asked him if he knew someone maybe younger who would be interested in this kind of deal. Ben had them talk to me. They came in to see me, and said that they knew more about me than I knew about myself. They presented the deal. I went back to Ben and said, "You know Ben, I wouldn't do this deal unless you would have the call on anything that I do. You have the call on 50 percent."

**Question:** Who exactly made the offer of this deal?

**Walter Shorenstein:** Mel Vizer of Mutual Benefit. He was financial vice president and chairman, a major player in the New York area. In fact he was responsible for building the World Trade Center. It was Mutual Benefit's money that originally financed the World Trade Center. And Paul Stillman was involved. Paul Stillman and the Rockefellers controlled New York.

Mel outlined a consortium deal between the architect, the contractor, and the real estate side. They wanted to bring everyone in, invest them, to get the most economical work out of everybody.

But they ended up paying the architect, Welton Beckett, a straight fee, so he was out of the deal. On the construction side was Trammel Crowe. I think he owned Fuller Construction Company, a major construction company. Trammel Crowe came in to see me with the Coldwell Banker representative, and he was very condescending:

"Who are you to be involved this major deal?"

I went back to Mel Vizer and said, "I don't think that I can get along with Trammel Crowe." I said, "There are contractors in this city that would do it just as cheap, if not cheaper."

So that's when I brought Haas and Haney in. It was it was very complicated transaction, where Mutual Benefit would own the land, and lease the land to the entity that would own the building (their concept of the ground-lease approach). I had John Steinhardt, Ben Swig's attorney, draw up the documents. John Steinhardt was pretty rigid in his requirements for Mutual Benefit. Mutual Benefit said, "We're putting up the money. We don't want your lawyer to telling us how the deal should be put together."

When the final documents were presented, John Steinhardt said to me, "You should never sign that. That commits you to a lot of things that could destroy you."

I said I could sign the documents. John said that if I did, he was duty bound to tell Phyllis that I'm endangering our estate.

I said, "Go ahead."

While I was on the plane, I was paged, and it was Steinhardt. He said, "I'm still telling you not to sign these documents." I said, "John, it's my decision."

He said, "I'm still going to tell Phyllis." I said, "OK, fine, but you're my ex-lawyer." He said, "Well, you need me to finish the deal."

I said, "No I don't." I went in to see Mel Vizer and said, "Here are all the things that John Steinhardt says will present potential liability." Because I was guaranteeing the price of the construction of the building, guaranteeing a lot of things. Mel Vizer said, "Look, we're never going to hurt you, and to indicate that we won't hurt you, I want you to shake my hand. We have to do the documents this way, but as long as I'm around here, we'll never do anything to hurt you."

So, I signed the documents. I did the deal, and you know, it was a stretch to get the building occupied, but I did it.

I remember our first office building ever, the International Building, on the corner of California and Kearney. We were chosen to handle it because we'd really made a name for ourselves. After that, I told Ben to build 111 Pine, because I had a good feel for what was happening in the office real estate sector. That was the first building built by an individual investor; and the earlier buildings, the Equitable Building, and the International Building, were built by corporations.

**Question:** I have another question about One California, if you don't mind. Did you have any regrets about the deal you struck there?

**Walter Shorenstein:** Never have any regrets. Just do it. It turned out very well

**Question:** Had you worked much with John Steinhardt before that time?

**Walter Shorenstein:** Well, he was more or less Ben Swig's lawyer, so he handled the major legal stuff. Whatever document's put in front of me, I sign it, I don't worry about it. I mean, ten or twelve years after I signed those documents was the first time that either one of us really looked at the documents, because we were trying to interpret a clause. In those days you were dealing with people, not focusing on the documents. People trusted each other. Handshakes meant something. Relationships meant something.

The One California Street led to us working with Mutual Benefit to build 5900 Wilshire in Los Angeles. Same kind of concept or deal. Later I did a deal with them to build something in Kansas City.

**Question:** Did you manage these buildings?

**Walter Shorenstein:** Yes, which added another dimension. Companies were looking to simplify their hiring, operations, whatever. Dealing with regulators. They were looking to move out of places like Newark to the Midwest or whatever. We said to IBM, "What other cities are you looking at?" They said, "We're looking at doing something in Kansas City." So we created a joint venture with IBM and Mutual Benefit in Kansas City.

**Question:** And these were all new buildings?

**Walter Shorenstein:** All new. I saw some of the same kind of thing in Kansas City—an old-line banking family condescending to IBM, a possible buyer of property in Kansas City. IBM walked away from them, didn't like their arrogance. We got a different site, controlled by Hallmark. Hallmark was a big entity in Kansas City, and they were building a center for Hallmark Cards, and they had a site there, and that's where we ultimately wound up.

You know, it was an attitude I'd seen in San Francisco: we're the establishment, and everyone else is inferior. And that attitude has no place in making good deals, economically good deals.

So we became property managers, in addition to making deals. We were very attentive, focused on service. We were a service organization. We tried to accommodate the tenants. Didn't say, "No, look at the lease." If they wanted more heat, more air conditioning, we'd try to accommodate.

**Question:** Do you have a favorite example of that of how you worked with the tenants in that way?

**Walter Shorenstein:** I would personalize things. I would get to know the manager of that division. He could call me directly about problems. Then I developed a concept of getting tenant administrators in a building, I was one of the first to do that. I said her job is to be very close to the boss's secretary, and be available if there's ever a problem. We didn't nickel and dime the tenant.

**Question:** And the tenant administrators, did you hire those yourself?

**Walter Shorenstein:** The tenant administrator was supposed to see to details, make sure the tenants were happy. I'd write to them once a year, at Christmas, and say, "Appreciate your tenancy and we had a great year together, and if there ever any problems, feel free to call me personally." But I'd never hear about complaints, because a person would get fired if I had to get a call myself, if the problem was not handled at the intermediary level.

**Question:** Why were the tenants so important to you?

**Walter Shorenstein:** Tenants were important because anybody looking to rent space from you may call up one of your tenants and say, "We're thinking of moving into this building. How's the landlord?" We wound up with well over a million square feet with Bechtel and well over about two or three million square feet with PG&E; over a million square feet with Bank of America. We wanted to be sure that major users were happy with us. A big office building is a mini city.

**Question:** I have a question. When you fired John Steinhardt, what did you do about finding another lawyer?

**Walter Shorenstein:** Well, I recognized that in order for me to be a co-equal, I had to find a law firm that was an establishment law firm. Pillsbury was the major law in San Francisco, and I went up to see them. They didn't have much of a real estate division, or didn't care about it. At that time they would only accept a client in a particular industry. That changed, but we became their one real estate client. They were intrigued because of the quality of the business I was bringing to them.

**Question:** How have business practices changes over the years?

**Walter Shorenstein:** The lawyers and the MBAs have become more important in all deals, of course. But let's put this in context. The institutions got burned badly in the 1990s, when real estate collapsed, and with the savings and loan collapse. So the institutions started bringing in more lawyers, and more MBAs. Before that you could make a deal with the Mel Vizors or Paul Stillmans of the world, or the people at MetLife. Things shifted as more authority came into corporate America through the MBAs. Things became more impersonal.

Now people run possible deals through twenty computer programs. I approached things differently. I designed major deals on the back of an envelope, and in those days, that could work.

I mean, I was dealing with people who had fortunes in the 1920s and lost everything in the 1930s with the Depression and they were building up new businesses post-war. They were the old pioneer stock. And you had the old-line people that had the assets, and the other type, more entrepreneurial or creative, operating by the seat of their pants.

**Question:** Can you tell us something about the Century City deal?

**Walter Shorenstein:** Ed Hirscher was a big divorce lawyer in San Francisco, and he had property in Oakland that I managed at Broadway and MacArthur. He was dating Wendy Skouras, and Skouras's father controlled Twentieth Century Fox and all the property in Century City. So, when Hirscher was down there he met Spyros Skouras, Skouras asked him, "Besides being a lawyer, what do you do?" He said, "Well, lots of real estate." And Skouras says, "Well, I'll take you out and show you this property we want to sell."

Skouras wanted to make a movie about Cleopatra, and it was my understanding the banker would not give him the money for it, so he was thinking of selling this land. Ed Hirscher brought me down to be his ghostwriter for the property. He gave me a land-use report that had been provided to the Twentieth Century board of directors I looked at it, and said, "This seems to be cockeyed." They were saying that the land couldn't be developed because the roads leading to it were so narrow, and the sewage system couldn't handle density. I said to Ed, "You know, you got to take a different approach. If you build this thing to its maximum capacity, the infrastructure will follow."

So I got Fred Gebers, who was with Equitable Life at that time, and we wrote a new report; think I still have it. I gave it to Ed at the Beverly Hills Hotel. Ed said, "I'm going to marry Wendy Skouras, and I'm going to control this property." He wound up being director of real estate for Twentieth Century Fox. He brought me down there, and then I brought Fred Gebers down to run this property. And look at Century City today!

Other people got involved. Skouras knew Zeckendorf in New York, and the deal got interesting. Zeckendorf brought Alcoa in and sold them on the concept that they should use aluminum skin for the buildings. He convinced them that they should use Century City as a prototype, as a way to create new markets for their product.

Zeckendorf was the greatest promoter of all time; there's no one that even comes close to him. He got the shopping center there turned over to me to lease.

**Question:** Did you take an interest in Century City then?

**Walter Shorenstein:** No. That was pretty massive. Zeckendorf, to his credit, put a condition in the deal that I be fully paid and compensated. It almost held the deal up. They reimbursed me for all the money that I had outstanding, and they turned over the shopping center to me. As badly as Zeckendorf had to get out of this deal, he took the stance of putting that condition in the deal. This was about 1970, early 1970s.

Have I talked about Stan Berger? He became crucial to our organization. He was number two and number three at IBM, in real estate, and I said, "Stan would be just the ideal person to sell these folks, to deal with corporations." You talk about negotiations. Stan and I walked up and down and up and down Fifth Avenue negotiating the terms. He finally said to me, he says, "Look, I'm getting my twenty-five year watch with IBM, and maybe this is not a bad idea." So to make a long story short, I finally convinced him to come.

**Question:** It's significant that you persuaded Mr. Berger to come and join you in his place. People didn't move around too often in those days.

**Walter Shorenstein:** No, particularly moving from New York, but Berger's been there ever since. He's been a big part of everything's that happened in the company. Berger understood how to deal with the corporate world, and the corporate mind. Which was different then dealing with the real estate field. He still has an office across the way.

Stan's been a part of all the things that were happening, and Stan was a good person to bounce ideas off and say, "What do you think of this, should we do this?"

**Question:** To what extent were you able to draw upon his contacts in New York?

**Walter Shorenstein:** I don't know whether that was important, but he came from IBM, and at that time IBM was important, and Mutual Benefit was important, and Bechtel was important. And later on PG&E, Bank of America, they were all on the corporate side.

**Question:** Do you want to talk about the Russ Building?

**Walter Shorenstein:** We're building this building in Kansas City for Mutual Benefit, and I arrive at the airport, just missing the flight to go from Kansas City to San Francisco. The only flight I could get was through Chicago, where I'd have a layover of almost three hours.

I said, "Who do I know in Chicago that I can visit for two or three hours?" Well, the people that own the Russ Building in Chicago, I didn't know them that well, but I knew them, and they knew of me. So I called them up when I got to Chicago, and said to them, "Have you ever considered selling the Russ Building? I would be very interested in it." They said, "Tax-wise, there's no way that we could sell it, because there would be big consequences and we've got a lot of partners. We're earning good fees for managing this partnership."

So I said, "Give me a price, and I'll see if we can figure out how to handle your tax problem." He said, "If we can get \$20 million for it, we'd consider selling it, but we would have to have our tax problem solved."

So I came up with a concept of leasing the building for ten years, with an option to buy at the end of ten years. And we put a million dollars down as deposit on the lease. That struck a chord with them, because it deferred the sale ten years down the road, so they didn't have to pay the taxes until then, and they also get their fees from managing the asset. Then I went to Ben Swig and said, "Ben, we can buy this building for twenty million." I outlined the deal. And Ben said, "You're going to take 50 percent." I said, "I'll take 50 percent of the deal." At that time, I had the five hundred thousand.

So Jack Wyler, Ben's partner in New York and one of the smartest men in the country, if not in the world, reminded Ben, "We went broke in the '20s, we're very rich right now, and do you remember that we both agreed we will never guarantee another real estate deal."

I said, "But Jack, you have no risk here." He said, "It doesn't matter. We have to guarantee the lease." Jack had a particular approach to wealth and risk: "Always got to remember how rich you want to be. Me and Ben are very rich. People that are rich always take the one other deal that's going to break 'em." So he didn't want to go into this deal.

He was wary. So I went back to Ben and said, "I will sign the documents and guarantee the lease, so Jack won't have to guarantee the lease."

While we're talking about Jack Wyler: Jack took \$200 million and said, "I'm going to buy bonds, I'm not going to put it in the bank, I'm only going to have U.S. securities. I'm never going to trust the bank." Jack made more on that \$200 hundred million, because the interest on those bonds rose from 4, 5, 6 percent to 20 percent. Anyway, we did the Russ Building deal, and, I think it was the first or second year, we earned over a million dollars after paying the rent on the thing. In the peak year, I think we took \$8 million out of that deal. We did a lot of right things to bring the income up.

Ben Swig was an extraordinary individual. We had a very good partnership. Ben once said to me, about a deal, "We ought to have a joint venture agreement." Then he said, "But by the time the lawyers get finished with it, neither of us will be pleased." So our joint venture agreement was a handshake. And we never had any disputes. We were always on the same wavelength. Now it's very different, dealing with big institutions, lawyers, estates.

In the old days, real estate in San Francisco and in most cities was dominated by one major entrepreneur. In the early days, all major San Francisco real estate, other than that owned by corporations, was dominated by Ben Swig and Lou Lurie. They had special relationships with the lenders that enabled them to acquire property. Later, life insurance companies and others became the major owners of real estate. It was apparent that I'd have to do deal with insurance companies to move to the next level. So then we did the deals at One California, and 5900 Wilshire, and in Kansas City, with Mutual Benefit Life.

Now, the life insurance companies that were damaged by the financial crises of the late 1980s and 1990s are not much involved in real estate, and the major funds coming into real estate are the pension funds.

**Question:** So you deal directly with the pension funds'

**Walter Shorenstein:** When Doug came into the business, he started dealing with the mutual funds and has been very successful.

**Question:** Among the local properties, the next the one we want to talk about is 333 Market Street, completed in 1979.

**Walter Shorenstein:** I don't know whether I touched on whether on how the site was acquired. I think I did touch on it when I did the Bechtel thing and we acquired the other blocks. The market was very depressed at that time and I suggested that we build on that site. No one else was building and the market was completely static, but I thought if we built the right sort of building, it could be successful. Metropolitan Life was in with us, and Bechtel was our third partner. And some other people in Bechtel were rather negative about the prospect of building; at that time Cap Weinberger was at Bechtel, and George Schultz. Cap Weinberger had just come out of the Nixon administration, and he felt that

the metropolitan areas and the cities were disintegrating. Not a good place to keep investing money. But I met with George Schultz, and he asked me why or how I would encourage him to go ahead. I said, "I have an instinct about this, and I don't know if I could document all of it, but I think it could be a successful venture, and I'm willing to be responsible for one-third of the venture." Metropolitan Life was taking one-third. And I said, "If two-thirds are willing to go ahead, you should go, too." Which they did. Now, this was after Stan Berger joined the company, and here was this building I encouraged them to build, and it got it far along as the steel, and still we didn't have a tenant in that building. Just about the time it was completed, we had the building fully leased. But there was a period when we didn't know which direction it was going to go. But we had confidence in our instincts. That's not how things work today in the era of computerization. In the present day, there would be the analysis of how much space was being absorbed in the city, what is the status of all the leases in the city, and what is the potential of absorption. We didn't always have a rationale like that. I would always say, don't confuse me with the facts.

**Question:** How did you find tenants for 333 Market Street?

**Walter Shorenstein:** There was a basic group of tenants for Class B buildings, and they wanted to upgrade themselves into a newer building. That wasn't apparent and didn't come to the surface until the building was built. We were able to get people to feel that they be better off in the newer building, that their operation would be more efficient and have more productivity out of the employees. It was a selling process. Somehow you create momentum, you create a domino effect, word-of-mouth. During that particular period of time, the younger people coming to work in the financial office buildings were more environmentally inclined and workers were looking for a better space than the existing tenants were in. In the sense that the newer buildings had better air conditioning and better lighting and were just more comfortable to be in.

**Question:** And they don't mind spending more money per square foot?

**Walter Shorenstein:** Not necessarily. And then of course there were growing companies in San Francisco. Bank of America, and PG&E and Wells Fargo, the telephone company, and organizations like that were becoming more identified with the financial district. And as the corporations grew, ultimately the law firms and the accounting firms, and all the other organizations that lived off the major corporations grew, too. For example, Pillsbury, Madison and Sutro was Standard Oil's law firm, and as they grew, they grew.

**Question:** Schultz was the person you closed the deal with at Bechtel?

**Walter Shorenstein:** He was part of their committee. Schultz and Bechtel's financial people reviewed the deals before they went ahead. Decisions in the corporate world are ultimately made by committee, based on a determination of feasibility.

**Question:** I'm interested that you have several of these, one-third, one-third, one-third, financing arrangements. Did you ever desire to own more than a third in these particular cases?

**Walter Shorenstein:** No, no.

**Question:** Why?

**Walter Shorenstein:** Because it's more desirable to spread the risk, and the more buildings we had, the more management fees we got. As long as we were the managing partner, it was fine.

**Question:** Were you involved in the selection of the designer, Gin Wong?

**Walter Shorenstein:** Yes, we were the ones that brought Gin Wong in.

**Question:** How did you go about deciding, OK, this is how the building should look, and here's the person that can deliver this kind of building?

**Walter Shorenstein:** Well, there were a lot of people coming into the industry on the financial side, and they're strictly numbers people. My forte, my experience has been in selling: determining the ideal building, the sort of floor plan tenants would want.

A lot of people build the building from the outside in. The architect will show them a very nice rendering, a nice picture, but they will not understand what's inside the building, or whether the floor plan is the most efficient. We went through that with Gin Wong, the architect of 5900 Wilshire, before this. He understood just what sort of floor plan you would need when you aim for 90 percent efficiency, net usable to the net rentable. You're doing pretty well if you get 85 percent, but a lot of the architects that do the fancy designs, you're lucky if you get 80 percent. And that difference of 10 percent is what makes the building productive or not productive.

**Question:** Now, this was a fairly tall building, thirty-three stories. Talk a little bit about the height and how that fit into the design plans.

**Walter Shorenstein:** Well, what you do is look at the floor area ratio that's permitted by the city and then you determine how much of that you want to use. So you try to determine what's the maximum size you can build, and what you can lease.

I was a consultant for Transamerica, and I selected the architect, Bill Perreira. Five architects submitted proposals. John Becket, who's chairman of Transamerica, wanted a signature building; companies like Ford and GE had a signature product, but Transamerica was not necessarily identified with a product, so they wanted to create a distinctive building to identify themselves as a forward looking company. It was sort of a go-go period, and when Bill Perreira showed his design to John Becket, he liked the design. And they felt we had to put that building in the center of the city; it would not have the same distinction if it were built on the periphery of the city. It acquired the present site for them, and it was a very interesting process of negotiation. Again you had Coldwell Banker, and all the other companies, but somehow or other, I became their

consultant and put it together. We were negotiating with the owner of the site. Nowadays, you would never be able to demolish the building, because it would be considered a historic monument.

**Question:** That was what they used to call the Monkey Block, the old large place on Montgomery with all the artists.

**Walter Shorenstein:** Now you'd never even get close to it. But we wanted a Montgomery Street address, so I acquired the site. Each time it looked like we were close to getting a deal, he upped the price. But it was the site that they wanted.

**Question:** Did you have any options, any alternatives?

**Walter Shorenstein:** Not really. So we were negotiating back and forth, and finally I said, "Just give me a price that you will stick with, and I'll see what I can do." He gave me a price, and I said, "Would you send me a telegram saying that this is your price?" He said, "I won't send you that, but I'll shake your hand over the telephone." And ultimately we acquired that site.

I was Transamerica a report on the economic feasibility that was to go to their board of directors. They knew that I did not see the highest yield, the way they envisioned this building, because usually you get the highest rent from the upper floors. In this case, the building was a triangle so the upper floors were the smallest. I had a meeting with Bill Perreira and Becket and pointed out certain deficiencies in the building. I was told that they wanted to build this building, and that I had to provide the rationale to do it. When I wrote the final report, I put a factor in there for intrinsic value, predicated on the identity and influence of the building, which was a value beyond ordinary real estate value.

**Question:** Did you have any models for that, like the Seagram's Building in New York?

**Walter Shorenstein:** No, Bill Perreira had wanted to build this building for quite a while. Now Bill Perreira was one of the eminent architects of the day. A developer's idea of an efficient building is almost a square box. The minute that you start to do anything distinctive, up goes the cost. Bill pitched that building to CBS in New York, originally, but they decided against it. Then Bill began presenting the building to anybody that wanted special corporate identity, and Transamerica took it.

In order to build a building in San Francisco, you had to close Sacramento Street or Clay Street, and acquire that property from the city. Now, the city planner, Alan Jacobs, was opposed to the building, but I convinced the mayor, Joe Alioto, of the merits of the project. I pointed out to him that Transamerica had less reason to be in San Francisco than in other cities where they were involved. We had to get the street closed, and there was a lot of controversy. If it wasn't for Joe, with me pushing, these buildings wouldn't have been built. A lot were built in the Alioto period, completed during the Moscone/Dianne period. They, particularly Dianne, profited by the fact that the buildings added to the tax base. But then there was a no-growth proposition that created limitations.

But she benefited from the years of growth before she came in, years when we looked at the biggest users of space in the city, Standard Oil, and the telephone company, PG&E, Bechtel. We met them to determine their growth rate for the next five years. We operated with that knowledge, since all these companies were committed to San Francisco.

Now very few of those companies are still in San Francisco, or headquartered in San Francisco. Transamerica has, I think, just a few people here. Chevron moved out to Pleasanton, Bank of America is gone. For a while the financial services industry made up for some of those losses and grew because of the boom years in Silicon Valley; investment bankers, law firms, the accounting firms were all booming.

**Question:** What was the most successful experience you had working with an architect? Did you get involved with the details with the design much? Did you care whether it had travertine in the lobby or some other material?

**Walter Shorenstein:** I was the one that at One California said it should be a light-colored building. Most of the buildings were darker colored, and I suggested travertine for 50 Fremont Street, and 123 Mission. We put forth what we thought would be the most marketable kind of thing.

**Question:** Did you worry about how the new building would fit in with the existing skyline?

**Walter Shorenstein:** I will probably be crucified by the environmentalists, but we always looked at a building to see what would be most economically feasible. The look of the thing did come into that, of course.

**Question:** We were talking about 333 Market, to use that as an example; there's a news article from the time that it was being built, saying it was the fourth major high rise to go up in one small area. Do you remember any particular consideration of the buildings around it?

**Walter Shorenstein:** We owned the buildings around it. We thought we were building a complex. You have to remember that there was still some reluctance for tenants to go south of Market Street. But all the buildings in this complex complemented each other, which was a selling point.

**Question:** Are you concerned about getting quality restaurants in your buildings? Doing anything to make sure that you had kind of lunch and dining facilities that people find attractive?

**Walter Shorenstein:** We found that putting restaurants in our buildings was a disaster, cost-wise. We don't care about restaurants in a building today. People will find their own eating facilities. We don't have to provide it.

**Question:** For a while you thought you did have to provide it, or thought you should?

**Walter Shorenstein:** We had a cafeteria at 425 Market Street that ultimately turned out to be a disaster, because you couldn't generate enough business to afford the kitchen

facilities. One California, that restaurant went broke. 5900 Wilshire, that restaurant went broke.

**Question:** What about parking facilities?

**Walter Shorenstein:** That was very important. One of our battles with the city was always to maximize our parking facilities, which we were able to do. Parking is key to any major building.

**Question:** How would you get the city to maximize your parking?

**Walter Shorenstein:** Well, it was relatively easy with Joe Alioto and Moscone. I convinced Joe that, if you want to see the city grow, you need this much parking. He understood. Joe was a pragmatist, in a way. Moscone followed Joe's pattern. Dianne was maybe more idealistic, maybe not the most pragmatic person about buildings and economics.

**Question:** We have talked about when you first start going into of the South of Market area, kind of pioneering. To what extent did other major developers follow your lead in that zone?

**Walter Shorenstein:** I don't know. The Chinese did start coming in and building stuff, but they weren't that important. Most of the things you did, people would look at it and say, "Boy, he's doing something foolish by doing that." They wouldn't take a risk like that. But you try to figure out what you want to do, and you don't worry about what somebody else wants to do or is doing. Now you notice that we haven't built a building since 1986.

**Question:** High rise.

**Walter Shorenstein:** High rise. We haven't built a building since 1986 in San Francisco.

**Question:** What about Hills Plaza, which is 1989?

**Walter Shorenstein:** That was rehabilitation. We continued to buy existing buildings, but we didn't build anything new.

**Question:** What about Golden Gateway Commons?

**Walter Shorenstein:** We bought that. Doug bought it. But we didn't want to build in San Francisco after about 1986. Have I talked about that?

**Question:** You talked about it a little bit last time, but I would like to hear more. You made some seemingly radical decisions about the direction of your business around that time.

**Walter Shorenstein:** Around 1986, that was a peak of the savings and loans debacles, and the era of the Japanese coming in the real estate world and throwing a lot of money at

deals. We became more analytical about our buildings right around then. We had each manager report to us on the status of leases active and pending. Up until about '86, all the signals were positive. Then, for the first time, we weren't getting the right signals, so we became more analytical. There was one lease, as I recall, with Union Carbide. We thought they were going to take a lot of additional space when the lease came up, and they didn't. Most tenants were aggressive to take space, because space was scarce. And in this case we heard that the leasing was approved by the real estate people, but the financial people just held the deal up. So, that was a small signal. Not very significant, but I'm using it as a first illustration, the kind of things where you put your ear to the ground.

Then it was difficult to get a building permit through the city. We said, "why do we want to break our butt to build in this kind of climate?" So, in 1986, 123 was the last one we finished. We took a look at the 1986 tax bill. Because of the '81 tax bill that Ronald Reagan had passed, real estate had enjoyed an incredible growth period. The '86 tax bill was taking away all the things that were given to you in the '81 tax bill. Depreciation, more than anything else. Recaptured depreciation, you know, taking depreciation out longer and things that encouraged you to take risks. Even so, there were probably more new buildings constructed between '86 and '90 than in the history of the country, or even today. The savings and loan institutions were throwing an awful lot of money at real estate, and the Japanese were investing an extraordinary amount.

Around this time, MetLife said to us, "What's our next project?" We said to them that, "As far as we're concerned, there's no 'next project.'" And they said, "Well, I guess we'll have to find another developer." We said, "Fine."

**Question:** By the time of the '86 tax law changes, you had built up this body of knowledge. But I wonder, did you also use any outside counsel or advisor to help you think about what these changes would bring in '86? How did you decide what direction to take?

**Walter Shorenstein:** There's no one that had the kind of knowledge you had yourself. There was no one to go to. If you asked them, they were all doom and gloom: "You can't do this, costs are getting too high, things are getting out of control, the economy is not expanding to take care of absorption." So you didn't look to other people to tell you what to do. You looked at your competitors. Someone reminded me the other day, "You know you've arrived in the building business when you create enemies." The enemies are your competitors. You beat the heck out of them and they are always going to throw rocks at you.

**Question:** You have mentioned several of the clubs in San Francisco. Were you ever a member of any of these?

**Walter Shorenstein:** No. What was Groucho Marx's statement? That he would never belong to a club that would accept him as a member. I meant I was not interested. I was not the club type.

Around 1986, we started to look elsewhere. That's when we did the building in Kansas City, and we got involved with building in New York, L.A. and so forth.

**Question:** Let's talk about the Bank of America Building. You acquired what was, at the time, the largest building in the city.

**Walter Shorenstein:** Probably in the country, if not in the world. Ken Cory was State Controller. Ken and I had lunch one time at the top of the Bank of America Building and I said, "If you were smart, the state pension funds (PERS & STERS) would own the most significant building in San Francisco, and the most significant building in Los Angeles, instead of sending money out of state." And I told them there was great potential in this building. They came back to me and said, "We would consider selling it, but since we're a bank and a corporation, we have to expose it to the world." I said, "Well, okay, but supposing we give you our offer and we have the option of matching any other offer if it's above what we're talking about." Then they decided to hire Goldman Sachs to market the building.

I told Ken Cory that they should hire an outside consultant, who could criticize or advise on the deal so that they wouldn't feel that he and I had done anything that might invalidate it. So they hired Equitable Life to be their consultants. We told them they would have to come up with a certain number in order to get it. By this time they were probably doing their twentieth computer run of the numbers. They could never get the number to fit the computer model that they were supposed to follow on acquisitions. So, one day Shelley Spivak, who was representing Goldman Sachs, came to me and said, "If you can get your client to do this thing and close by that date, they will have the inside track on this deal." I went back to them and learned what I already knew: they could never get it through all their procedures and lawyers and committees by that date. And still the number was in excess of what their computer told them they should pay on the thing.

So, I went back and told Shelley Spivak and Claude Ballard of Goldman Sachs it was impossible. They said, "The bank would like to have you run the building. They want somebody from San Francisco to handle it. They want someone with a strong knowledge of the local market. We could make sure you are the buyer." I said, "You've got to figure out how it could be financed."

I had to explain all the ethics of the situation, how to make the dealings transparent, and meanwhile the consultants from Equitable were trying to figure out a recommendation that would allow them to get major fees. So, I said, "If I'm involved, I don't want you involved, particularly the way you're acting." This was September 13, a Friday the Thirteenth, and the bank wanted it closed by the end of the fiscal year. In a deal of this size, the lawyers would take thirty, sixty, ninety, hundred and twenty days for due diligence, and would have an engineer check the building, and six months closing would not be unreasonable.

With this time frame, the bank came up with the financing, but I had to get sixty million dollars from some other source, or put up sixty million dollars, which I didn't have. I was at a state Chamber of Commerce meeting (I was a board member) and Paul Hazen, who's with the Wells Fargo Bank, was sitting next to me. I said, "Paul, I think I have a deal that could be of interest to you." I outlined it and explained that it would require sixty million dollar financing for me to proceed. I said to Paul, "When you go back and talk to Carl Reichart, you point out to him that if I default on the loan, you will own the Bank of America building." He said, "You come right up when you get back to San Francisco and meet with Carl himself."

After that conversation in Sacramento, and before I got back to San Francisco later that day, Carl Reichart approved the loan. They gave me the sixty million dollars, and the bank financed the rest of it. But I told the bank that I wanted to put two million dollars into the deal as good faith on myself. It turned out that the two million dollars was favorable proration, so when it was all over, I didn't have any cash in the deal. Now I had my signature on that sixty million dollars. There were risks to it, but we were a local real estate company and we thought that this building would not only enhance the value of all our existing properties in San Francisco, but also make us a player in the world of real estate, nationally.

Now, I did not know Bank of America's condition at the time, but banking regulators had almost forced them to make this sale. Maybe we would have negotiated harder had we known that, but that's something else again.

Then we were asked to visit Goldman Sachs in New York, and they came up with an interesting financial scheme that would have taken away our liability on our portion of the loan. And it was so involved that I finally said to them, "I don't understand what you're doing, and I don't think you even understand what you're trying to tell me." But they did do it, in the end, and it was gutsy on my part to go along with it.

Later on, I was able to convince Goldman Sachs, or was it Salomon, to finance the sixty million dollars in a syndicated loan, so I could get out of the Wells Fargo loan, and the guarantee and all those other elements. It was one of the first times they put together a syndicated loan. They broke it up in ten million dollar segments. I think they had six other banks throughout the world join the syndicate on that loan. Then later on, one of the members of the group, a Japanese bank, said that they had some money in the United States that they couldn't repatriate into Japan. They bought out the whole loan. Since then, we paid the sixty million dollars off.

**Question:** What are the relative advantages and disadvantages to you of doing a deal that's based on loan versus a deal that's based on investment partners?

**Walter Shorenstein:** We were doing some very daring things that were hard to convince partners to do. Now, if the situation came up today, would you proceed with the thing? I think it would be more no than yes, because we had a big crap shoot all throughout, being

on a sixty million dollar loan. Today, I would not take that kind of risk. But our knowledge of the market then convinced me to take the risk.

**Question:** The bank stayed on, occupying much of the building—

**Walter Shorenstein:** Good part of it; that was part of the deal.

**Question:** Were you worried that you could keep the building occupied so you could pay off the loan on time?

**Walter Shorenstein:** Well, you have to build confidence in yourself. Though that can be the undoing of developers. Developers are always overly optimistic. But if you're not constituted to take a risk, you don't belong in the business.

The Bank of America Building was considered one of the best managed and operated buildings in the country. It added a dimension to our reputation. When MetLife had problems with their management people in New York, and they noticed the way we were managing the buildings we owned in joint venture, and they said, "Would you be interested in coming to New York and running our building?" We felt it was very important to have a New York presence and all that, even though we didn't have ownership. They trusted us and knew we would do the right thing. There is a lot of chicanery in the real estate industry, but they knew that they can take us aboard and we'd do the right thing. But we always run a very clean operation.

**Question:** I'm also interested in your acquisition of the Hancock Center and Prudential Plaza in Boston.

**Walter Shorenstein:** Those were Doug's acquisitions. Doug's story is he is taking the business at this level and moving it to another level. In order to do this, he has created his own identity, separate from mine. Which is fine with me.

It's a disservice for a father to be in competition with his son. Maybe he had a tough act to follow, but Doug created his own success, his own reputation, by acquiring these buildings.

**Question:** You acquired Two River Way in Houston?

**Walter Shorenstein:** That we did.

**Question:** OK, tell us a little bit about that.

**Walter Shorenstein:** IBM wanted to take certain buildings off their balance sheet, and the only way they sell them is by offering them to everybody. We always had a good relationship with IBM. Stan Berger had worked for IBM twenty five years and was now with us. By this time, we had expanded beyond San Francisco and we were looking for

growth elsewhere. So, this Houston thing came up and we worked out a deal with no partners.

**Question:** You worked in a number of cities, I wonder if you can compare doing business in San Francisco and doing business in these other cities. What are the differences in the business and political climates? And how much did you have to learn in order to be able to work in Houston or Kansas City?

**Walter Shorenstein:** Zero.

**Question:** Zero, real estate is real estate wherever it is?

**Walter Shorenstein:** When the building's already built, you don't have to go to the city for approvals, and you stay away from the city.

**Question:** Could you talk about your decision to retire from the day-to-day management of the firm and hand the Shorenstein Company over to your son.

**Walter Shorenstein:** I don't know whether to use the word retire. But you have to make some conscious decisions. And one of the conscious decisions that I made was to keep the business in the family, because there is nothing worse than having rich kids live off of trust funds, without having a business to function in. So, I convinced Doug, who was in New York, with the prestigious Sherman and Sterling law firm, to come back out to San Francisco and take over. Now that was a big challenge for him, because he was doing pretty well for himself there and he didn't know how it would be to work with me, or under me. But I convinced him to come back.

Then I decided, if you're going to turn it over to somebody, turn it over. Don't try to quarterback. I had to pull back, detach myself, so things could develop. It was a conscious decision.

**Question:** Before that time, had you had any conversations with him about the family business?

**Walter Shorenstein:** Well, when he was growing up, I used to say that the family business was his destiny. I guess I was half-serious, half-kidding. Then he wanted get an MBA; and I said "No, an MBA prepares you to be a pencil pusher and deal with numbers of Bank of America. If you study law, you'll be able analyze different things and make better judgments. Except at Enron, MBAs and accountants aren't usually the ones to develop opportunities out of what they see, to think creatively. Doug did study law. After he got out of law school, he was going to practice in San Francisco, and I said, "You practice in San Francisco, you'll always be running into conflicts of interest. You should get out of town and practice elsewhere. Then if you feel your destiny is in law, you stay in law. But if not, you can come back and run the business. It will always be there for you."

After he was in New York for about five years, I said to him, "Look, you know, when you're in the law beyond five years, you're always going to think as a lawyer. I don't care how good that lawyer is, he's a lousy businessman. So, here you are, it's been five years, you've learned what you needed to learn as a lawyer in New York, and you should come back."

**Question:** What kind of a firm was he with in New York?

**Walter Shorenstein:** He was with one of the biggest and best law firms in New York, with major clients like Citibank. He was handling lot of international real estate deals in their real estate department.

**Question:** You still seem very busy. How much are you involved in the business, at this point?

**Walter Shorenstein:** I would say that I spend less than 10 percent of my time in the real estate business, if that. I spend most of my time working on and with the Shorenstein Center for Press, Politics and Public Policy at the Kennedy School, and the Asian Pacific Studies Program at Stanford, as well as the program that I ran with Laura Tyson.

We're still doing a couple of major things on the impact of technology on the economy. And of course my political work for the Democratic Party is a big commitment.

**Question:** Did you ever consider going public with your company?

**Walter Shorenstein:** Under no circumstances. I don't write many articles, but I wrote one about this. We do deals, of course, and we have partners, but we're independent. When you go public, you got a lot of partners out there. Lots of people own a piece of you. You have all the analysts constantly looking down your throat, and downgrading you. Don't get involved with Wall Street. If you want to look at Wall Street, take a hard look at Enron, look at anything. If you're so inclined. And then imagine spending half your life traveling around the country, hyping your stock.

**Question:** Have you done anything to diversify your interests beyond real estate'?

**Walter Shorenstein:** Well, when we look at everything in the world, the way we run the business, it's the best possible investment we could make. I mean, in comparison to owning a factory or doing something in Silicon Valley. First principal is, stick to what you know. Don't try to get into somebody else's business. I don't call that diversification. For us, diversification may mean expanding in real estate in various cities. If somebody comes up with something better, maybe we'll consider it. Of course, Carol is investing as a theater owner and producer.

**Question:** Could you talk about changing the name of the company from the Milton Meyer Company to the Shorenstein Company?

**Walter Shorenstein:** Well, I think we did that when Doug came in, I think. Everybody was doing business with Shorenstein, they weren't doing business with Milton Meyer. They didn't even know who Milton Meyer was. When we first took over, everybody knew Milton Meyer, but with the passage of time, and with the deals and reputation I made for myself, they knew me. And they identified me with the company.

Of course I also made a conscious decision to go into ownership and get out of being a real estate firm, a brokerage firm. Each real estate broker is an independent operator, in a way, and very tough to control. You take these young people and you train them, and you help them develop a business. Once they develop a business, the client doesn't think about the firm, he thinks about doing business with that particular person. So you train them, invest money in them. Next thing you know, they're out the door with some of your customers, and you start all over again. You become aware that you've made a lot of money for people and all they did was paid you a brokerage fee. Nine chances out of ten, they negotiated that fee. You say to yourself, "Why did I take this deal to this person, and what did we get out of it?" Then I started to do deals with Ben Swig, and we had some people with us who wouldn't be hired elsewhere. It was like the Raiders or the Oakland A's; they had players who were good, but tough to control. So, step by step, we decided to get out of the brokerage end.

**Question:** Did you actively phase out the brokerage, or just terminate the brokerage?

**Walter Shorenstein:** When good salesmen left, we stopped replacing them. It was not a bad business but it was not the most lucrative side of real estate. I would never have been able to create the assets that I did had I been in a brokerage firm. And when you had very independent salesmen out there with your name behind them, it was only a matter of time before they did something that would reflect on your reputation and maybe tarnish it. So we made the shift and built on the reputation I'd developed from taking over at Milton Meyer, and moving into commercial properties. A major shift.



## Politics

**Question:** I interviewed Ben Swig a long time ago early in the 1970s. He talked about the role that he played in building up the Democratic Party.

**Walter Shorenstein:** He did. He's my role model in the Democratic Party. And Cyril Magnin and Adolph Schuman and that group. I was a young guy tagging along. Ben would call me up and say, "Send a check." I'd send a check.

So that's when I became more visible as a Democratic funder. All these people were heavy Kennedy people. When Jack Kennedy was killed and Lyndon Johnson became president, things started to shift. They came to me and said, "We want a younger guy. We're going to make you our guy in San Francisco." Lew Wasserman was their person in Los Angeles. Dave Wyman was their person in dealings with Pat Brown. But Brown was associated with Swig.

**Question:** Swig coming from Boston had some historical connections with Joe Kennedy?

**Walter Shorenstein:** Well, with the Kennedys. Ben was proud that he was instrumental with the Kennedy family. In those days they were royalty.

**Question:** How did you come to meet Joe Alioto?

**Walter Shorenstein:** Jim Rudin was Jack Shelley's person. Malone played a role. I was tagging along on the fringes with these people. One day Jim Rudin came to me and said, "Look, we're looking for a young guy to replace Walter Haas, Sr., on the Recreation and Park Commission." Now, the Haas family was the Recreation and Park Department. They created the Steinhart Aquarium. To be a newcomer brought in to replace Walter would have been asking for some real problems. No matter what you did, you would always be compared unfavorably to Walter Haas. So, I said to Jim, "Before I would consider it, I would like to have a chat with Walter Haas. If he's comfortable with it, I'll be comfortable with it." So I went to see Walter Haas, and I told him that I could only do this with his blessing, and I'd need to be able to come to him with problems at Recreation and Park, because he has the knowledge, wisdom and background.

This was the era of protest movements, trouble in the streets. And the powers that be thought they would bring in Gene McAteer to replace Shelley.

**Question:** Oh, right, the state senator.

**Walter Shorenstein:** But then Gene McAteer died playing handball. So they convinced Joe Alioto to run, in place of McAteer.

**Question:** Did you know Alioto at this time?

**Walter Shorenstein:** No. They wanted me to get involved. I became a part of that group, and I became important to Alioto. The Alioto story is a part of the bigger story of my involvement with the Democratic Party on the national level.

**Question:** Maybe we should start talking about politics in San Francisco. In the 1950s and '60s, there are established, old families that are very prominent in many city agencies. I am thinking of Mortimer Fleishhacker and Roger Lapham, Jr. What kind of vision of the city did you think they had, and how did it differ from your vision?

**Walter Shorenstein:** Oh really, I don't know whether I knew

**Question:** You said before that when Elmer Robinson and George Christopher were mayors, you weren't really paying too much attention.

**Walter Shorenstein:** I think the Crocker Bank took more lead in bringing the establishment together. The chamber of commerce was the center from which all things emanated. The chamber of commerce was run by a select committee: the chairman of Chevron, the chairman of PG&E, Bank of America and Wells Fargo Bank, to a degree. But the major old family financial institutions more or less ran the city. And downtown dominated the political scene and they were part of downtown. You darn sure had to have their approval in order to do anything.

If you look at things prior to Alioto's election in November '67, you had Elmer Robinson and George Christopher and you go back to the turn of the century; there was a certain group that more or less ran the city. Real estate was dominated by Coldwell Banker and a few other firms. But basically Coldwell Banker was part of the establishment. They set the rules and regulations of how you should conduct yourself to be accepted by the establishment in order to be able to do business with the establishment.

I made up my mind: who are they to tell me how I should conduct myself? What makes them think that they are more special than I am and could keep me out of the door, setting the rules that you don't take somebody else's client?

**Question:** What was Ben Swig's relationship to the establishment as far as you could see?

**Walter Shorenstein:** Looking at the big picture, with a little perspective, it's clear that Ben Swig was considered a newcomer. He came into San Francisco in 1946. You were dealing with families here since the days of the forty-niners. They dominated the grocery business, banking, financial business, real estate. But Ben was smart. He worked his way in and around all these hierarchies. He brought lot of the charities together. I don't think he was a hundred percent in the in-group. Obviously he was not a member of the P.U. [Pacific Union Club] or the Bohemian, or the Burlingame Club. Cyril Magnin more or less fit into that category to a degree. Cyril Magnin was considered part of the establishment.

**Question:** How did you get to know Cyril Magnin?

**Walter Shorenstein:** He was always looking to raise money for some good cause. Cyril would call you up and you'd send him a check. Until you finally woke up and said, said, "Why am I sending him a check? Why not give a check directly to whatever that cause is?" I was one of the few able to leapfrog Cyril Magnin.

**Question:** So you would leapfrog over him. Why did he call you up? Who turned him onto you?

**Walter Shorenstein:** Willie Sutton said the reason he robs a bank is because that's where the money is. Cyril saw that I could help. My relationship with Ben Swig made an impression on people.

**Question:** Were you involved at all in the Shelley campaign in 1963? The Shelley versus Dobbs election?

**Walter Shorenstein:** At that time, the city was dominated by Jim Rudin and Shanty Malone's Irish mafia. Rudin was a part of that, from the Mission district. They teamed up with a group including Swig and a man named Adolph Schuman, and they were able to counter the power of the group associated with Crocker Bank and that type. I mean, they were able to work independently. They created Jack Shelley. Now, Jack Shelley was serving in Congress. He was a former bakery truck driver who got elected to Congress by the so-called "machine." Phil Burton was serving in the assembly, and he was out to create his machine, which still holds sway. He brought together some of the more liberal people.

**Question:** You have spoken about going to Walter Haas to get his blessing when you were asked to replace him at the Park and Rec Department. Did you continue getting his advice throughout your tenure? What were the major issues for you as chair of rec and park? What were your most important accomplishments, what were the goals that you pursued as chair?

**Walter Shorenstein:** Well, it was always an under-funded commission and Walter Haas spent a lot of his own personal money to keep it going. That was the strength of the Haas family, their contributions to the common good in San Francisco. They were big contributors to Golden Gate Park and so forth. So I had to determine how I could get other people to contribute, partly by leading the way with my own funds. We ran a very good department.

Basically, San Francisco was run by the commissioners in those days. The mayor was kind of the coordinator. Commissioners generally followed the mayor's dictates, but the commissions were more or less self-contained.

Mary Connolly was the secretary of the Park and Rec commission. She was the epitome of a dedicated, committed public servant, and she really ran the commission, because when you're president, unless you're up there every day, you're not going to be able to run it. There's an aspect of being a figurehead when you're president and are really occupied with other business. You need someone like Mary Connolly and you stay connected by

telephone. People are very critical of public servants now, but she was very dedicated public servant, really superb.

We accomplished a lot. We created the Friends of Golden Gate Park. We had various corporations adopt parks. I was responsible for expanding Candlestick Park for the Forty-Niners.

**Question:** You say you were responsible. Was that something that was brought to you and you made it happen? Or did you get involved on the ground floor, resolving the question of what to do with Kezar Stadium and where to move the FortyNiners?

**Walter Shorenstein:** The Forty-niners were playing at Kezar. The Raiders were starting to play in Oakland. The Raiders were going to play the Chicago Bears, Detroit Lions, and would need to have better parking facilities. So Lou Spadia, of the Forty Niners, decided that Kezar was no longer feasible. Most other cities were beginning to build good stadiums. Lou came to me and said, "We have to do something about Kezar." I went to the mayor, Joe Alioto. But Ben Swig and other influential people recommended a stadium south of Market.

**Question:** Where the Park is now?

**Walter Shorenstein:** Some place south of Market. The chambers of commerce wanted it south of Market. And here was the mayor, and Ben Swig, also opposed to Candlestick Park. But I went to Alioto and said, "Look, Candlestick's already there, it doesn't require a heavy bond. You'll have to sell more bonds but you don't have to go to the city for a vote or all that other kind of thing." So Joe said to me, "Regardless of Ben and the chamber of commerce, if you can get the board of supervisors to go for it, you can do it." And I got it done.

**Question:** Who were the people on the board of supervisors that you felt close to, that you could talk to honestly about things?

**Walter Shorenstein:** Bill Blake and Leo McCarthy, Pete Tamaras, Terry Francois.

**Question:** Were there people on the board that you viewed as obstructionists?

**Walter Shorenstein:** That came later on.

**Question:** Did you go to the baseball and football games a lot?

**Walter Shorenstein:** Yeah.

**Question:** Both of them?

**Walter Shorenstein:** Yeah. I was Giants fan growing up in New York. Lots of people in the neighborhood were Yankee fans because of Babe Ruth, or were fans of the Dodgers because of the intense connections to Brooklyn.

**Question:** I would like to hear a little bit more with the Recreation and Park department.

**Walter Shorenstein:** Well, whenever the city was squeezed, the Park and Rec would feel the pinch, because they didn't want to squeeze the fire department or the police department or stop fixing the potholes in the street. We made a complete analysis of the fees being paid for the zoo, running the boats, concessions, and all that. We raised them and we were able to create some funds from that. We got the friends of Recreation and Park to be more active.

**Question:** There was an issue about the Portsmouth Square Bridge?

**Walter Shorenstein:** There are some things you're proud of, other things you do because you learn loud and clear that you either do what the mayor wants you to do or you resign, because he's mayor. When I look back, there are a few things where I wish I'd fought harder. One was the bridge across Portsmouth—

**Question:** Across Kearney Street.

**Walter Shorenstein:** Across Kearney Street. Portsmouth Square Park was one of the few parks that served Chinatown. Building that bridge cut the park off from the community. I went to Joe. I said, "Joe, I think this is a huge mistake. It shouldn't be done." John DeLuca was deputy mayor. If there were things that you thought the mayor wanted, things that would be a mistake, you'd go to DeLuca and tell him, "You know, I don't think you thought this thing through, let me tell you about this."

**Question:** Was there much debate about it between you and the mayor or did you have a discussion and he makes the decision and you go forward?

**Walter Shorenstein:** Little or no debate. You talk to him straight. But he's the mayor. You don't sit there and say, "I'm going to go to the newspapers, I'm going to do this, I'm going to agitate." That's not your role.

**Question:** You mention three things that you wished you could have fought harder on, what were the other two?

**Walter Shorenstein:** The Villancourt Fountain.

**Question:** In Embarcadero Plaza.

**Walter Shorenstein:** That thing came before the commission and I said, "Beauty is in the eye of the beholder, but this looks like a bunch of rusted pipes to me." I didn't really bring it to the full attention of the mayor, though. I got called in and heard, "Justin

Herman wants this and it's the result a national contest and he's selected this artist. I said to Joe, "You know, I'm not connoisseur of what's good or art or what's bad art, but I think this is not good, and the person wants too much money, too."

In those days I think that Joe more or less satisfied Justin Herman on all these redevelopment projects. Justin Herman was a maneuverer, and he had Joe's ear. You'd have a real confrontation if you noted that this person was full of bull. Then you get conflicts between the various agencies. So I managed to get the thing reviewed, at least. And this person, Lawrence Halprin, comes before the Park and Rec and says it's been approved by the art commission and he'll cut his throat if, years to come, this does not become an important landmark in San Francisco. We had no choice, but every time I pass it, I say, "I should have told them that Park and Rec can't approve this, and you take it from there."

The other thing I should have fought was the statue in the Japan Center. That wasn't so much about design as about cost. We got into a big hassle and I was finally told to pass it. But I should have taken a position on that.

**Question:** Did you contribute to the support of Park and Rec when you were commissioner?

**Walter Shorenstein:** I spent a good part of my own money. That was part of your duty. You don't take the position unless you're prepared to either raise it or spend it. But then people that followed me did not put the money into. You can see some of the deterioration that occurred.

**Question:** We want to talk more about Joe Alioto, but I wonder if you could summarize about Shelley. What were the positive things that Shelley did? What were the changes he brought about in the city in the way it was run?

**Walter Shorenstein:** Well, he found it very difficult to satisfy the labor. Labor felt that they had their own person in there and they wanted to break the budget for the police, the fireman. He had to hold the line. He was in constant conflict with them. Shelley was a good person, but too many things got away from him, in a way. It was a time when every mayor was having big problems.

Shelley had the protest in Van Ness Avenue where he used the fire hoses against the protesters. So here you had a liberal mayor doing this kind of thing. But those were the times we were living in.

**Question:** How well did he get along with the old guard, the Fleishhackers and the Haas family?

**Walter Shorenstein:** They become less consequential as he moved in there. That was a phasing out of the old guard. The Fleishhackers were not, in my time, a big factor. All those people were phased out. Phil Burton and that group were beginning to get power with the anti-Vietnam groups and all the protesters and all that. So Jack had a very tough

time. I think the powers that be decided that Jack couldn't get re-elected, because, I think, he was running against Dobbs?

**Question:** Dobbs is coming up again. Morrison throws his hat in so you have a three-way race.

**Walter Shorenstein:** They thought that Jack would be defeated. The powers that be met and decided to replace Jack Shelley with McAteer.

**Question:** Gene McAteer.

**Walter Shorenstein:** Gene McAteer. They decided to replace Shelley with Gene McAteer. But Gene McAteer was playing handball at the Olympic Club on Post, and died suddenly while playing handball. So here they scrambled around within two, three, four months of the election, and they convinced Joe Alioto to run. I was on the periphery when these decisions were made. But I indicated that we might have a group to help Jack run unless they took care of Jack, because Jack was in need of financial help. With my encouragement, they decided then to give Jack a job in Sacramento. But I was with Jack all along.

**Question:** You maintain your loyalty.

**Walter Shorenstein:** Yeah, yeah.

**Question:** Did you already know Alioto?

**Walter Shorenstein:** Not particularly, no. Just to know the lawyer around town.

**Question:** He was also the chair of the redevelopment agency.

**Walter Shorenstein:** Yes, but I stayed away from the redevelopment agency. Because the more visible I became, the less I wanted to deal with these agencies, regulatory agencies. There were pluses and minuses to being involved in politics. The minus was if you did that, and you were prominent like I was, Herb Caen and all these people would have a field day with you. You didn't need that.

**Question:** What's an example of that?

**Walter Shorenstein:** Herb Caen detested Joe Alioto. He thought that I was a tool of Joe Alioto and anything that I built or did was because of my political clout with Joe Alioto. He wrote nasty stuff. He called me an eminent eminence—

**Question:** Oh, eminence grise.

**Walter Shorenstein:** Yeah, yeah. He was so proud that he was able to write that about me.

**Question:** What were your impressions of Alioto, as a man, as a politician?

**Walter Shorenstein:** Joe was one of the brightest people I ever ran across. I'll say Lyndon Johnson was right up there, too, and Joe Alioto was in that class. A crazy illustration: The blacks were kept off certain playgrounds. If any black went on those playgrounds, the kids would beat them up and get them out of there. Finally we decided we were going to break that pattern of discrimination. We got some blacks to play on the tennis court at Golden Gate Park. We scheduled them in instead of letting others make it hard for them to get on the schedule. That got to be very controversial because the tennis players at Golden Gate Park were powerful. So I told Joe that he had to take the lead on this thing. Joe said, "Fine, I'll call a news conference." I went up to see Joe about a half hour before the news conference to brief him, to tell him what the issues were, and so on. He was on the telephone. He hung up the telephone, and I said, "Joe, before you go out there, I better tell you some facts." He said, "That's not necessary." I related certain facts to him from the time we walked out of his office to the room where he held the press conference. Joe got up there and was masterful, as if he knew all about it. "This was a great city, we want to be sure that everybody is treated equally." He just handled it in a masterful manner, and he was such a quick study.

**Question:** You seem to have a coalition that surrounded Alioto and seemed to bring together groups that might not have worked together otherwise.

**Walter Shorenstein:** They all admired Joe. He brought in Joe Mazzola. Joe Mazzola was head of the plumbers union. Joe Mazzola came to San Francisco as a hobo, hitching a ride on the trains. Never got beyond grammar school. Joe was a big force in Alioto's administration. Someone like Mazzola and Swig, together? I could bring Swig in, and Joe was able to keep everyone together. There would never have been a Transamerica building without Joe Alioto.

**Question:** The ILWU and the black ministers. Chinatown, the Mission district, he brought all of them together.

**Walter Shorenstein:** He had an enormous capacity to do that. In a very affable sort of way.

**Question:** Did you support him in his run for governor?

**Walter Shorenstein:** Oh, yeah. I was very close with Joe. I think Joe considered me one of his closest friends.

**Question:** When he ran for governor, you supported him, but did you think he would win? In your heart of hearts.

**Walter Shorenstein:** Oh, yeah. With a proper campaign.

**Question:** There must be times, must be plenty of times in politics when you support somebody and you know that they don't really have a snowball's chance in hell in winning. I am thinking of Walter Mondale in '84.

**Walter Shorenstein:** You're either loyal or not loyal. I mean, you can't be an opportunist. Mondale came out of Humphrey and I was close to Humphrey.

**Question:** In '84, you didn't really think Mondale would win, did you?

**Walter Shorenstein:** He could've won. We gave him a great convention in San Francisco and he went up in the polls, and then he opened his mouth that he was going to increase taxes. There were people around him that should never have been around him. Same with Gore, there were people around him who should never have been around him.

**Question:** We wanted to ask you about the chamber of commerce. How did it come about that you were president of that group?

**Walter Shorenstein:** You're invited to become president and usually visited by a delegation made up of chairman of Chevron and PG&E and the telephone company. I was told this is coming. I was on the board. That was a period where I was very active with Alioto and all the other things.

**Question:** Who was this, do you remember?

**Walter Shorenstein:** I think it was Emmett Solomon of Crocker Bank. Distinguished people. It was a delicate conversation. I mean they were inviting a Democrat and a Jew to be president of the chamber. What was I to make of that? I inferred that it was more or less because I had the ear of Joe Alioto. It did turn out that they let me be my own man.

**Question:** Now, when you were head of the chamber, what were the major battles that you faced?

**Walter Shorenstein:** Somehow, we avoided battles. We avoided battles by working very closely with the administration.

During this time Johnson was president and the cities were burning. Nothing happened in San Francisco. Johnson called the mayor to compliment the city that nothing happened here. Now why did it not happen? Joe called me in and said, "All these things are emerging and what recommendation do you have?" He called the various departments in. I outlined a plan for Park and Rec. He said, "We don't have any money." I said, "I'll take care of a good portion of this thing and you won't need too much money." We went to Hunter's Point and talked to the powers that be at Hunter's Point, and I said, "What do you want and need here that can keep this thing from erupting?" They said, "You got to keep the kids off the street." MERGE, which I financed, I got the city buses, which didn't cost us anything, and we got the mothers at the church to take their kids, and we got the city buses to take the kids to Muir Woods, over Golden Gate Bridge, to Fleishhacker Zoo,

to Lake Tahoe, to the wine country. We had caravans of buses that got the kids off the street. We just supplied food, and I got a lot of it as donations. What was important then was to have someone pay attention to the kids.

**Question:** Since we're back into recreation and park, I wonder if might now talk about the flower children and what happened in '67 and '68 when Golden Gate Park gets taken over by thousands and thousands of young people. What were you going to do?

**Walter Shorenstein:** Well, they were fornicating in the park right in front of the kids. We decided to put horse patrols down there. Lo and behold they were doing it right in the manure.

I think Walter Haas put some money in re-doing the children's playground in Golden Gate Park. I re-did the carousel and they were going to name that park after me and I said, "No, that should be named after Mary Connolly, she's so dedicated." I think the plaque mentions Mary Connolly and says something about me and Walter Haas. We added more security. We were able to contain it pretty well.

**Question:** Just by letting people be?

**Walter Shorenstein:** Yes, but we used mothers as monitors, particularly around the children's playground. And the senior citizens' centers were pretty well looked after. But the flower children were looking for confrontation. They wanted you to take them on so things could explode. A kind of Gandhi kind of thing.

**Question:** But for a while there, at least part of the park that's closest to Haight-Ashbury was not very usable by anybody else.

**Walter Shorenstein:** But we looked at the whole park and knew how many square feet we had and how much we were giving up. We knew what we were doing, in letting them do their thing. But then things did escalate, and this started the whole period of the protest. They come up with the TV cameras in tow and started marching around, and they hit you on top of the head with one their plaques. It was just one of these things. Some woman would start beating me, saying, "How much are you paid?" Well, when you're in Park and Rec. you don't get paid anything. You do the paying, in fact. But we had a very controlled meeting with these people. Mary Connolly handled that herself. Then they were called up one at a time and I would say to them, "Tell me the name of your organization, tell me how long have been in activity, how many members you got? Give me brief outline of who you're speaking for."

**Question:** I have a follow up question on the issue of the demonstrations and the Vietnam War. The Vietnam War and the demonstration, they really hurt the Democratic Party.

**Walter Shorenstein:** San Francisco, or nationally?

**Question:** Nationally. Looking back on it, how did you come to decide who were the politicians who knew what they were doing? How did you think of terms of, well, this is where the Democratic Party needs to go to pull itself out of this hole.

**Walter Shorenstein:** Well, you must remember that McCarthy and all were accusing the Democrats of being soft on communists.

**Question:** And they lost China.

**Walter Shorenstein:** Yeah, and they lost China. So when Vietnam came along it was in that context. Now the people that were behind Lyndon Johnson were all Kennedy people. Bobby Kennedy, McNamara, Dean Rusk, you go through the list. All those people were Kennedy people. So, you looked at it that Johnson was going to let the Kennedy people run this thing but Johnson was going to concentrate on getting civil rights legislation through. While he was doing it, he got so caught up in the Vietnam War, he delegated to Westmoreland. All the people around him said that you don't want to be the first president to lose a war and you don't want to give into the communists. I guess during that period, I would have been considered a hawk in a way. The only time that I really got into it was when Humphrey was running for president. It was in San Francisco that we all convinced him to get himself out from under the Vietnam War and that's when he got Lyndon Johnson very upset with him.

**Question:** As a supporter of Humphrey in '68 what was your understanding of what he was planning on doing about Vietnam if he was elected? Did you think he would continue the Johnson policy?

**Walter Shorenstein:** I don't think he would have. He would have been better for it than Nixon. He would not be elected with a mandate to continue the Vietnam War. The people that were around him were starting to convince him that this something we should get out of. Nixon and Kissinger continued it. But I think he would have phased us out. As Johnson, now it becomes clear in the tapes, was trying to phase himself out.

**Question:** When Humphrey would meet with a group of supporters, contributors, what kind of questions would you ask him?

**Walter Shorenstein:** Well, just being around him, you realized he's a very fine individual and a very dedicated man, a very intelligent man, a man of a lot of ability, someone that you want to support. You knew good and well that he would be a better president than Nixon. I think one of the tragedies of these times was that he was never elected president.

**Question:** You mention that Ben Swig would convene people to talk about who ought to be supported for mayor. Did you ever participate in those sessions?

**Walter Shorenstein:** Yeah, I did, in a way, but Ben took the lead in it and he was able to generate enough money to lead a candidate. Usually it was Ben Swig and Adolph

Schuman and Cyril Magnin, Jim Rudman, Bill Malone. But that's kind of subordinate to the overall picture. That power to help elect the mayor and things of that nature, what does it mean, in the overall picture? It didn't mean that much. Because we never looked for anything out of the political scene. We didn't want to become a political football for people to kick around, after you've invested your money and taken the risk. We didn't want anything to do with government and government bureaucracy. So we never utilized any of our political connections for personal gain. That was a smart thing to do. When Doug started getting himself involved in the Presidio, in the deal that he was trying to set up in the Presidio, I looked at that with a jaundiced eye and said, "Look, you know, it may be one of the greatest deals in the world, but you realize all the bureaucracies you'll have to deal with. The Department of Defense, the Department of Interior, the City of San Francisco, the Marina Improvement Association. What do you want to do that for?" We always took this attitude that with this great big world around you, why do you want to do business with government? When Doug was dealing at the Presidio, they had a picture on the front page of me and Clinton sitting in my living room. I don't know where they got the picture, but they were trying to portray me as cultivating Clinton to get the Presidio deal, which was the most ridiculous thing in the world. It was never our schtick to use our political connections in any way. We gave our support because we thought it was beneficial to the city to have people like Joe Alioto or others running things.

**Question:** I'll try to wrap up San Francisco. We have talked about Alioto, we've talked about Feinstein, we've talked about Moscone but we haven't mentioned Agnos, Jordan, or Willie Brown as mayors. Do you have any insights how those three administrations handled the problems of San Francisco, viewed by you as a businessman and one of the major property owners in the city, and as a person who is very active politically?

**Walter Shorenstein:** If you look at the political scene in San Francisco, it's literally self destructive and counterproductive to the economic well being of the city. It's anti-jobs, anti-growth, and anti- all kinds of things. The political scene was a deterrent to the economic growth of San Francisco. Joe appointed me to be his representative on what is now the Davies Center Association. The Board of Supervisors said that no city money should go into it, because the symphony is for the rich people and they should fund this whole thing. It was a battle at the Board of Supervisors to create something as significant as the Davies Center for the symphony. But cities, great cities, are built around culture. It's part of the cachet of a place.

For me, to talk about the mayors and the political scene is peripheral to what we were doing in real estate, and we were in no way helped by anything done by any politician. Politics were a negative, in a way, except when Joe was there.

**Question:** What has been your involvement with the so-called Burton machine? Do they come to you for candidate support?

**Walter Shorenstein:** Oh, certainly. In a way, you'd rather do business with John or Phil Burton than most any politicians because they'd always answer your telephone call. But you would never want to compromise yourself by asking them for favors. You'd go to

them about something that should be done in the interest of the city. From that standpoint, I think Phil was a great politician. But Phil antagonized a lot of people, too. John is coming into his own after all these years.

**Question:** Given all of your feelings about San Francisco and the difficult place that it became, why did you work so hard to keep the Giants?

**Walter Shorenstein:** I could go into great detail about reasons why so many major corporations moved out of the city. Negative politics were always part of the equation. Far from getting favors, they were harassed. It became impossible for them to do business in the negative political climate of San Francisco. This great big world is around us and people have wanted us to do things outside of San Francisco.

The corporate feeling was very negative in San Francisco. The business articles that were published in the New York Times, the Wall Street Journal, Business Week and so on were pretty much negative on doing business in San Francisco.

We felt that if the Giants left, that would be a big nail in the coffin. Besides, I had a personal interest. Here was a big challenge. I didn't think anybody could do it but me. Not that I have that much ego, but I knew it wouldn't happen unless I got involved. And it would never have happened.

**Question:** Nobody else had the interest or the capital, the financial resources, and the knowledge of the business world in the area?

**Walter Shorenstein:** The challenge was so great. Here was St. Petersburg offering \$125 million for an asset that in the fondest stretch of anybody's imagination would be overpriced at \$60 million. So who was going to step in? It would have been a crazy move for the National League to surrender to the American League and Oakland, with no National League team in the Bay Area. Just one team for both leagues in the fourth or fifth largest media market—it would be crazy to go to St. Petersburg, which is probably the twentieth media market. When the National League negotiates for its television contract, it needs San Francisco to be part of the package that they're selling. So someone had to go to the National League and say, "You're supposed to approve the move. Are you going to be stupid enough to approve this move?"

So they came to me and said that they would be in a horrible lawsuit if they turned down St. Petersburg's purchase, particularly if you're only going to offer \$60, \$70, or \$80 million. So they said, "Well, if you could find a way to do it at \$100-\$110 million—I forget which was the final negotiation—"we think we can find a way to handle this." Fay Vincent was the baseball commissioner and Bill White was commissioner of the National League. Fay Vincent was having his own difficulties but he became a close ally, provided the money could be raised.

Jordan was very anxious not to lose the Giants. He was represented by Clint Reilly, and they felt that I was the avenue for them to keep the team. I think that Jordan is given very

little or no credit for the fact that he brought me in and was crucial to keeping the team here. In order to keep the team, I first went to the Bank of America and reminded them that Giannini built the Golden Gate Bridge and that Bank of America had a long tradition of being involved with major things in San Francisco. They were reluctant to do the loan, which was \$50 million, because they had a horrible situation in Seattle where they loaned on the Seattle team but they could never foreclose because they didn't want to be chastised for losing the team by their foreclosure. So they said, "We don't like to loan on franchises." Anyway, ultimately they agreed to the thing, as long as I would guarantee it.

**Question:** You personally had to put up a guarantee

**Walter Shorenstein:** Well, I got some other signatures in there too, ultimately. To sell other people on the idea of going along on the guarantee is to say, "Look, there's an offer out there for \$125 million on this team. Would you consider it a bad risk that if there's a foreclosure you're going to own the team for \$50 million." That's not a bad bet. So I got others to go along on that. But then I agreed to come up with \$10 million of our personal money if other people would match it. I sold others on coming up with the \$10 million: Fisher, Schwab, Dick Goldman, and some others I brought in. If they were going to move one of our museums to St. Petersburg and you were asked to put up \$10 million to save the museum, you wouldn't think twice about it. I'm not going to show you the economics of this deal because if you ever looked at the economics you'd see that no one would get into it for business reasons. But it was a worthy goal, keeping the Giants here.

One thing I was told by Vincent and Bill White is, "Under no circumstances do we want you to bring any politicians or media into this. We don't want to have to deal with the city. It's you and us. Business people, business people." But Jordan was anxious to get his name in the forefront and become part of this thing. It was very frustrating. I had horrible situations with media. They wanted exclusive stories from me, and I wouldn't tell them anything. Jordan would want to get his name in the paper and tell them things. Media got awfully mad at me because I wouldn't tell them anything. Everyone wanted to take credit for what we were doing. We wanted to give Jordan due credit, but Vincent and others didn't want to deal with the city, so it was a mess.

Major League Baseball's legal advisors didn't want liability from messing up the existing deal. To Jordan's credit, he took my suggestion to have the city indemnify the League so we could get the talks back on track. The Dodger's owner, Peter O'Malley, didn't want to see his team's biggest rival move to St. Petersburg, so he opposed the deal. That convinced Louise Renne, the City Attorney, that the liability risk was manageable, since MLB owners had to approve the move. I put in \$10 million and had to put up guarantees against losses by other partners. Bob Lurie also had to accept less money than he would get in the St. Petersburg deal. But for the good of San Francisco, he agreed.

The League needed a name to front the deal, and I was busy with our company. Doug and I didn't want to be diverted from real estate, so [Peter] Magowan was tapped to lead the Giants even though he put less into the deal than others did. It was supposed to be temporary. Eventually he would be replaced by a baseball insider. But he convinced the

other partners to let him keep the job. At that time, I was being advised by Harry Nederlander, a major Yankee's shareholder and our partner in the theater business, about how to make the Giants a great franchise. I started some discussions to bring in more capital from groups like the Tokyo Giants, New York investors, an Asian media conglomerate. They were all great prospects, but the other partners didn't want dilution of their holdings and they wanted local control, so I agreed to sell my interest. We had already signed Barry Bonds and Willie Mays, but I was concerned that an undercapitalized team would not be successful.

Then there was going to be a meeting in New York that they wanted me to attend, to make the presentation. But Phyllis was going to be operated on and I couldn't leave town, so I got Magowan to go in there to represent the group. When I told Jordan of this meeting, he said he wanted to be there. The league cautioned me again: "Don't bring your mayor with you." So I had a terrible battle with Clint Reilly, who was representing the mayor: "Hey, Jordan put you into this darn thing and now this thing's going to happen, and you don't want Jordan to get any credit." I said, "Look, if you want it to happen—well, it's not going to happen that way. Besides, I've got my mind on Phyllis, and I'm going to send Magowan in. I don't want to get involved with battling with you people on top of it. So do you want it to happen or don't you want it to happen? If you want it to happen, just don't keep pushing." But it seems Clint Reilly advised Jordan otherwise, or whatever, and Jordan took the redeye to New York. We managed to keep him away from the presentation, but he got to make an announcement of his own after it was fait accompli.

I've learned not to get into any type of situation unless you can dominate it. That's why I got off all the boards I served on. I would sit on these boards and they'd have discussion and all that kind of thing, while I'd be interested in accomplishing things and cutting out all the BS to get it done and go to the next project.

**Question:** Talk about your involvement with the celebration for the fiftieth anniversary of the UN in San Francisco.

**Walter Shorenstein:** Within about three months of the announcement that the fiftieth anniversary of the UN would be celebrated in San Francisco, Jordan came to me and said, "This thing's a mess. The world is about to shine its light on San Francisco and we don't have this thing put together in any which way." The UN was saying, "We want a big ceremony." And I was brought in and I could see how bad it would be for San Francisco if we didn't do this well.

I started to build the whole thing around getting Bill Clinton to agree to come to the ceremony. He did not agree, because he was involved in the fiftieth anniversary of the victory of World War II. But I worked with Leon Panetta, his chief of staff, and we convinced Clinton that he ought to be here to give a major speech for the fiftieth anniversary. Then I got President Carter to agree to come, and President Carter put me in touch with President Ford. We got Ford and Carter to come, but President George H. W. Bush would not come.

**Question:** Why not?

**Walter Shorenstein:** He may have felt that he was going to be overshadowed by Clinton. Everybody at the UN was trying to get Bush to come, but he wouldn't. It was extraordinarily successful. I gave a dinner at my home. In that room we had some of the most significant people in the world, many heads of state and UN ambassadors. Once you had Clinton involved, and the other ex-Presidents, everything came together. And we pulled this off in the last three months or so. I couldn't get the financial support that I needed, so I paid for most of the things. I put over \$1 million in the thing, but that was okay. You become the enemy of some people when you're doing it this way, getting it done. But you say, "Okay, I'd rather be me than them." I think I told you previously that someone told me, "When you have big enough enemies, you've arrived."

**Question:** A theme throughout the interview, and you just articulated it: in order to be a success, you felt you couldn't be a junior partner. You had to have independence, you had to be the managing partner. You've done very well in business by that. You can do that as well in the nonprofit sector, in your philanthropic work. How does that work in politics? Can you be the dominant partner as you get involved in national politics?

**Walter Shorenstein:** No. The dominant individual's got to be the candidate. And the people around the candidate are a dominant force. All you can do is suggest what you think the policies should be. There are places to dominate and places not to dominate. You've got to recognize that the candidate is the person who is out there appealing to voters. When I was doing a political fundraiser for any of these people, then I wanted to dominate it. It was our event. We were going to put it together. If my name was on it, it was going to be a successful event.

**Question:** When you managed a fundraising event, did you have a commitment as to the amount of money you were going to turn over or raise?

**Walter Shorenstein:** Well, that went without saying

**Question:** So if you didn't make it from the other people, it came out of your checkbook?

**Walter Shorenstein:** To a degree, but we were able to do it. I was a big contributor, but still we stimulated others. Others wanted to get on the bandwagon because they want something. I didn't want anything. I didn't want to be an ambassador, for example; that's a horrible job—who would want to leave Portola and the family to be ambassador? And to put your business in a blind trust—I didn't want any part of that. I said, "I don't want to serve in anything in Washington that would take me away from San Francisco." But in the Johnson administration, I was on three commissions. During the Carter years, I was President of the White House Preservation Commission. These were fun things that didn't require you to move to Washington. You could go back and forth to meetings. In the Clinton Administration, I served by presidential appointment on the Americorps board.

But I never accepted any position that would mean moving to DC, like the Corporation for National Service.

**Question:** Maybe you could tell us about your start in national politics with the Johnson administration. What was the very first introduction you had to that world?

**Walter Shorenstein:** Well, Arthur Krim was the Kennedy main fundraiser, and he contacted me. Arthur Krim was chairman of United Artists. He was the big fundraiser for Kennedy, and when Johnson became president he became the big fundraiser for Johnson. He was a very fine man. Cyril Magnin got Arthur Krim to look out for Phyllis once when she was on a trip, and I appreciated that.

I guess Cyril told Krim, "Look, take care of this person and this person will come through for you." Or words to that effect.

**Question:** You were an adviser to Johnson on financial issues?

**Walter Shorenstein:** Somehow they get the word adviser into my biography or resume; if you use the word "adviser" it means that you were on the telephone with him and he was on the telephone with you. It didn't happen that way. I would say I was "closely associated" with Lyndon. "Adviser" is not an accurate portrayal of the relationship I had with Johnson.

**Question:** What were you doing exactly with the Johnson administration?

**Walter Shorenstein:** With the Johnson administration, you had probably more influence than others administrations, in the sense that they would not make any appointment in northern California, whether it was a judge or any appointment, unless they contacted you first and said, "What do you think of this person?"

**Question:** You personally?

**Walter Shorenstein:** Yeah.

**Question:** You were pretty young at this time.

**Walter Shorenstein:** Well, I was young, but that's the way it was happening.

**Question:** What are some of the appointments you were asked about?

**Walter Shorenstein:** Anything that came up in northern California, whether it would be an ambassador or a judge, whatever.

**Question:** Were you always positive? Usually positive? Sometimes?

**Walter Shorenstein:** Yes and no. It depends upon how you felt about the person.

**Question:** What were the three commissions you sat on?

**Walter Shorenstein:** I sat on a commission, the first one to study the impact of suburbia. Very interesting. They had some really, really outstanding people on that commission, from Harvard and other distinguished institutions. During that time, the suburbs were just beginning to emerge as an economic force, right around the time of the Johnson administration. Johnson was going to use that as his main re-election theme, the vision that he had for the communities.

**Question:** Were you surprised when he announced his decision not to run for re-election?

**Walter Shorenstein:** Not really. But the campaign organization was pretty much up and running, so you focus on that, even though I knew that he was getting pretty frustrated in his job. I recall one meeting where I heard him say, "People think of the president as being powerful, but if I can't get an act through Congress, I don't have any power." Here was a person who was always thinking about power.

**Question:** Were you disappointed that he chose not to run for re-election?

**Walter Shorenstein:** Went right on to Humphrey. And I became closer to Humphrey in a way than I was to Johnson. Humphrey was catering more to you anyway.

**Question:** Catering, what do you mean by that?

**Walter Shorenstein:** Johnson—well, we became part of Johnson's team—but he already had that senior team in there. Humphrey was building his team. So you became part of something that was being organized.

**Question:** So you were responsible for organizing the northern California fundraisers for Humphrey?

**Walter Shorenstein:** Pretty much so. We did a fundraiser, and Humphrey asked me to ride with him to the airport. We got there. His people got me in a corner and said, "The charter people refuse to take off until they have the guarantee that this trip is going to be paid for." Here you are, and they're looking at you and saying, "This is going to be a national or international incident" if the airplane couldn't take off. So they cleverly kind of got me boxed in, but it was fine.

**Question:** That was a difficult campaign and a difficult election. Did you have a hard time getting enough financial support?

**Walter Shorenstein:** I was very distressed at people who called themselves true, dedicated Democrats and were actually limousine liberals who refused to give Humphrey any money because of the Vietnam War. That was very frustrating. These people would rather see Nixon get elected? And Humphrey came within 200,000 votes in the state of

California. Had California gone to Humphrey, the election would have gone to the House, and the House was Democratic. When I look at it, southern California stole all of our money. The money that came out of northern California went to the national committee that was supposed to spend it in northern California. The powers that be urged the Humphrey people to spend our money in southern California and promised to reimburse northern California as they raised money in southern California, but it didn't happen that way.

They say that if the campaign had lasted two more weeks, Humphrey might have been elected. At a meeting in San Francisco, we said to Humphrey, "You've got to disavow the Vietnam War if you want to get elected." At that time, Johnson would have cut him off for having an independent view about this. But it would have helped him get elected. We, in San Francisco—he was on his way to Seattle—said that he should make that speech, which he did— which kind of started a groundswell back to him. That's when it got close.

We were asked to put additional money in for the California campaign. We said, "you get some money back for us from southern California before you ask us to put any more money back in." My name was on a lot of notes, so they owed me. Had that money come up here where it would have made a difference in Carmel, in Monterey, in all these swing areas, the election in California might have gone differently.

**Question:** Ben Swig had been very close to the Kennedys. Did he support Bobby Kennedy's campaign for president?

**Walter Shorenstein:** He was a big force.

**Question:** If Kennedy had lived and gotten the nomination, would you have been as enthusiastic for him as you were for Humphrey?

**Walter Shorenstein:** I got to be careful what I say about this because I'm a very, very close friend of Ted Kennedy's. But Adolph Schuman and a few others were Bobby Kennedy's main people, and I was never going to compete with them in any way. So I just went along. You don't ever try to play one-upmanship with your friends.

**Question:** It seems that when you are deciding who you're going to support, the politician's character is more important to you than the issues he espouses. I was inferring from what you have said about your loyalty. Is that correct? How do you balance the character issues, the person versus the issues, the policies?

**Walter Shorenstein:** Well, maybe I'm a committed Democrat.

**Question:** Have you ever raised money for a Republican?

**Walter Shorenstein:** No. I'm a committed Democrat, and sometimes I get frustrated at others that are not quite as committed as I am. Part of this commitment—for our generation—came from the fact that Herbert Hoover and his policies led to the

Depression. Then FDR became the champion of so many policies that benefited so many people. During that period you had Father Coughlin and the America First Committee and a lot of anti-Jewish organizations. There were Nazi flags on the campuses, and an almost a rising anti-Jewish feeling in this country. You say it can't happen here, but there were signs of something brewing. Roosevelt and the Democratic Party did a lot to neutralize those negative forces.

I came from a family of Democrats, so this wasn't a difficult choice for me to make at the time. Of course, being in the Army Air Corps, I strongly supported Roosevelt. Even now, I say that there's every reason to support the Democrats, to be a Democrat, and I tell this to people who are Republican.

**Question:** Why?

**Walter Shorenstein:** I say to them right now, "Look, you people have never been better off than you were during the eight years of the Clinton administration, and as an executive of a major corporation no one ever thought they would pay you what you're being paid and earning—and your corporation and your company could not be more successful, so why are you complaining?"

"Well, taxes are too high."

And I'd say, "Yeah. The only reason you have to pay high taxes is because you're earning money. If you weren't earning money, you wouldn't have to worry about paying high taxes. So it's a delightful problem."

**Question:** I guess you're in a position to say that.

**Walter Shorenstein:** I say, "Look, you said that your taxes were too high and you've gone to this administration to reduce your taxes, but you're doing more to destroy the economy by not funding government, and ultimately you'll lose more of your personal asset value than you'll gain from lower taxes."

**Question:** You talked about arguing with the Democratic National Committee--or at least the powers that be, as you put it—about where the money needed to be invested. Did you start to develop your own ideas about how media markets needed to be worked?

**Walter Shorenstein:** No, I thought that was part of the campaign. You don't want to get into arguments you can't win. The campaign is going to be run by the campaign people. You don't want to get in there and tell them that they're running a lousy campaign, or not spending your money properly. You can feel it, but you can't—

**Question:** So even if you think it—

**Walter Shorenstein:** You can't think that. The campaign has got to be run by the so-called campaign people.

**Question:** This is before campaign finance reform—

**Walter Shorenstein:** Ever since I can remember, every politician would talk about campaign finance reform. After the Watergate/Nixon thing, there were reforms. But, still, money is the power in politics. And money's going to find some way of getting in there.

**Question:** Were there things that you could do that you did do for the Lynch or the Humphrey campaigns that you couldn't do today?

**Walter Shorenstein:** I think that during that period there were more limitations on hard money. But somehow or other you got the money. There's a way to do it.

**Question:** The post-Watergate campaign reform puts a limit on the amount of money any single individual—

**Walter Shorenstein:** But then we got into the soft money thing.

**Question:** As far as you're concerned, the new bill that may be going to Congress isn't going to change much?

**Walter Shorenstein:** I would be surprised

**Question:** Were you also involved in campaigns at the senatorial and gubernatorial levels? You mentioned Alioto—what about Alan Cranston? Did you raise money for him?

**Walter Shorenstein:** I felt it was more fun and more productive to be involved with the national political scene than the local politics. So that's where I kind of focused and whatever happened, happened. Cranston came to me for free office space when he said he was going to run for senator. Alan Cranston was defeated as controller and wasn't doing too well in the real estate business. So he thought he'd be a candidate. When you don't do anything else, I guess you become a candidate. I said, "There's no way in the world that this nomination's going to mean anything because no one's ever going to defeat Kuchel." He said, "Well, will you give me office space?" I said, "Okay, I'll give you office space and a few bucks to get started." Little did we know that Kuchel was going to get knocked off by Rafferty, and then Cranston became a viable candidate. Lo and behold, Rafferty becomes the Republican candidate. So that's when Cranston got started.

**Question:** But Rafferty was a popular politician.

**Walter Shorenstein:** I think that he was too right wing to get elected. In other words, if you're dedicated right wing or left wing, it means you get 30-35 percent, but you need 51 percent to get elected unless there's a third party candidate. It's awful hard to get that middle if you're so much off to the left or to the right. So that's what occurred in that election.

**Question:** So in 1972 you continued to support Humphrey?

**Walter Shorenstein:** I liked him.

**Question:** What did you feel about McGovern as a candidate?

**Walter Shorenstein:** I didn't like McGovern.

**Question:** So when he got the nomination, you pulled

**Walter Shorenstein:** Humphrey asked me give some money and I did, but I didn't get involved

**Question:** Why didn't you like him?

**Walter Shorenstein:** Maybe it was because he was not supporting Johnson's administration during the Vietnam War. At that time I was pretty much of a hawk in a way. Having served in military, I felt that you had to give support when the country was at war, and a politician like that, trying to tear the country apart—And I thought there was something superficial about him. I still think that way.

**Question:** How did you get involved with [Henry "Scoop"] Jackson? How did your interests, or your support, shift from Humphrey to Jackson?

**Walter Shorenstein:** Jackson was the senator that I liked the most in a way. I liked his policies and liked him as an individual. Then of course we became very close during the Vietnam air lift, when we helped get the orphans out of Vietnam.

**Question:** Could you tell us more about Humphrey's campaign in '72?

**Walter Shorenstein:** I liked Humphrey as a person. I mean, one time I picked him up at the airport. The plane was delayed, and we were late for a lunch. We're walking through the airport and a woman comes up and says, "Mr. Humphrey, I want to talk to you." And he starts talking to her. And we're yanking him, pulling him. He says, "This lady wants to talk to me. I want to listen to her." That was the kind of person he was. There were always so many people standing in line at the senate office building to go in to see him. I think he believed in people and had empathy. Muriel sold sandwiches to put Hubert Humphrey through college. They came from that kind of a background, and they understood people. I never looked at myself as an elitist, and I never looked positively at people that considered themselves elitist. Maybe I'm a rebel in that respect. He was just an ordinary person and I liked him. There was nothing superficial about him.

**Question:** How did you meet him?

**Walter Shorenstein:** I started getting involved in the Johnson campaign, and the Johnson people would always say to me, "Go talk to Hubert if you want anything." So

whenever I went to Washington, I'd see him. He'd be very open and receptive. You just liked being with him. He had a brilliant mind and understood the issues. He was a very dedicated, committed public servant.

**Question:** What should he have done differently in setting himself up to run?

**Walter Shorenstein:** He couldn't pull himself out of the shadow of Johnson. He couldn't pull himself out of the shadow of the Vietnam War. You'd meet him at around 7:30 or 8:00 for a breakfast meeting, and he'd be going all day, until 1:00 or 2:00 in the morning, and then be up at 6:00 am and at it again. "How do you do that?" And he says, "When you see the people out there, the adrenaline starts..." "Well, Hubert, you're accused of talking too much." He says, "Well, I got such a big message that I want to talk about it." He was who he was, and I think this country would have been a lot better off with him president. But Nixon got elected.

**Question:** Was there a group of political friends that you discussed candidates with? Thought about who's going to be successful, what's going to work? Were you still talking to Krim, Valenti, Robert Strauss?

**Walter Shorenstein:** Well, we kind of created Robert Strauss. After Humphrey lost, the Democratic National Committee was completely broke, and Bob Strauss emerged. Joe Alioto kind of moved certain people to support Bob Strauss. I was involved with Bob Strauss, and then I was involved with Pamela Harriman. There was a time when the Harrimans were totally focused on Jay Rockefeller, in grooming Jay to be the ultimate candidate. But all of a sudden there was this young governor from Arkansas that Pamela became attached to. The Harrimans started bringing the Clintons into things. Their focus was on the young Democrats coming up. Dick Gephart was one of their early favorites.

**Question:** If I think about Clinton and Jay Rockefeller and Dick Gephart, I don't see a whole lot of ideological consistency. Is there something else driving this interest in these different young men?

**Walter Shorenstein:** Well, I think the ideological interest was there. Clinton was very bright, Jay Rockefeller was very personable in a way. They liked Lloyd Bentsen.

**Question:** Did you have any influence on this issue, the choice of candidate to support?

**Walter Shorenstein:** No, no. No, if they felt inclined towards a candidate, I accepted that.

**Question:** But in '76 you're supporting Jackson, the hawk.

**Walter Shorenstein:** Yeah.

**Question:** A classic New Deal Democrat, though the Reagan people would call him a "tax-and-spend Democrat."

**Walter Shorenstein:** Yeah. But the Republicans never did better than they did under Democrats. When you make a lot of money, you pay more taxes.

**Question:** When Jackson fell by the wayside in '76 and it was clear that Carter was going to become the nominee, how did you respond?

**Walter Shorenstein:** Early on, I got a call that this governor from Georgia is going to be in San Francisco and would like to have lunch with you. I said, "I got more to do in my life than have lunch with somebody that's got just 2 percent in the polls." But as he emerged as a candidate, I did become involved. But early on, I thought that he would be a long shot, which he was.

**Question:** His presidency was plagued by all sorts of economic problems.

**Walter Shorenstein:** Well, his problem—and Clinton tried to avoid it—was that it was very difficult for the establishment in Washington to accept the governor as president. Washington has its own establishment, composed of Tip O'Neill and the old line people that were around there in the seventies, and they looked with disdain upon this person coming in from Georgia. He was having trouble getting his staff organized to deal with the House and Senate, and the Washington bureaucracy, and that whole Washington system. Maybe it was Joe Kennedy who convinced Jack Kennedy to bring in all these bright people from Harvard into his administration. But Carter brought all these people from Georgia in there, when it might take Harvard types to deal with the so-called Washington establishment. And he was a hands-on manager and did not delegate as much as he should have. But I think if you look at history, I don't think he was a bad president.

**Question:** In 1980, were you raising money for his re-election?

**Walter Shorenstein:** Yeah.

**Question:** Did you have trouble raising money?

**Walter Shorenstein:** You always have trouble raising money.

**Question:** Was it any more trouble than usual?

**Walter Shorenstein:** Hindsight, foresight. Every time we did it we'd say it's the last god darn time, I'm never going to go through this or do this again. But you wind up doing it. Now, I don't know whether I'd do it.

**Question:** Oh, for the 2004 election?

**Walter Shorenstein:** I don't think I'd do it. I'd write a check myself, but I don't think I'd want to organize another big fundraiser.

**Question:** But isn't it the raising of money that gives you the influence within the party and the administration if your candidate wins? If you've been lukewarm about raising money, or contributing, then your opinion on things is going to be discounted, right?

**Walter Shorenstein:** So what?

**Question:** I'm not talking just about in terms of your personal business, but your idea. about how the country should go.

**Walter Shorenstein:** I still have that influence.

**Question:** What form does it take"

**Walter Shorenstein:** To convince [Tom] Daschle and Gephardt that they have to formulate policies that are more acceptable to the people, and they can't be too passive when facing the fact that Bush has 80 percent approval ratings. They have to keep an eye on the military side of things, make sure we don't head into another Vietnam. Look at the talk about Iran, Iraq, and North Korea—are we becoming too militaristic? Are we going to be better off—instead of spending this \$40 billion in military—to spend it in helping the poor and depressed countries improve their lot, and look at the social side of things instead of the military side of things? The Bush administration actually needs a military crisis in order to survive.

**Question:** And you've got some experts on your side of the table, maybe from the Shorenstein Center at the Kennedy School, at Harvard?

**Walter Shorenstein:** Yeah, yeah. Bill Perry, Joe Nye, Sam Nunn, Bill Bradley.

**Question:** You are in a position to use your influence in helping to pull together a network of—

**Walter Shorenstein:** Of people that will express this point of view. We're planning to have a major dinner in Washington with these people and some of the military leaders, to raise a few basic points, because, in this global society, there is no way in the world that we can have all the economic well-being while everybody else is poor and deprived.

**Question:** And these are certainly Democratic Party ideals—

**Walter Shorenstein:** Yeah, right.

**Question:** But I wonder going back as far as the sixties, how successful has the party been at carrying out these ideals?

**Walter Shorenstein:** Well, I think they've been more or less at the forefront with their support of the International Monetary Fund, though maybe not the UN. More so than the Republicans, anyway.

**Question:** You're developing a very aggressive role in trying to shape a policy response, and yet what you've been telling us so far is that you would defer to the actual candidates you were supporting with fundraising.

**Walter Shorenstein:** Well, I'm not talking about the candidates. I'm talking about party philosophy.

**Question:** Well, did you do similar kinds of things in the seventies and eighties to shape party philosophy?

**Walter Shorenstein:** No, it was pretty much automatic. You had people in there that expressed it pretty well.

**Question:** So you're taking up the role that has been vacated by the passing of Pamela Harriman?

**Walter Shorenstein:** Washington always was influenced by the so-called "wise men" such as Clark Clifford and Averell Harriman, [Robert] McNamara, Arthur Krim, Lou Wasserman. That kind of concentrated influence doesn't exist any longer. There's literally no one there. Bob Strauss used to put it all together, but there's no one there to do it.

**Question:** Now, you're stepping in to the void?

**Walter Shorenstein:** As much as you can when you're three thousand miles away.

**Question:** Who else is stepping in along with you at this point?

**Walter Shorenstein:** That's a good question. For some reason, there isn't the dedication towards the political philosophy and commitment except more on the Republican right.

**Question:** Why do you think that is?

**Walter Shorenstein:** People are almost overwhelmed. When you have a generation that has lived through Nixon and Watergate, Reagan and Iran-Contra, Clinton's scandals, and now Enron—people have become pretty jaundiced. You don't have the dedication, faith, and trust that developed out of World War II. Then look at Korea and Vietnam. People are just generally turned off. Who can you trust? How do we restore that trust that's been lost?

**Question:** What about you? Are you turned off?

**Walter Shorenstein:** No, I wouldn't say I'm turned off.

**Question:** You mentioned the Clinton fundraisers. You're close to Clinton—how did you feel about his aggressive approach to fundraising?

**Walter Shorenstein:** Well, if you want to get elected, you need a level playing field, and the Republicans have so much access to money that the Democrats go to questionable sources to raise the money to create a level playing field. And I think they became too aggressive in doing it.

I've always tried to not raise money from people who wanted to buy something from government. As an example, Silicon Valley—they wanted to give their money but in return they wanted to get the capital gains tax reduced, the inheritance tax, and they had their policies in there—and I wasn't going to get in between to champion their policies. If they wanted to raise money and give it for that—fine, I don't have to get involved with that.

**Question:** I'd like to end today with your decision to support Clinton in '92, but I'd 98

**Walter Shorenstein:** Tip O'Neill was pushing for a female on the ticket and wanted somebody from the House, and he picked Ferraro. I was not about to say, "You shouldn't do that." But I thought that Mondale ran a lovely campaign. And we put on one hell of a convention in San Francisco. I don't think I touched on that convention.

Chuck Manatt was chair of the Democratic National Committee and [Big Peter Kelly] from Hartford, Connecticut, was chair of the finance committee. They were in San Francisco, and we were having lunch or cocktails at the top of the Hyatt, when Willie Brown was there. We said to Chuck, "Look, You ought to have the convention—you're from California you should have the next convention in California." We knew it couldn't be in Los Angeles because Los Angeles was having the Olympics.

Kelly said, "Would you start us off by contributing \$1 million?"

I said, "Sure, you get the convention here, I'll commit to \$1 million to start it off."

He said, "Well, it's going to take three or four."

I said, "Well, I'll start you off with \$1 million."

Dianne Feinstein was mayor, and she was opposed to the idea of having the convention in San Francisco. On two counts. One, that San Francisco had more protesters than any other place in the country, and she was concerned about Berkeley and the flower children and having another Chicago situation. And she said, "I can't get it through the board of supervisors." Two, she said that if there were \$1 million available to her, she'd think about it. Well, I thought it was the same \$1 million we gave to Peter Kelly, but it turned out that to a different \$1 million that she would need for policing, for the city.

Now this is what's very interesting, and I don't think you'd do it today. I raised over \$1 million in less than a week, \$100,000 each from the Bank of America, Chevron, Pac Bell, PG&E, Wells Fargo. They all came through. I don't think you could do that today. And that's the way the convention came about. Everybody will tell you, even today, that that

was the best convention they've ever been to. San Francisco was the ideal city, because in July and August you don't want to go to Houston or Dallas or Miami. It was a great convention, and we put that on. Willie Brown was a help to a degree. I don't know whether we got any state money though. I don't recall whether we did.

Right up until the last week, two weeks, they had another convention taking place in Moscone Center. We couldn't get access to it until that convention was over, and the unions wanted time and a half and triple time to do the set up. It took enormous negotiation on my part to get all of these things done.

So we gave Mondale a hell of a convention, and he came out with the whole idea that he was going to increase taxes. Because of the great convention, his ratings improved, but the minute he announced he was going to increase taxes, it went down. I said to him, "Hey, we broke our butt to give you one hell of a convention—and then you do this? Who's advising you?"

**Question:** But you mentioned last time that you thought some of the men surrounding Mondale were weak, and you also said that in 2000 a lot of the people surrounding Gore were not strong enough for the job—

**Walter Shorenstein:** Well, I think a good part of the problem was Gore himself, too. But, basically campaigns are inefficient. The Republicans seem to create more efficiency in their campaigns than the Democrats do.

**Question:** For two years before the campaign in 2000, people were saying that Gore was going to run a bad campaign, or that he would be a weak candidate. Wasn't there anybody in the Democratic Party, the "wise men" as you put it, that could say, "Let's wait a minute—what path are we going down?"

**Walter Shorenstein:** Clinton had such control over things that there was no way that anybody could change anything. If Clinton wanted to anoint Gore, which he did, even though they had a falling out, there was no way that anybody could change that. Bill Bradley tried it.

Bradley was the Shorenstein scholar at Stanford. He and I went to dinner, and Bill said that he was thinking of running for president, and asked me what I thought. I said to him, "Look, you have nothing to lose. You don't know whether Gore is going to stumble. You're the kind of person that could step in if something happened in a way. I think it would be reasonable for you to do it."

**Question:** In '88, who were you—I think it was George Mitchell that you were closest to in '88?

**Walter Shorenstein:** Yeah.

**Question:** Though he didn't seem to get very far in the presidential race.

**Walter Shorenstein:** You have to have fire in your belly, or something in there. But it's awfully hard to be majority leader and run for the presidency. You still have that Senate to contend with, and if you're going to be competitive with other people in the Senate for the presidency, you're not going to be able to function very well.

**Question:** When did you decide that you were going support Clinton?

**Walter Shorenstein:** At the Shorenstein Center at Harvard, you would have all the major political writers at various events. They would say to me, "There is no way in the world that you ought to support this person from Arkansas because we've got more in the can against this man—it'll be a disaster." And some people came to me— different people—and said, "The one that you ought to support is [Bob] Kerry of Nebraska. He's a Navy Seal, he's been a business man, very acceptable, clean, and someone you ought to support." So we did, in a way. And if Cuomo had become a candidate we'd have supported Cuomo.

**Question:** Mario Cuomo.

**Walter Shorenstein:** Mario Cuomo was not announcing, but underneath it all they were putting a campaign together. So we felt it would be easier to switch from Kerry to Cuomo than to switch from Clinton to Cuomo. So while we were getting him ready to run, he pulled out. Then, Kerry looked like a safe place to be until Cuomo would make his final announcement. We all got ready to go towards Cuomo. Cuomo had the airplane waiting to take off to go to New Hampshire. On that same day, he took a poll in New Hampshire showing that he would lose. He did not want to go to New Hampshire, and he pulled out. And Kerry was fading. So that left Clinton coming out of New Hampshire. And then, of course, Clinton made the famous "Checkers speech" with Hillary. And Pamela and everyone started moving towards Clinton so we went, too.

**Question:** Well, he was certainly a brilliant campaigner, but everybody knew, as you said, that there was enough stuff to use against him—

**Walter Shorenstein:** But he was able to withstand it.

**Question:** But it hobbled him throughout his presidency?

**Walter Shorenstein:** But there he was. President of the United States.

**Question:** One of the things you hear is that Clinton got the nomination because nobody believed that Bush could be defeated.

**Walter Shorenstein:** Right, yeah.

**Question:** Did you, at the beginning of '92, did you think Bush was likely to win? Did Pamela Harriman feel that way?

**Walter Shorenstein:** Roughly nine months before the convention, Ron Brown and Pamela Harriman invited a group of the most prominent Democrats to have an all-day session at the Harrimans' place out of Virginia.

We discussed the possibilities of winning, the weaknesses in the Bush campaign, and so on. Analyzed the situation. A pollster made the point that Clinton could win. He had everybody put in \$100,000 a piece. As a result of that meeting, the Democrats had a new viability. Ron Brown took the lead on it, and the Harrimans were involved.

**Question:** Whoever the candidate would have been?

**Walter Shorenstein:** Everyone was focused on Clinton, and we were rebuilding the party infrastructure. The Democratic National Committee was absolutely broke, but we reinvigorated it, with the Harrimans and Ron Brown in the lead.

**Question:** Had you worked with him before? Ron Brown?

**Walter Shorenstein:** Oh yeah. In fact, I was one of the people responsible for Ron Brown being chosen as chair of the Democratic National Committee.

**Question:** How's that?

**Walter Shorenstein:** Ron Brown, because he was close to Jesse Jackson and Jackson had made some disparaging remarks about Jews. Ted Kennedy called me and said he supported Ron Brown to lead the Democratic National Committee. They were looking for Jewish support. So I and Bruce Lee, a labor person, UAW regional director, met with Ron Brown and took him to a 49ers game and gave him some funds to start his campaign.

I convinced Bruce Lee that the unions go their way and the business community goes its way, and a lot of times it's counterproductive to getting a candidate elected—but if we worked closely together, we'd have the greater potential of electing a candidate. So Bruce Lee took the leadership on the union side and I took the leadership on the business side, and we raised lots of money.

**Question:** How did you know him?

**Walter Shorenstein:** I consulted various people in Sacramento: "Who is the labor leader most inclined to understand that working with the business community would make a lot of sense?" I was introduced to Bruce. Bruce understood right off that the name of the game was to get a person elected instead of having us go in different directions. He mobilized all of the other unions to come along, and I got the business community to come along. We raised an enormous amount of money, through a series of incredibly successful events.

**Question:** Why do you think Clinton was able to overcome the scandals, the rumors and innuendo dogging him, and Dukakis four years earlier wasn't able to get past the Willie Horton issue?

**Walter Shorenstein:** Well, there are extraordinary people in this world. Roosevelt, Churchill, and other great leaders have an extraordinary quality that helps them surmount the negatives. Clinton had the magnetism and the intelligence to overcome this kind of thing.

**Question:** When did you start to get to know him personally?

**Walter Shorenstein:** At a meeting of a small group of prominent Democrats who went to Little Rock to meet with him.

**Question:** This was before or after the New Hampshire primary

**Walter Shorenstein:** I think it was after New Hampshire.

**Question:** So it was pretty clear he was going to be the candidate?

**Walter Shorenstein:** Ron Brown had all of the polling showed Clinton would win. The big question at that point was this whole question was what Ross Perot would do to the mix.

**Question:** The Republicans do sometimes say that Ross Perot stole the election from George Bush. How well do you think Clinton did when he came to Washington and started appointing staff and things like that? How quickly did he settle into the Washington world?

**Walter Shorenstein:** He misstepped, and it was extraordinary that he was able to live down the fact that when he came in, the first thing he got involved with was gays in the military. That disturbed the military and a lot of other people. It was a bad signal as to how he would function by taking on a tough issue like that as his first step. It was highly controversial. He had a pretty good staff. And the House and Senate were more or less going along.

Clinton's people handled Tip O'Neill and the other members of the Washington establishment very well. I think that Clinton and his staff and, of course, Hillary [Clinton] were political animals. They handled things differently than Carter did.

**Question:** How often did you see Clinton?

**Walter Shorenstein:** Whenever he was out here, which was pretty often, and whenever I was in Washington.

**Question:** He appointed you to the board that oversaw AmeriCorps, the national service organization?

**Walter Shorenstein:** National service, yes. That was one of the first appointments. And it required congressional confirmation, so I had to fill out every form under god's creation, tell every detail about your life from the time that you were a kid—you really realize you've been validated after you go through one of those confirmation things, and the FBI does a complete dossier on you and all that stuff.

**Question:** Did you have to testify before Congress?

**Walter Shorenstein:** No, I didn't, because there was nothing controversial. Ted Kennedy handled it all the way through.

**Question:** Would Clinton call you up to ask you for advice on things?

**Walter Shorenstein:** He operated pretty independently—he and his staff. You didn't want to interject yourself.

**Question:** Did you have any opinions about the health care reforms that Hillary was trying to effect? Did it make sense to you—what she and her commission were proposing?

**Walter Shorenstein:** I didn't get involved

**Question:** But as a businessperson, you look at these things. You might be able to say, "Well, this makes sense from a business point of view. This doesn't make sense."

**Walter Shorenstein:** I didn't get involved with that. Whatever they wanted to do was fine. What they wanted to do made a lot of sense, but they handled it the wrong way. If you look back at the reforms that she wanted to make in medical care, they would have been very significant. Our medical care has been a mess ever since. But the drug lobby spent a huge sum of money to negate what she was trying to do. I think she made a mistake of personalizing it and not making it a party thing. And keeping it so secret. But she wanted to make it her issue so that she would create a power base for herself.

**Question:** Were there issues that you really felt very strongly about, where you wanted your opinion to be registered?

**Walter Shorenstein:** I think of the so-called social compact that Hubert Humphrey promoted. In a way, that was what interested me most. The interests of the social elite and the special interests were not necessarily my major interests, politically.

**Question:** I wanted to shift back to '94 and the congressional elections. Was the Democratic Party prepared for that election? Did they understand how successful the Republicans would be in taking control of both the Senate and the House?

**Walter Shorenstein:** Well, Clinton recognized that when he passed the balanced budget. I think it was by only one vote. And the Republicans put together huge sums of money,

headed by right wingers. The Democrats didn't do anything to counteract the right-wing juggernaut.

**Question:** Why not?

**Walter Shorenstein:** What's that word? Benign neglect—they didn't recognize what was happening. Ultimately the Democratic Party has become the party of the Northeast and the West—California, Oregon, Washington—but everything in between and in the South went Republican

**Question:** Were there discussions between you and others in the Democratic party about how to counter the Republican offensive? How to take back Congress?

**Walter Shorenstein:** Well, there are always discussions—but to give them more money. They always feel that they are so close. I had the statistic, I think it was a shift of either five votes per district would have made the difference. Labor put the most money into electing the Democrats, and of course, the Republicans had huge sums from corporate America and the right wingers.

**Question:** Well, many people thought Clinton should have resigned when the Lewinsky affair blew up in his face. What was your opinion at that time?

**Walter Shorenstein:** My opinion is, how outrageous is it for Bush, Sr., to be involved with the Carlyle group and the Arabs, and get \$15 million or \$10 million out of the Global Crossing debacle? How involved is "Bush II" [George W. Bush] with the Enron scandal? The Republicans had a way of blowing up and magnifying personal conduct, personal foibles, which never hurt anybody, or were just private issues. No one can tell me that "Bush II" was not up to his eyeballs in Enron and its scandalous dealings. That was happening in his state. What happens in the personal sphere can be outrageous and detrimental, but it didn't hurt anybody the way the fall of Enron hurt people who lost their jobs and their pensions. So, this whole holier than thou kind of approach is completely inappropriate. I certainly didn't approve of the way the Republicans conducted themselves in the impeachment process. Or how much money they spent persecuting the Clintons because of Whitewater, which was a \$100,000 real estate deal. They magnified it so far out of proportion. I thought it was unreasonable that the press and media pounced on it, but they love that sort of thing. If you write the history of the times, it should reflect how extraordinary his administration was in the face of relentless attacks from the forces that were determined to bring him down.

I'm always a person for results. I think the success of the Clinton administration is the whole idea of the balanced budget and the reduction of the debt overhanging the economy. He had Bob Rubin and Laura Tyson, and some extraordinary people on the Council of Economic Advisors, and he left them alone. I've been told story after story about politicians and others who were opposed to things that were done on the economic side—for instance, the Mexican bailout; the political people told Clinton that that would be very bad politically, but he backed Bob Rubin to go ahead with the bailout, which was

the right thing to do. Through their fiscal policies they were able to counter the Russian debacle, economic declines in Asia, Brazil, Japan, and so forth. We had a strong economy through all this. They did not become partisan through any of this.

**Question:** Well, it doesn't seem there was much reciprocity. The Republicans still remained sharply critical

**Walter Shorenstein:** That's why I'm not a Republican.

**Question:** It has been recorded that you declined to contribute to Clinton's legal defense fund. That's what I've come across in preparing for this—I just wanted to confirm that that was the case.

**Walter Shorenstein:** I was not opposed to it, but I didn't feel that it was something I would want to lend my name to. They were raising enough money and I did not want to have my name in the forefront on the issue.

**Question:** Do you think politics was nastier in the nineties than in the sixties when you started?

**Walter Shorenstein:** No nastier than very highly competitive businesses. If you're successful, people are going to throw rocks at you.

**Question:** Now, there are several other large, important donors to the Democratic Party in the Bay Area. There are not a whole lot of you, but there are a number of you. Do you communicate with each other in any way?

**Walter Shorenstein:** Not that much. No. They do what they want to do.

**Question:** So there's no coordination. You've discussed Ben Swig—

**Walter Shorenstein:** That was a different atmosphere. Different times. And the amounts were smaller. Now, unless you write a big check, you don't matter.

**Question:** But there are a number of you who write very big checks every year.

**Walter Shorenstein:** That's to help the cause. What you believe in.

**Question:** Do you see Clinton on a regular basis since he's left the White House?

**Walter Shorenstein:** I've seen him from time to time. I saw him in New York recently. Every time he's out here I get a call to be with him and so forth, but it hasn't really worked out.

**Question:** I was wondering how you perceived him developing since he's left the White House.

**Walter Shorenstein:** He's begun to adjust to it. It's a terrible adjustment to have to make, but he's beginning to adjust. And no matter where he goes, he gets a huge outpouring of support from people.

**Question:** It does seem that since the 2000 election, you have become involved in trying to keep the Democratic Party afloat. Are you taking on the role of the "wise man"?

**Walter Shorenstein:** I don't think so.

**Question:** No?

**Walter Shorenstein:** I mean, they would like to have me do it, but I'm willing to sit back and let other people do things.

**Question:** Do you have your favorites for the 2004 election?

**Walter Shorenstein:** Well, I'm very close to [Dick] Gephardt and [Tom] Daschle, and people like that. But someone will emerge as the candidate in the course of things. I have too many friends in there to pick one against the other.

**Question:** What was your participation of the '98 governor's race here in California? Did you support any of the candidates?

**Walter Shorenstein:** I helped convince Gray Davis that he should run, and gave him the [seed money] to do it. Willie Brown and I told him that even though [Al] Checchi was going to spend jillions of dollars, we didn't think that Checchi would emerge as a strong candidate. I was especially emphatic about this. The public was so fed up with [Michael] Huffington spending the money he spent. When Jane Harman came in—Jane Harman's husband called me and said he was going to put \$10 million in the campaign and wanted me to join him—well, I didn't think Jane Harman would emerge as a viable candidate. When Dianne [Feinstein] bowed out, I thought the constituency would be there for Gray Davis. It turned out that way. I was the one who encouraged him to run.

**Question:** How well did you know him?

**Walter Shorenstein:** I supported Gray Davis from the time that he first ran for assembly, so over the years I think I was as close to him as anybody.

**Question:** I noticed also in—I guess it was '99—you did give a lot of money to Willie Brown—it was very late in the campaign apparently, from what I read. So you were sort of intending to stay outside of the mayor's race, and then towards the end you decided to give your support to Brown.

**Walter Shorenstein:** I always supported Brown. Whether I gave him my money later or early, I was a Brown supporter.



## Harvard, Stanford, UC Berkeley

**Question:** What are your strongest interests right now?

**Walter Shorenstein:** Well, my greatest interest is in the Shorenstein Center at Harvard, and the various programs we're doing there. I'm committed to it, very involved. I'm involved in developing a center in Washington for the Shorenstein/Harvard operation. I'm very involved with the center. Laura Tyson and I just had a seminar in Portola with the UC Berkeley Business School, on the impact of technology on our economy. We hosted a very impressive group of people.

**Question:** That's the annual event that you've been doing about three years now?

**Walter Shorenstein:** Yeah, so we do that. Bill Perry's going to have a group in Portola. I'm having another group in Portola, which I'll probably do with the UC Berkeley School of Journalism [and] some leading deans in the School of Journalism, and Alex Jones, who is the director of the Shorenstein Center is going to be there.

At the Asian Pacific Studies Program at Stanford, I'm having Jimmy Carter come to speak. And, if I'm bringing Jimmy Carter, it's got to be successful. Whatever I do at Harvard has got to be very successful, so this takes a lot of time and personal attention.

**Question:** What kind of impact do you hope that these events will have? Who are you trying to influence through these various types of seminars and public events?

**Walter Shorenstein:** Well, you've got world-class institutions with world-class minds addressing world-class issues. When Harvard gets involved in anything, it's very significant. You can bring a group of major Israeli journalists and Arab journalists to talk about some of the most important issues of our time. We can influence the technology sector in a global society. That's major.

I'm very much focused on my commitments at Harvard and Stanford. The social responsibility of corporate America, post-Enron, post Global Crossing, is a major concern. The major buyers of Wall Street products are the pension funds, the charitable institutions, and they influenced South African policy, tobacco legislation, and so on. So you see the link. Our economic confidence has been eroded due to the scandals among lawyers, accountants, Wall Street, bankers. These are very important issues for us at the Shorenstein Center and elsewhere.

**Question:** How do these ideas get generated?

**Walter Shorenstein:** We just talk back and forth.

**Question:** You and the dean?

**Walter Shorenstein:** Well, the dean's involved, but it's more with the director, Alex Jones, and Marvin Kalb and Graham [Allison].

**Question:** So you're always on the phone kicking ideas around?

**Walter Shorenstein:** Talking about what we should do and how we should approach it.

**Question:** You have talked about scandals and an erosion of public confidence. Do you think the Republicans stole the 2000 election from Gore and the Democrats?

**Walter Shorenstein:** Oh, obviously. No question about it. Not even a slightest doubt that Jeb Bush and his people did whatever they had to do, allowing some people to vote, making it impossible for others to vote. The Republicans have an arrogance, and maybe that is part of what motivates me to support the Democrats. It's typical country club kind of atmosphere. When you look at the smugness of this fellow Baker and how he maneuvered everything, it was beyond belief. It also indicated the ineptitude of the Gore people, even though they put some heavyweights in there. The lawyer they had was extraordinarily good.

Orville Schell of the Journalism School at UC Berkeley hosted a group of ten deans of the various Journalism schools, and then they had the Knight Fellows down to my home for a dinner. There was a whole group of people from Florida's newspapers, and I said to one of them, "You guys were up to your eyeballs in this thing. What's your conclusion?" He said, "They stole it." And the Supreme Court made their decision about the matter based on their own careers. They didn't vote on the facts. They were not impartial.

**Question:** How well did Gore handle it himself, in your opinion?

**Walter Shorenstein:** It was a very bad campaign, considering the fact that he had everything going for him. He had the economy, and full employment. So much money was spent by and on campaign consultants, and I don't think they handled it well.

**Question:** In today's environment, what's the alternative to campaign consultants?

**Walter Shorenstein:** I think if someone got on top of key issues that concerned the people, and brought various groups together, it could be a great thing. Political campaigns used to rely on grassroots activism, street smarts, getting people registered and get out the vote, and so forth. I think in the last election in San Francisco, the turnout was in the 20 percent range, or something like that. So, there has to be a whole new take on political campaigns.

**Question:** Given what happened in 2000, what's your gut instinct about how Democrats ought to handle the 2002 and 2004 elections?

**Walter Shorenstein:** Well, as far as Bush is concerned—well, we sponsored a seminar at Stanford of all the top people. I think it was Helmut Schmidt, former Chancellor of

Germany, who said that Bush is not too smart, and Ronald Reagan wasn't too smart. When I was at Harvard, Kim Campbell was a Canadian foreign minister, or she was one of the ministers in there—she's now a fellow at the Institute of Politics. She said that when she met with Bush, and told Bush that Canada is one of the major trading partners of the U. S., he indicated that this was news to him. And Schmidt was saying, in Bush we have someone who's never been to Europe, leader of a superpower, the superpower.

Let me kind of put it another way. Al Gore said he would come to Harvard to give a lecture. Graham Allison said to him, "Pick a subject." He decided to talk about the environment, and this is in front of an audience of world experts on weather, climate, et cetera. And he held his own. More than held his own. He was playing a leadership role. He had the intelligence to do so. He was credible on a subject of great importance, global importance. And that helps us on the international level. We need that kind of intelligence to address the problems we face. And we don't have that in George W. Bush.

**Question:** Would this be a good time to do a little background on the center?

**Walter Shorenstein:** Well, it could be.

**Question:** Do you want to talk at this point a little bit about your daughter Joan, after whom the center is named?

**Walter Shorenstein:** Well, Joan [Shorenstein Barone] was not a self-promoter. She did not want to see herself in the limelight. She was introspective, or introverted. Many people would have poured money into breast cancer research in her name, but that seemed not the best thing to do. I had seen something of that world when Joan was sick. I had talked to Ted Kennedy—his son had had cancer, and Hubert Humphrey had some problems with this, too—and they suggested I see the director of the National Institutes of Health. They set up a meeting with the chief of the breast cancer division of the National Institutes of Health, who then put Joan in the hands of two of his brightest young scientists who were based in Washington. They kept her alive for ten years. In those ten years she had just an extraordinary career.

She had produced the Washington segment of the Dan Rather Show at CBS Evening News, so she was close to Dan Rather, Diane Sawyer, Leslie Stahl, Al Hunt, David Broder, Bob Graham, the son of [Katherine] Graham of the Washington Post. We had a brainstorming meeting, and they suggested that I go to the Kennedy School. So, it was set up for me to meet with Frank Stanton, former head of CBS who was at the Kennedy School of Government at Harvard. Jonathan Moore was part of the Institute of Politics, and they had me meet with the President of Harvard, Derek Bok. He indicated that they would like to establish a center for the study of the press, politics, and public policy at the Kennedy School.

They had me meet with Graham Allison, who was the dean of the Kennedy School. They outlined their program. I then met with my committee, including Al Hunt, DC Bureau Chief for the Wall St. Journal and Bob Graham of the Post. Then it all started. And

maybe I had about \$1 million or \$2 million in mind. But as things unfolded and they named the center, they realized that I wanted to accomplish something important in Joan's name.

They were smart to know that I was vulnerable to their suggestions. They lead you very cleverly, universities. I told Graham, "Don't promote a promoter." But somehow I gave \$5 million. Then that got to \$10 million. Then we got to \$15 million. [That's] how it was funded, but it was all evolutionary. At the beginning, they very proudly said they were recruiting Nelson Polsby out of Berkeley. Soon after that, my so-called advisory committee said, "That's not going to work."

**Question:** Meaning having Nelson Polsby?

**Walter Shorenstein:** Having Nelson Polsby—now Harvard only has academics at the head of a center. They don't bring practitioners in. The faculty wants one of their own. I think it was Al Hunt who said, "Hey, this thing isn't going to work. What you need is a practitioner. You don't need a political scientist. You need someone who understands the media." When I went back to Harvard, they said, "Well, Harvard does not bring eminent practitioners to head any of their centers." Harvard didn't think that anyone would come from Washington up to Cambridge. The professor's salary was I think \$70,000 or \$80,000 at the time, not comparable to what they could make in Washington.

Maybe they were patronizing me, but they said, "Well, you can do a search. If you come with up somebody, we'll see whether it's acceptable." Lo and behold, I think there were four or five good candidates. I guess they were looking for alternatives to careers as working journalists. There was a lot of burn out. Joan used to try to explain it to me, but I didn't quite understand what it was all about. She'd say, "Do you realize that there are only four or five good jobs in media: New York Times, Wall Street Journal, CBS, ABC, NBC. Do you realize the number of people graduating from journalism schools, and all the staff at every one of the small stations throughout the country? They all want these jobs. These people who have the jobs are under tremendous pressure every day. And some of them would look very favorably at the prospect of going up to Harvard."

So, to make a long story short, Graham Allison finally, who was dean, bought into the idea. Polsby was really not happy there and they weren't happy with Polsby. I think he's a very independent thinker. Whatever it was, Polsby came back to Berkeley, and then Marvin Kalb became director of the center.

**Question:** Who exactly selected Kalb?

**Walter Shorenstein:** Graham Allison, dean of the Kennedy School, created the Kennedy School under Bok. Graham Allison was an entrepreneur and an operator, but also very smart and very creative. He's now head of the Belfour Center, and I'm very close to him. Like all institutions of its type, they never have enough money. No matter how much money they have, it's never enough money. I think Graham Allison made promises that he couldn't fulfill.

Then, [Robert] Putnam, who just wrote the book, *Bowling Alone*, was the dean because he was the faculty's choice. The faculty no longer wanted [a promoter] of the Graham Allison type. They wanted one of their own. Putnam is a wonderful man, but he was way over his head, because the fundraising completely took over. Putnam wanted to phase himself out, and I was on the search committee. It was obvious that Al Carnesale, who was Graham Allison's deputy, would be the right person for it. Al Carnesale took over, and things went very well with Al Carnesale in place. You needed the president of Harvard to bless things like the Shorenstein Center because Harvard is very insular, and it's very protective of its brand name. It didn't want to offend the Republicans by being too Democratic in association with me. Some of that did occur. They didn't want Harvard's name used as the lead in some stories that came out of the work at the center. But Marvin Kalb handled that quite well when he became director. Marvin Kalb had a difficulty establishing himself with the other heads of centers and the rest of the university, because they looked down upon anybody that didn't have all the alphabetical letters after their name.

Al Carnesale, in addition to becoming dean of the Kennedy School, became provost at Harvard, and then he also took over the presidency when Rudinstine had a leave of absence. He's a wonderful person who left Harvard to become Chancellor of UCLA.

We later created a Washington annex at the Carnegie Center, with Marvin [Kalb] heading it. Harvard, never really wanted anything off the campus, because they wanted to control any use of the Harvard name. We couldn't get enough help from faculty on the Washington annex. They wanted all information to flow from Cambridge.

**Question:** Let's return to the early years of the center, though, for just a moment. Talk a little bit about what you and Graham Allison had in mind for the focus of it.

**Walter Shorenstein:** Well, the focus of it was what Marvin Kalb was doing, which was very extraordinary. During the Gorbachev era, they brought the Russian correspondents over to talk about the way a free press works. They developed a project about American voters, who don't vote in great numbers, which is obviously a major problem in a democracy. They developed analyses of campaigns. They were in the forefront on many issues that needed addressing.

I found that the worst thing you can do is give money to universities and sit back, and let them decide how they want to spend it, so I was very proactive. They said I was more active than anyone that they've had there. I have been very active in the running of the Shorenstein Center.

**Question:** I want to ask you about the Joan S. Barone Award for excellence in Washington-based national affairs and public policy broadcasting. Did you endow that award?

**Walter Shorenstein:** The people she worked with set that up. Very unusual, and a real tribute. It's the only time that they've had an award at this annual dinner, and they didn't want any money from me.

**Question:** Well, I've read that she was very highly regarded. She must have known Marvin Kalb and—

**Walter Shorenstein:** Oh, yeah. They all worked together.

**Question:** What do you think of this issue of having a practitioner run the center versus an academic? Did you have a strong feeling about that?

**Walter Shorenstein:** Oh, obviously. Obviously, because the academics—all they do is study, study, study. But they don't have the connections.

**Question:** Other than the Washington branch of the Shorenstein Center, what would you like to develop there?

**Walter Shorenstein:** I want to see a gathering of the great minds in the world on Arab-Israeli relationships and relationships with all that part of the world. It's important to approach this from an academic standpoint, because politically no one's ever been able to get anywhere, and the consequences of a solution, or no solution, could be major - in the Middle East, in the U.S., everywhere.

Then, as regards corporate America, capitalism is built on confidence. The things that are coming out on Enron and Global Crossing are eroding the confidence of the so-called investing public. What chance do they stand investing their money in Wall Street, things of that nature, when they're being misled? Our plans around this are embryonic at this point, but through my connections with people at Coca Cola, General Motors, Chevron, the Wine Institute, we want to take a look at corporate governance and corporate responsibility, and how to restore the confidence of the investing public.

Politics will take care of itself, but there are much bigger challenges we can address with a forum like the Shorenstein Center. Only time will tell how much I will be involved in all of this. I did talk a while back at the APEC [Asia Pacific Economic Cooperation] Conference in Kuala Lumpur.

In response people said, "Here you are, you've created your own business, you have these academic things—how can we work with you to accomplish our objectives?" So here I am involved with these world-class institutions: Stanford, and Harvard, trying to see what we can accomplish for the social and public good.

**Question:** I can see why the timing is good for companies to distinguish themselves from an Enron and so on. Now, since the Shorenstein Center was set up around the media, I wonder what do you think is the media's role in all of this?

**Walter Shorenstein:** Corporate America is taking a hard look at how it can influence the public, and what better place than the Shorenstein Center at Harvard, and its connection to the media, to start from? And we can involve the law school and the business school in these discussions. It's a very ambitious vision.

**Question:** Well, we can't accuse you of thinking small.

**Walter Shorenstein:** We didn't get where we are by thinking small. Most of these things evolved when people said this or that was impossible to do. But you find a way to do it.

**Question:** Could I get you to talk a little bit more, though, about The Shorenstein Center, and how you decided to establish the Washington office, which was just a few years ago?

**Walter Shorenstein:** Well, we realized how difficult it is to get the important people from media and the political world to come from Washington up to Cambridge. Why not bring the center to where all the people are? It was something that Marvin Kalb and Al Hunt wanted to do though Harvard was very reluctant, for reasons I have explained.

Harvard constantly reminds you that it's an academic institution and it has a teaching mission. That's its focus. The center has seventeen courses. They're well attended. That's the basis of The Shorenstein Center. Outreach is something else again, but they're always reminding you, "We're a teaching institution."

**Question:** Do you get involved in the teaching aspect of it?

**Walter Shorenstein:** No, not too much. That they set up within themselves.

**Question:** Would you talk a little bit about September 11<sup>th</sup>, and how that has had an effect on the work of the Shorenstein Center?

**Walter Shorenstein:** September 11<sup>th</sup>, in my judgment, will be a defining moment in the period of history, comparable to Pearl Harbor or the Civil Rights movement or the fall of the Berlin Wall. This is going to be a defining thing in the history of this country, because this country thought it was so very powerful that if it created a great military that it would be dominant. All of a sudden, they realized that it's not so. September 11<sup>th</sup> affects everything, although we want to put our head in the sand and not recognize it. It takes one nut to go into Grand Central Station and blow it up.

**Question:** Is the center doing anything specific related to that'!

**Walter Shorenstein:** Well, there are other centers at the Kennedy School and at Harvard generally that concentrate more on international and strategic issues—that's not our role. Although we will bring eminent journalists there to discuss the subject.

**Question:** Tell us more about how you influence the programs at the Shorenstein Center in Cambridge and in Washington?

**Walter Shorenstein:** Well, I have discussions with Alex Jones, who is the director, and Marvin Kalb, to determine what would be of interest. Washington is a city where many things go on. People don't turn out unless it's something very significant. As an example, when President Clinton had not been in Washington because he would be interviewed on the Mark Rich pardon and nothing else thing, we convinced him, upon his first visit to Washington since leaving the presidency that we could invite him under the auspices of the Shorenstein Harvard Center to a symposium on how media treats race. We thought that an engagement like this, under the auspices of Harvard, on such an important subject, would be an excellent way for him to return to Washington. And of course this would really be his subject. This was at a lunch in Washington that was very well attended by all the media people. We also hosted Bob Rubin, when he was Secretary of the Treasury.

**Question:** Now, where do these ideas come from? The symposium on race, for example.

**Walter Shorenstein:** Well, when you talk to Alex Jones, who is the director of the Center, and talk to Marvin [Kalb]. What do you think would be the subject matter that would be appealing?" And they said, "How the elections were conducted in Florida and the whole race issue."

So, we talked to Clinton's people, because, at this particular moment in time, Clinton is being controlled by a lot of gatekeepers, because what they're trying to do is get him a lot of money for speaking engagements. We were trying to get him at no cost to ourselves to do something significant, something that would be good for him.

**Question:** So your role is one of somehow brainstorming behind the scenes?

**Walter Shorenstein:** Oh yeah. We don't say "behind the scenes"—just brainstorming. You must remember that Harvard means a lot when you are trying to bring in the best people. The major influence was, if you're going to do a thing on press, politics, and public policy, where better than the Kennedy School? And there's only one Kennedy School, so you can't go to Princeton, Columbia, or Berkeley, even though Orville Schell does a good job. You've got to have something in the East. So, you know the Boston-New York-Washington corridor is still very extraordinary, from an intellectual standpoint.

This kind of access allows you to concentrate on major issues, the way the press and politics work in a global society. As an example, and I think I may have mentioned it before, when Russia converted from controlled press to an open press, they had their correspondents invited to the Shorenstein Center to see how an open press operates. And we have a lot of Chinese scholars coming in.

**Question:** Well, it's a certainly a fitting tribute to your daughter. I read some background about the center, and people were saying that she was just passionate about politics, very interested and informed. Did she get that from you?

**Walter Shorenstein:** I imagine so.

**Question:** Did she talk to you much about her work?

**Walter Shorenstein:** Not fully. She wanted to feel that it was her thing.

**Question:** I believe she used her married name, Barone. Did people around Washington know she was a Shorenstein?

**Walter Shorenstein:** Not until later on. She wanted to establish herself.

**Question:** Let's move on to Stanford, shall we? Maybe you could start at the beginning and tell us how you first hooked up with Stanford on the Asian Pacific issues.

**Walter Shorenstein:** Well, I served on the Asia Foundation board. And Bob Scalapino, who's at Berkeley, was on the board. I became aware that the future destiny of San Francisco and the Bay Area would be pretty much connected with the Pacific Rim. Since we have so many commercial interests in San Francisco and since there were indications that the twenty-first century would be the century of the Pacific Rim, I brought Bob Scalapino in. At that time, I was contacted by Daniel Okimoto, who was head of the international studies program at Stanford. He interested me in some of their programs and what they were doing. So, bit by bit, I tilted towards Stanford, partly because Berkeley was in the midst of some changes and budgets were being cut. It was a lot easier dealing with Stanford. As a private institution, it's a lot more flexible. Ultimately, we created the Asia Pacific studies program.

**Question:** Well, certainly Asia and the Pacific Rim are important to the West Coast. Now, what was the source, though, of your personal interest in this? Did it converge with your business interests?

**Walter Shorenstein:** Well in 1964, President Johnson appointed me as the U.S. representative to a UN-sponsored Economic Conference of Asia/Far East. I guess that was the beginning of my interest in that area. Later someone pointed out that if California had a foreign policy of its own, it would be all tilted toward the Pacific. The East Coast had other priorities than the Pacific, while we in California were connected in so many ways.

**Question:** Tell a little bit more about Professor Okimoto and what he's working on. He's a political scientist.

**Walter Shorenstein:** He's probably one of the foremost authorities on Japan. But they had others. They had [Michael] Oksenberg.

**Question:** The lecture series named after him?

**Walter Shorenstein:** He was the foremost expert on China. When the presidents went to China, they would take Mike Oksenberg along

**Question:** Then how did you make your financial arrangements with Stanford for all of this? How did that evolve?

**Walter Shorenstein:** Well, having had the experience of negotiating with Harvard, I used my experience and created a structure that was somewhat better than the structure that I negotiated with Harvard. It's okay. It's working out. They're doing their part, and I'm doing my part.

Stanford, of course, has had such an enormous ability to attract other funds, besides my own, through Silicon Valley. It worked out that I was supplying 50 percent of the funds at Stanford, and they got the other 50 percent. At Harvard, it's 100 percent my funds.

**Question:** Do you travel regularly to East Asia? To Japan?

**Walter Shorenstein:** I used to. I gave that speech in Kuala Lumpur, but after that trip—which was what, three or four years ago—I came back exhausted.

**Question:** Since '98, though, they've had the Walter Shorenstein Forum at the Asia Pacific Study Center. Talk a little bit about how that got going.

**Walter Shorenstein:** Well, that's when we started. I used to make annual contributions. Then, instead of having annual contributions, we created a fund. So they have sufficient funds to sponsor the Shorenstein Forum.

President Carter just came to speak. That went very well. Extremely well.

**Question:** Did you personally invite President Carter to come. How did the arrangements get made?

**Walter Shorenstein:** Well, I was close to President Carter. I knew that he had a relationship with Mike Oksenberg, who had passed away, and we were establishing the Oksenberg lecture. I thought it was most fitting that Jimmy Carter be our first speaker when we established the Oksenberg lectures. We're establishing the Oksenberg lectures pretty much along the lines of the Theodore White lectures at Harvard. We're going to try to alternate it between a U.S. speaker and someone from Asia.

**Question:** You also established the Shorenstein Scholars at Stanford; Bill Bradley was a Shorenstein Scholar, I think.

**Walter Shorenstein:** Before we formally established the Shorenstein Center, I gave individual donations to bring distinguished scholars like Bill Bradley and Mike Mansfield, who was ambassador to Japan.

**Question:** And then, there's the Shorenstein Award, which is joint with Stanford and Harvard. Tell me a little bit more about what that is.

**Walter Shorenstein:** Well, we created the idea of a media award for the person who had the most significant impact on the relationship with Asian Pacific nations in the United States. Since the Shorenstein Center was devoted to the study of the press and politics, it was a natural to combine them with the Stanford and the Asia Pacific studies program and have them both work together.

**Question:** I note that Stanley [Karnof] was chosen this year.

**Walter Shorenstein:** They had a very eminent committee to make that selection. I didn't ask for a vote on that committee; I left it up to them.

**Question:** Has this encouragement helped Stanford and Harvard to work together in any other ways?

**Walter Shorenstein:** I think we can get them to do it, if we decide on it. This was a very successful venture. This year the award was presented at Stanford. Next year, it'll be presented at Harvard. We're going to alternate.

**Question:** In your real estate business, did you have clients that were from China, Japan or Korea?

**Walter Shorenstein:** Our clients were usually people we knew. Deals evolved out of relationships. We didn't seek to have any Chinese clients or Japanese clients. We never wanted to take on more business than we could handle. So, whatever I did at Stanford, on the academic side of things, was separate from my business interests.

**Question:** Well, should we move on to the Haas Center at Berkeley and talk a little bit about your affiliation with the business school?

**Walter Shorenstein:** Well, I was always connected to Laura Tyson while she was part of the Clinton administration. She wanted to do an annual symposium on the impact of technology on our economy. I was intrigued with Silicon Valley, but I never got involved until Laura asked me to put on this conference in Portola.

**Question:** How did you meet her?

**Walter Shorenstein:** Well, I guess most everybody of significance who was in the Clinton administration, I'd meet at one time or another.

**Question:** Did you have much of a chance to see how she operated as an economic adviser and so on?

**Walter Shorenstein:** I felt they were doing a superb job. The success of the Clinton administration was because of the superior fiscal policies that were established by this group of people.

**Question:** Did you make your views on the economy known to this group?

**Walter Shorenstein:** There wasn't anything I could tell them that they didn't already know

**Question:** Mr. Shorenstein, can you tell us a little bit about what you are doing, though, with the real estate program at the Haas business school? I know you've done some visits to classes, or lectures, or something.

**Walter Shorenstein:** I've given an annual talk to Ken Rosen's real estate class at Haas. That's more or less the involvement. I guess in any talks to students at a business school, or any new programs I might fund and develop, I want to emphasize the role of corporate responsibility and credibility when it comes to the confidence you need in a thriving capitalist society.

**Question:** I want to come back to your loyalty to causes and people in which you believe.

**Walter Shorenstein:** Well, you find that loyalty is key in every area of life. Marriage, for instance. You find that your personal relationship is going to be as important to your future as what you do economically. You want to be certain that you marry someone who's going to be with you for the rest of your life. You see disasters where people are destroyed by going through divorces.

**Question:** I was thinking about loyalty, too. A theme earlier in the interview had to do with political loyalty, getting to know a politician and deciding to support them, whether or not you agreed with every policy—

**Walter Shorenstein:** I remained a loyal Democrat during these horrible periods of supporting Hubert Humphrey and McGovern, Dukakis, et cetera.

## The Vietnamese Orphan Airlift

**Question:** We'll start today talking about the orphan airlift in April of 1975

**Walter Shorenstein:** Ed Daly owned World Airways, which was based in Oakland. He had the contract to evacuate personnel from Vietnam, at the time of the fall of Vietnam. I got a call from his daughter who was evidently involved with some Catholic charities that helped orphans in Vietnam. She said Ed Daly asked her to get in touch with me because he was willing of evacuating these orphans, but needed someone to work with the State Department. State wanted to use all the airplanes to evacuate their personnel, and they were not being very cooperative about evacuating the orphans, even though he was offering his services for this good cause. You recall the bedlam in Saigon at that time, the helicopters at the embassy, taking people out. The panic. I wanted to be helpful any way I could.

I contacted "Scoop" Jackson, who was then head of the Senate Armed Services Committee, I think. I explained the situation to him. The powers that be wouldn't allow [Daly] to take off nor would they give him any landing rights. Once they got into the continental United States, they wouldn't give them any landing rights. Evidently, the State Department, Governor Jerry Brown, and others were just looking the other way. So, Scoop Jackson involved himself. I don't know if you've ever seen a picture of Ed Daly with a pistol, back of the plane.

**Question:** I didn't see a picture while I was doing my research, but I found a lot of references to it.

**Walter Shorenstein:** When he boarded the plane, they wouldn't let him take off. Now, most of these orphans had African-American G.I. fathers. The fear was that the Vietnamese would kill all of them off once the U. S. was gone. So it was important to get them out of there. But what would happen after they all arrived in here? How would they be cared for, medically and emotionally? When the press saw that Scoop was involved, they said he was preparing to run for president. But we were concerned strictly in a humanitarian way.

**Question:** Now how did you know Ed Daly?

**Walter Shorenstein:** He was involved with Pat Brown, Democratic politics. He knew of my political connections, so when he was looking for someone to spearhead this thing, I guess he knew to call me. Once he got the momentum going, it would have been an embarrassment for the Ford administration if orphans landed in this country and no one would take care of them.

**Question:** So all these children were children of U.S. G.I.'s?

**Walter Shorenstein:** Yeah, mostly. I would say so. But I think this was under the supervision of Catholic charities in Vietnam. It was arranged for them to land at Travis

Air Force base, the base where I served as quartermaster during World War II. Travis had the big hospital where they evacuated the wounded. From Travis, they were brought down to the Presidio. It was tremendous to see how the military nurses and the personnel at the Presidio arranged for mattresses to be put on the floor there. They created nurseries for all these kids. Then they had to feed them. As I recall, I got milk donated and I got food donated. We developed a momentum that brought all the things together at the time.

**Question:** Dan Flanagan says you were in on the early planning for all that, before the babies arrived.

**Walter Shorenstein:** Dan Flanagan, one of our employees, took the lead. He had the help of our secretaries and others to put this thing together.

**Question:** Now he of course had served in Vietnam. Is that how you chose him to manage the thing?

**Walter Shorenstein:** He was my employee. I used him for political purposes and all the other kinds of things. He was an Annapolis graduate, so he knew how to organize things. And then the person that used to be in Cindy Testa's position, Director of Public Affairs, Deanna Ponti. She helped coordinate all these events.

**Question:** What about Mayor [Joseph] Alioto—was he involved in your planning at all?

**Walter Shorenstein:** No. He wasn't involved. You didn't want everyone involved, though it got to be quite a popular cause for the politicians. You just wanted to get this thing done. It was urgent. The planes were in the air before we even knew that any arrangements were being made for them to land in Vietnam. Then the arrangements had to be made at the Presidio. As I recall, there were a lot of volunteers. The stewardesses of the airlines—they were all mobilized there. Then once these babies were registered here, the stewardesses would get on a plane to escort them to the adopted parents in Wyoming or South Dakota or wherever. The person who was a big force in this thing at the time, and really worked around the clock, was Ed Daly's daughter.

**Question:** That's Charlotte Behrendt?

**Walter Shorenstein:** Charlotte Behrendt, yeah. The military really were extraordinary in how they organized it and I guess they drew on all the medical personnel from all the bases.

**Question:** Was it Scoop Jackson's office that handled the political organization

**Walter Shorenstein:** They opened the political doors. I mean, the State Department was totally against it. The State Department just wanted U.S. personnel evacuated and they wanted all those planes for the U.S. personnel. This was not on their priority list. You can just imagine the hysteria about the fall of Saigon.

**Question:** Were there any problems with the State Department once the babies started arriving?

**Walter Shorenstein:** No. Once those babies started arriving, everyone backed off, not wanting to be accused of standing in the way of the rescue. Once all of the babies arrived, the care was really extraordinary. The Letterman Hospital at the Presidio was very, very well organized. We did not have anything to do with the care. We just had to organize things, open doors, to make it possible for the babies to come here safely. And Harmon Hall at Crissy Field was used to house the babies. They were all on the floor.

**Question:** Why did you want to become involved in this?

**Walter Shorenstein:** Seemed like the right thing to do. When I'm challenged to do an impossible thing, whatever that impossible thing is, I become very motivated, in a way. Was Humphrey still alive at that time? Because most of the things I did politically, I'd call Humphrey's office. I was going to support Scoop Jackson for president, anyway. So, I was close to Scoop Jackson. And Scoop Jackson was a powerful individual. So why shouldn't I use that connection to do the right thing.

Everything that I've done, if you've noticed, I never went to somebody to publicize it: "Hey, I'm a good guy. Look at what I've done." We tried to keep as low a profile as possible. You see what publicity does for me. They said I was Manhattanizing San Francisco and destroying San Francisco. The pluses and minuses of that approach—I think it did us more good to proceed that way than if I had glorified myself and what I was doing.

**Question:** And you were the man who could ask Scoop Jackson to do this.

**Walter Shorenstein:** Yeah, oh yeah. It was just one telephone call, I think. As I recall, it was one telephone call. Explained to him, I think his staff and so forth, this good thing for you to do. You should do it. He grabbed right onto it.

**Question:** Do you think this story should be told now?

**Walter Shorenstein:** Oh, I think it's a great story, for what happened to the kids, where they are, how they were brought up, whatever. I think that they all went, as I recall, to very caring people. It could be a great story, a book, a play, or a movie.



## Family

**Question:** What about raising your three children? There were decisions to be made about what schools to go, whether they'd go to summer camp or not, what temple to go to—how did those kinds of decisions get made?

**Walter Shorenstein:** They just did. They happened.

**Question:** They happened.

**Walter Shorenstein:** We didn't create any controversy over it.

**Question:** Was it Phyllis who took the lead in raising children?

**Walter Shorenstein:** I would say, to a degree. But where they went, what they wanted to do—it all evolved.

I don't recall any heavy decisions. No, the heavy decisions surrounded Joan's illness, I guess.

**Question:** Joan was born when, 1946? So she was right there, huh?

**Walter Shorenstein:** No, she was ahead of it. She was at Harvard while all this was going on.

**Question:** So, she didn't hang out in the Haight Ashbury?

**Walter Shorenstein:** No, no. Carole was more of a rebel, in a way. But it all worked out.

**Question:** How did she get involved with theater production?

**Walter Shorenstein:** When she was two, three, four, in the early days of television, she was always in front of it. They'd say, "When she grows up, she's going to be the world's greatest comedienne." And of course, later on, Joan became involved with "Meet the Press" and television. But that was something else again. I knew the head of United Artists and helped Carole get her first job. She went around the world doing publicity for a lot of things, the James Bond movies and so on. She was part of the publicity department. Then Phyllis wanted her to come back to San Francisco and not travel around the world. She saw Cyril Magnin and wanted her to get involved with ACT. So Cyril said, "If you want to get involved, you should contribute \$10,000 to ACT," which I did. And then there was feedback that Shorenstein thinks he can have his daughters involved in ACT and he's not going to do it for \$10,000. So that's when we decided, well, we'll create our own theaters. Ben Swig and I bought what was then the Golden Gate Theater.

**Question:** And it had already been converted to live theater?

**Walter Shorenstein:** No. Ben and I used to drive around the city and look at different properties we'd been offered. One of them was the Golden Gate. I said, "Well, if they can't run it as a theater, what makes you think we could?"

Even so, we decided to make them an offer which they accepted. The next thing you know, we own this theater. Then we found out that the only interest in the theater was from people in the porn business. Well, I knew George Steinbrenner—

**Question:** From New York?

**Walter Shorenstein:** From New York. And I knew that George was involved with theatrical productions. So when I was in New York, I said, "We own a theater in San Francisco and I'd like to get my daughter involved in the thing."

He says, "Well, you ought to meet Jimmy Nederlander."

The theaters in New York were run by the Shuberts and Nederlander. We met with Jimmy. I asked him to come out and look at the Golden Gate Theater, and he said, "That's a terrible neighborhood."

I said, "Jimmy, what do you got on Broadway? You think you got a better neighborhood on Broadway than this? People go to see the show." I said, "Civic Light Opera is moving out of the Curran Theater, and they're doing the Orpheum." I said, "Why don't we go see Bob Lurie and see if we can't rent that and we do something there. If it works out, then we'll do the Golden Gate later on." So, we saw Bob Lurie and we rented the Curran Theater. The important thing was having the Broadway connection we had. The Civic Light Opera didn't have that connection, so we would get the shows in there. They had certain connections with Shubert. I remember the first big show was Annie and that helped establish the Curran. The next thing was Evita. So we became established with that, and they had to go out of business. Then we fixed up the Golden Gate over and the Orpheum. We rent the Curran, but we own the Golden Gate and the Orpheum.

**Question:** It sounds like you're directly involved in the business side.

**Walter Shorenstein:** Well, we are. Now Carole she has four shows on Broadway. Two of them are up for the Tony. Two of them won the Pulitzer Prize. She's had four shows that won Pulitzer Prizes as a producer and six Tony's.

**Question:** And she selected the properties?

**Walter Shorenstein:** Yeah.

**Question:** Is this a wing of the Shorenstein Company, or does Carole have her own business as a producer?

**Walter Shorenstein:** That's Carole's, that's her own. Doug has the real estate business, Carole has the theaters.

**Question:** Do you enjoy the theater yourself?

**Walter Shorenstein:** To a degree. It depends.

**Question:** How many grandchildren do you have?

**Walter Shorenstein:** Five. Just great kids. Extraordinarily great. Three are Doug's and two are Carole's.

**Question:** And you see them pretty regularly?

**Walter Shorenstein:** Oh yeah. They're down to earth. They're good kids. Carole's son is fourteen. Carole wanted him to play football. She found a group in Marin City, mostly black players, but they didn't have a field to play on and she got to know the people in there who wanted to build things around athletics for the kids; otherwise their heroes were the drug dealers. They wanted to provide good alternatives. So Carole put the field together, in a way, and called it a field of dreams. She got Willie Mays and Barry Bonds in there. It was done with the United Way. But then the team that she ultimately wanted to have Wally play on was a team that was in the Fillmore District, and Wally was the only white guy on the team. Gracie became a cheerleader. Gracie is twelve now, she was about ten then. She became the only white cheerleader there, and that group won the Northern California competition. They went to Miami for the nationals.

Point being that Carole doesn't want them to grow up as snobs and so forth, and they understand that, so they're good kids. Wally became president of his Marin Country Day School and now he's going to high school.

And Doug's kids—Brandon, who's sixteen, is a sophomore.

**Question:** Here in San Francisco?

**Walter Shorenstein:** Here in San Francisco. He's totally into baseball. He's the first baseman on his high school team. His ambition is to be a professional baseball player. He's very dedicated.

**Question:** So you go to the Giants a lot with him?

**Walter Shorenstein:** Yeah, yeah. In fact, we're going to go on Monday. He's not one of these wiseass rich kids. Sandra and Danielle are Doug's daughters. They're all good kids. They're not being brought up as snobs, thinking they're better than anybody else because they got money. They're all down to earth.

**Question:** Are you hoping one of them will move into the business at a certain point

**Walter Shorenstein:** Well, I would hope so. That's why we never sold, really. We want to keep this a family business if we can.

**Question:** It's interesting that all three of your children ended up in some kind of leadership roles. Both Carole and Joan were producers in very different fields.

**Walter Shorenstein:** They became highly motivated. I can't give you a full reason for it, but they became highly motivated.

**Question:** Well, we can guess where some of it might come from.

**Walter Shorenstein:** I think that basically they had honesty and integrity. So, that was important. One of the things that really stuck early on was that they had to be honest. Phyllis, maybe, really made it clear to them they should never lie. Always be willing to tell the truth. I can't recall any of them lying. I don't think the grandkids lie. So honesty seems to be the hallmark.

I would say that Doug and Carole are very, very close. It depends on how you bond with your kids when they're young. And they were with their kids a lot and you see the closeness. The grandchildren all go to Marin Country Day School. They live in San Francisco and go over to Marin on a bus. Great kids, every one of them.

**Question:** Phyllis did so much for the Asian Art Museum. Did you have very much knowledge of how she operated in that world? Was she a leader in those endeavors?

**Walter Shorenstein:** Curators would say that she had one of the best eyes for so-called good pieces.

**Question:** The art itself.

**Walter Shorenstein:** In other words, she was on the acquisitions committee and all that stuff, involved in decisions about what they should buy. They'd respect her opinion.

**Question:** She was able to establish herself in that world.

**Walter Shorenstein:** People liked working with her. Particularly the staff, they really liked working with her. Eventually Phyllis became interested in the Asian Art Museum and she was the one who helped start it with Joe Alioto.

**Question:** Where did you and Phyllis decide to send your kids to school? Did they go to public schools or private schools?

**Walter Shorenstein:** Joan started out at public school, Carol went to public and Doug went to public school.

**Question:** It sounds like it was important for you to spend time with your wife and kids. You organized your business life to make that possible?

**Walter Shorenstein:** Well, Friday night, I never wanted to bring anything home. Friday to Monday, if somebody called me at home about business, even when I was just starting out, I wouldn't talk to them. I had the faculty of shutting it off when it was family time.

**Question:** How did you spend your weekends?

**Walter Shorenstein:** During the week, a lot of times on Saturdays, I'd take Doug and we drive around and look at properties, but he was small. If the circus was in town, or something, I'd take Joan and Carol. I'd take them to Golden Gate Park; they loved it. When they were young, they liked to feed the ducks there. Of course there was Playland at the Beach. During the summer, when we got a little more property, we'd rent places for the summer at Tahoe. When the kids no longer wanted Tahoe, we'd rent places either in Marin County or down at the peninsula for the summer.

**Question:** What were the circumstances of moving from Park Merced to Sea Cliff?

**Walter Shorenstein:** When I started making some money, Phyllis wanted to get a house. We located a house on 32<sup>nd</sup> Avenue for \$27,000, with, I think, \$5,000 down, or something like that. This was in 1955.

**Question:** This is the same house that you have here in the city?

**Walter Shorenstein:** Yes, just the same. So we had two houses I couldn't afford. We had a salesman selling Sea Cliff homes, and he took Phyllis around to show her homes, Eventually he came in and threw a key at me, and said, "Phyllis just bought a house" – which I still have.

[End of Interview]





Walter Shorenstein with daughter Carole, son Doug, and wife Phyllis in Shorenstein's office, circa 1990.





Walter Shorenstein with President Clinton at Shorenstein's house with 185 UN Ambassadors during the 50<sup>th</sup> anniversary celebration of the United Nations hosted by Shorenstein, 1995.





Walter Shorenstein with his grandchildren Brandon, Sandra, and Danielle, during the 50<sup>th</sup> anniversary celebration of the United Nations hosted by Shorenstein, 1995.





Walter Shorenstein with his daughter Carole, her husband Jeff Hays, and children Wally and Gracie, at the White House to donate a portrait of Dolly Madison to the White House, 1995.





Walter Shorenstein hosting Stanford Super Bowl party with Jeff, Phyllis, Leah Levitas, Carole, Lydia, and Doug, 1985.





Walter Shorenstein with future Speaker of the House Nancy Pelosi, circa 1989.





Walter Shorenstein (center) surrounded by his friends including Cyril Magnin, Ben Swig, Mayor Joe Alioto, and Adolf Schuman, circa 1971.





The first Shorenstein Center event with Frank Stanton, Dan Rather, Bob Erburu, Tim Russert, Al Hunt, President Carter, Graham Allison, and Walter Shorenstein, 1985.





Walter Shorenstein at the Vice President's residence with Al and Tipper Gore.





Walter Shorenstein with grandson Wally, 1987.





Walter Shorenstein hosting the Shorenstein Center Women's Network Anchor Event in New York. From left are Leslie Stahl, Marvin Kalb, Judy Woodruff, Shorenstein, Carol Simpson, and Jane Pauley, 1992.





Walter Shorenstein with his wife Phyllis and daughter Joan, 1947.





Walter Shorenstein hosting an event for the Say Hey Foundation with President Clinton and San Francisco Giant stars Willie Mays and Barry Bonds, 2001.





Walter, Doug, Phyllis, and Carole with Adolf Schuman.





Senator Clinton presenting Walter Shorenstein with a cake on his birthday during her presidential campaign in 2008.





Walter Shorenstein and Phyllis with President Carter at the founding of the Carter Center, 1982.





Walter Shorenstein with Secretary of State Madeleine Albright and Cindy Testa McCullagh at the Vienna Opera Ball, 2003.





Named Time Magazine's "Leader of Tomorrow" in San Francisco in 1953.





Walter with San Francisco business leaders, circa 1962.





Walter Shorenstein at the White House with Vice President Hubert Humphrey, circa 1966.



# San Francisco Chronicle

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## GIANTS TO STAY

*League Turns Down Tampa Bay  
— Lurie Considering Local Offer*



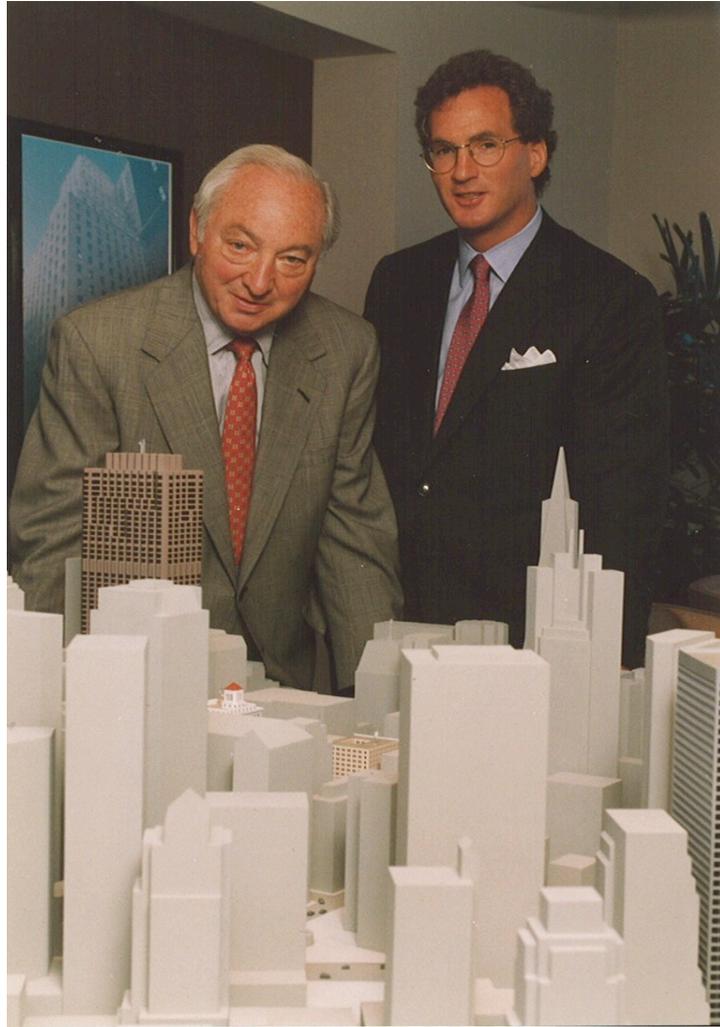
Champagne spattered S.F. Mayor Frank Jordan (left) and Walter Shorenstein of the local investors after the vote was announced





Walter Shorenstein & Carole Shorenstein Hays at theatre opening.





Walter Shorenstein & Doug Shorenstein.





Joan Shorenstein—dedication portrait at Shorenstein Center at Harvard.





Walter Shorenstein with Alex Jones, Judy Woodruff, Dan Rather, Jim Lehrer, Peter Jennings, & Tom Brokaw at the Shorenstein Center at Harvard, August 2004.